



Annual Report 2022



AGES – a leading manufacturing partner

AGES' offers large-series production of advanced precision components to leading players in selected customer segments. Driven production processes, an entrepreneurial spirit and cutting edge technological expertise create the conditions necessary to deliver the best solutions on the market while also ensuring cost-efficiency in production.

High-quality precision components

AGES is a Swedish industrial group with seven manufacturing units in Sweden and one in China. The company's own production concentrates on the manufacture of medium-sized to large series of products with extremely stringent quality requirements. We also offer international trading operations, a broad spectrum of quality products from a large and expanding network of sub-suppliers.

Our primary customers are in the automotive and engineering industries in Europe. We are a leading player with a clear focus on customer benefit, development opportunities and competitive solutions. Continuous investments in automated production equipment, in particular, ensure that our production units are modern, flexible and efficient.

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The statutory annual accounts, which have been reviewed by an independent auditor, are found on pages 38 to 75.



Die casting

AGES specialises in die casting of aluminium and associated post processing.

Machining

AGES supplies components produced through machining of materials such as steel, stainless steel, brass and aluminium.

Welding

AGES performs robot welding and manual welding of advanced, high-precision products.

Tooling

AGES designs and manufactures quality tools for die casting of aluminium which meet stringent market requirements.

Assembly

AGES performs assembly in which the majority of the material used comprises self-produced components.

Makes things easier

AGES is a full service provider (FSP), which means we take overall responsibility, making things easier for our customers. A one-stop shop where everything is available from a single group. We guarantee quality in term of deliveries, lead times and costs. Our capacity is high, with production in both Sweden and China, and our broad range of operations enables us to offer a great deal of flexibility. Customers should always feel safe in the knowledge that we offer reliable deliveries and top-quality products.

Customer structure

The Group's customer structure in relation (%) to sales in 2022.

52%	Heavy vehicle industry	4%	Industry
16%	Material handling	3%	Marine
11%	Light vehicle industry	1%	Medical technology
6%	Agriculture & Outdoor	2%	Other
5%	Infrastructure		





EVENTS IN 2022

- ▶ We continued our efforts to broaden the customer base and in the financial year we reached new customers operating in product areas that are new to us. We are seeing a growing trend of customers looking to move production closer geographically. The main reasons for this are to safeguard deliveries and reduce environmental impact. This will benefit our business model in the long run.
- ▶ We have good communication with our customers and in the financial year we held discussions on compensating for impacts relating to energy prices, raw materials and currencies. The response to price increases and other mitigating actions was generally positive.
- ▶ Our four machining production units performed well in 2022. The investments we have made in increasing capacity in recent years have meant that we have been able to meet growing demand from our customers in machining while maintaining high quality and delivery security.
- ▶ We were pleased and proud to receive the Stora Leverantörspriiset 2022 supplier award from the Scandinavian Association for Suppliers to the Automotive Industry FKG (Fordonskomponent-gruppen). This means our strong commitment to improving sustainability work in the metal industry and our initiative to share our experiences with our colleagues in the industry have been recognised and rewarded.
- ▶ Overall, 2022 was characterised by volume growth and improved results due to improved processes in many of our companies. This was particularly positive in view of the sharp rise in energy costs and materials price fluctuation. Orders received remained at a good level and we see no signs of a downturn. This means the outlook for the company in 2023 is favourable.



<h1>Q1</h1>	<p>NET SALES SEK 317 million (283)</p> <p>OPERATING PROFIT/LOSS SEK 11 million (18)</p> <p>PROFIT/LOSS BEFORE TAX SEK 9 million (15)</p> <p>EARNINGS/LOSS PER SHARE SEK 0.95 (1.76)</p>	<h1>Q2</h1>	<p>NET SALES SEK 355 million (291)</p> <p>OPERATING PROFIT/LOSS SEK 27 million (12)</p> <p>PROFIT/LOSS BEFORE TAX SEK 25 million (9)</p> <p>EARNINGS/LOSS PER SHARE SEK 2.89 (1.03)</p>
<h1>Q3</h1>	<p>NET SALES SEK 300 million (211)</p> <p>OPERATING PROFIT/LOSS SEK -4 million (9)</p> <p>PROFIT/LOSS BEFORE TAX SEK -7 million (8)</p> <p>EARNINGS/LOSS PER SHARE SEK -0.85 (0.98)</p>	<h1>Q4</h1>	<p>NET SALES SEK 347 million (285)</p> <p>OPERATING PROFIT/LOSS SEK 17 million (5)</p> <p>PROFIT/LOSS BEFORE TAX SEK 12 million (1)</p> <p>EARNINGS/LOSS PER SHARE SEK 1.85 (-0.12)</p>

Net sales

Year	Net sales (SEK m)
2018	1,100
2019	1,000
2020	800
2021	1,070
2022	1,319

Operating profit/loss

Year	Operating profit/loss (SEK m)
2018	57
2019	-115
2020	15
2021	51
2022	51

Key figures

Key figures		2022	2021	2020	2019	2018
Net sales	SEK m	1,319	1,070	814	1,002	1,099
Operating profit ¹⁾	SEK m	51	43	15	-115	57
Profit/loss before tax ¹⁾	SEK m	39	32	6	-123	49
Net investments in non-current assets	SEK m	54	66	28	90	54
Operating margin ¹⁾	%	3.8	4.0	1.8	-11.5	5.2
Profit margin ¹⁾	%	2.9	3.0	0.7	-12.2	4.4
Capital employed	SEK m	691	643	638	764	828
Equity	SEK m	401	365	335	335	473
Total assets	SEK m	986	1,001	867	911	1,086
Return on equity	%	8.9	7.3	0.2	-31.4	8.1
Return on capital employed	%	7.1	6.7	2.3	-15.0	6.9
Return on total assets	%	5.0	4.6	1.7	-11.5	5.2
Equity/assets ratio	%	41	37	39	37	44
Percentage of risk-bearing capital	%	45	41	44	42	49
Interest coverage ratio	multiple	4.6	3.9	2.2	-13.9	6.7
Average number of employees	number	482	491	496	557	628

For definitions, see page 83

¹⁾ Profit/loss for 2019 was impacted by goodwill impairment of SEK -150.5 million. The impairment loss was recognised in Q4.

Significant opportunities for new business and new customers

We were delighted to report an improved financial result in a year marked by huge challenges. Net sales increased by 23% to SEK 1,319 million and operating profit increased to SEK 51 million, up from SEK 43 million in the previous year.

Orders received were at a good level in the financial year, particularly in the second half of the year. We continued our efforts to broaden the customer base and in the financial year we successfully gained new medium-sized customers which operate in product areas that are new to us. The main challenges involved fluctuations in materials and energy prices and exchange rate fluctuations. The prices of raw materials and components rose in the first half of the year before stabilising and later falling, at the same time as our energy costs rose sharply. We managed the rise in costs through negotiations with our customers. The response was positive and the majority of our customers have been sympathetic to the price increases. We expect the adjustments in prices to have a positive effect on our performance for the full financial year 2023.

Our production units

Our four machining production units performed well in 2022. We

were able to manage fluctuations relating to availability and cost of materials which were largely due to the war in Ukraine. The investments we have made in increasing capacity in recent years have meant that we have been able to meet growing demand from our customers in machining while maintaining high quality and delivery security.

In die casting we were satisfied with the performance of our production unit in Kulltorp and our tooling company UB Verktyg. At the same time, there were some challenges relating to efficiency at the unit in Unnaryd in the financial year. Orders received were at a particularly good level in the second half of the year, resulting in the launch of a package of measures. The measures are aimed at improving efficiency and lowering costs. Certain strategic organisational changes have been carried out and others will be implemented in 2023. We estimate that these improvements will have a positive impact on results in 2023.



“As we look forward, we are able to identify several favourable trends. Secure supply chains, security and speed are becoming increasingly important competitive advantages.”

Outlook

As we look forward, we are able to identify several favourable trends. Relocation of production to the local area is continuing and secure supply chains, security and speed are becoming increasingly important competitive advantages. The war in Ukraine and its impact on the business climate has further reinforced this trend. Additionally, we estimate that electrification of the vehicle fleet will lead to significant opportunities for new business and new customers. Together with the work on expanding the customer base, these trends form the basis for our long-term strategic direction.

Other areas of strength are quality and sustainability, which are key areas for our customers. In October we received the Stora Leverantörspriiset 2022 award from the Scandinavian Association for Suppliers to the Automotive Industry FKG (formerly Fordonskomponentgruppen), which we are very proud of. The award recognises our strong commitment to improving

sustainability work in the metal industry and our initiative to share our experiences with our colleagues in the industry.

I would like to thank our employees, customers and suppliers for the year just ended and look forward to successful collaboration in the coming year.

Halmstad, March 2023

Anders Magnusson
CEO

The AGES share

About the share

- ▶ AGES' Class B shares are listed on Nasdaq Stockholm First North Premier Growth Market.
- ▶ The share capital amounts to SEK 35.1 million, divided between 1,822,200 Class A shares and 5,206,774 Class B shares. The quota value is SEK 5.
- ▶ Each Class A share carries 10 votes and each Class B share carries one vote. The total number of votes was 23,428,774.
- ▶ All shares have equal rights to dividends.

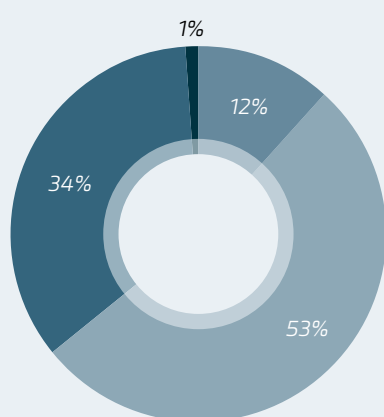
Share price performance

AGES shares are listed on Nasdaq Stockholm First North Premier Growth Market. The highest closing price in 2022 was recorded on 11 July, when the price was SEK 64.80, while the lowest price, SEK 36.60, was recorded on 30 December. As at 31 December 2022, AGES' market capitalisation was SEK 257 million, based on the closing price and total number of shares.

Key performance indicators		2022	2021	2020
Profit for the year	SEK m	34	26	1
Equity	SEK m	401	365	335
Total assets	SEK m	986	1,001	867
Return on equity	%	8.9	7.3	0.2
Equity/assets ratio	%	41	37	39
Percentage of risk-bearing capital	%	45	41	44
Cash flow from operating activities	SEK m	103	-22	130
Average number of outstanding shares ¹⁾	thousands	7,029	7,029	7,029
Average number of outstanding shares after dilution	thousands	7,029	7,163	7,029
Earnings per share	SEK	4.85	3.65	0.12
Diluted earnings per share	SEK	4.85	3.58	0.12
Cash flow from operating activities per share	SEK	14.59	-3.14	18.55
Total number of shares on the balance sheet date	thousands	7,029	7,029	7,029
Equity per share at the balance sheet date ¹⁾	SEK	57.00	52.00	47.60
Share price on the balance sheet date	SEK	36.60	60.00	49.60
Share price in relation to equity	%	64	115	104
Proposed dividend per share	SEK	0	0	0
Dividend yield	%	0	0	0

¹⁾ The number of outstanding shares was 7,028,974.

Owner category



- Financial companies
- Other Swedish legal entities
- Swedish legal entities
- Shareholders resident abroad

Shareholders

At the end of 2022, AGES had 1,229 shareholders. 1,183 of these were natural persons, of which 29 were resident abroad. The remaining 46 shareholders were legal entities, such as financial institutions, foundations and interest groups. The ten largest shareholders together controlled more than 95.7% of the votes and 85.7% of the capital.

Dividend policy

The Board of Directors proposes that no dividend be paid for the financial year 2022. It is the aim of the Board of Directors that dividends should mirror financial performance over an extended period and correspond to at least 30% of profit after tax.

Warrant programme

In 2021 AGES Annual General Meeting passed a resolution on a share incentive plan for group management, involving warrants for Class B shares. Of the 250,000 warrants that were issued, 230,000 have been subscribed for. The exercise price for the warrants is SEK 73.20. The exercise period runs from 15 May to 30 June 2024. If the subscribed warrants are exercised in full during the exercise period in 2024, it will result in share dilution of 3.17%.

Market maker and Certified Advisor

ABG Sundal Collier acts as market maker for AGES on Nasdaq Stockholm First North Premier Growth Market. Their function is to promote good liquidity in the share and ensure a small spread between the bid and ask price in trading on the stock market. Eminova Fondkommission AB acts as Certified Advisor for AGES.

Share capital, new issues, etc. since 2013

	Change in share capital, SEK thousand	Total share capital, SEK thousand	Total number of shares	Quota value
Opening balance		11,000,000	1,100,000	10
2013 Split 2:1	-	11,000,000	2,200,000	5
2013 New share issue (in connection with stock market listing)	22,944,870	33,944,870	6,788,974	5
2017 New share issue (acquisition of Hörle Automatic Gruppen AB)	1,200,000	35,144,870	7,028,974	5

AGES' ten largest shareholders as at 31 December 2022

	Class A shares	Class B shares	Total number of shares	Percentage (%) of votes	Percentage (%) of share capital
Anna Benjamin and related parties	1,282,200	740,200	2,022,400	57.9	28.8
Pomona-gruppen AB	540,000	1,563,545	2,103,545	29.7	29.9
Svolder AB	-	584,000	584,000	2.5	8.3
Stig-Olof Simonsson	-	357,289	357,289	1.5	5.1
ANO i Värnamo AB	-	240,000	240,000	1.0	3.4
Kennert Persson	-	201,203	201,203	0.9	2.9
Petter Fägersten and related parties	-	151,988	151,988	0.6	2.2
Avanza Pension	-	150,585	150,585	0.6	2.1
Eva Simonsson	-	140,000	140,000	0.6	2.0
Spiltan Aktiefond Småland	-	72,071	72,071	0.3	1.0
Total, ten largest shareholders	1,822,200	4,200,881	6,023,081	95.7	85.7
Other	-	1,005,893	1,005,893	4.3	14.3
Total number of outstanding shares	1,822,200	5,206,774	7,028,974	100.0	100.0

One Class A share carries 10 votes per share and one Class B share carries one vote.

Source: Euroclear

4.85

Earnings per share

1,229

Shareholders

64%

Share price in relation to equity

Share capital as at 31 December 2022

Share class	Number of shares	Percentage	Number of shares	Percentage
Class A shares	1,822,200	26	18,222,000	78
Class B shares	5,206,774	74	5,206,774	22
Total	7,028,974	100	23,428,774	100

Number of shares	Number of shareholders	Percentage of shares (%)
1 – 500	880	1.8%
501 – 1,000	155	1.8%
1,001 – 5,000	148	4.6%
5,001 – 10,000	22	2.3%
10,001 – 50,000	11	2.6%
50,001 – 100,000	3	2.5%
100,001 –	10	84.4%
Total	1,229	100.0%

Source: Euroclear





STORA
LEVERANTÖRS-
PRISET 2022





AGES receives automotive industry award

Our sustainability work involving mapping and reduction of CO₂ emissions was rewarded in the year as we received the Stora Leverantörspriset supplier award from FKG, The Scandinavian Automotive Supplier Association.

Stora Leverantörspriset award

AGES was praised by FKG, The Scandinavian Automotive Supplier Association, for taking sustainability work in the metal industry to a new level, and for generously sharing its work with other Swedish suppliers. Together with independent, external consultants we have carried out a review internally and in collaboration with our suppliers of control and mapping throughout the supply chain. We are now able to report CO₂ impact in kg per kg delivered castings. We were the first company on the market to report this metric. AGES is a forerunner in the work on carbon neutrality throughout the supply chain.

Global transparency

To facilitate active sustainability management, AGES' sustainability reporting references the Global Reporting Initiative, GRI. This international and independent organisation has developed sustainability reporting standards that increase companies' transparency. The aim is to help companies, governments and organisations to take action and make better decisions concerning issues related to climate change, human rights and corruption. GRI requires organisations to carry out a materiality assessment to identify their key sustainability issues.

The focus areas of our sustainability work were identified on the basis of a materiality assessment carried out in partnership with an external consultant in 2020. AGES' sustainability strategy is to take an active approach to the work and highlight these focus areas.

See our website [ages.se](https://www.ages.se) for the separate Sustainability Report for 2022.

FKG's statement:

"Sustainability and climate action are one of the key challenges of our times, not only in the automotive industry but for all of us, everywhere. AGES Industri AB, whose enthusiasm, willpower and driving force has shown that nothing is impossible, is a lodestar in this work. AGES has shown how, as a component supplier for steel and aluminium, it is possible to significantly reduce CO₂ emissions in just a few years. This is a competitive advantage that AGES is willingly sharing with others as part of its active efforts to share knowledge about how SME companies in our industry can make the same journey. Not only is the company one of the forerunners in sustainability in Sweden, but it is also actively working to ensure that other Swedish companies follow in its footsteps, making it a role model deserving of the Stora Leverantörspriset award."



Corporate culture

Trust leads to commitment

Our employees are fundamental to our success – this is why we consider it important to be an attractive employer. This is key to attracting, retaining and developing competence. In order to create a solid structure for competence development we work with the AGES Academy concept.



AGES Academy builds corporate culture

AGES Academy is fundamentally a platform for internal training in the Group – all employees should have an opportunity to develop and move forward in their career. It is also a culture-bearing forum that reinforces the sense of community and brings job satisfaction. We actively work to develop our values and stamp the AGES DNA on the organisation. This creates the conditions in which our employees can develop and thrive. All this enables us to create security for each other and our customers, collaboration partners and owners.

AGES Ambassador – putting values into practice

Being an AGES Ambassador is about living according to AGES values and putting them into practice. First and foremost this means focusing on our customers and delivering quality. It means delivering on time and according to agreed deadlines. Ambassadors also communicate the message that our work is meaningful and that together we create value.

Bryggan for a secure start

All new employees are welcomed to AGES with the help of Bryggan (the Bridge). This is a method for a common way of working that promotes security, satisfaction and motivation. New employees are included in the preparations in good time before they start their employment. All units at AGES have a Dojo – a kind of “learning place”, where the same type of information is available to new employees. The process sets out AGES values in respect of both leadership and employeeship.

A multitude of voices

We want to harness the diversity of our employees and the different perspectives it offers to create opportunities for everyone to make their voice heard. This forms the basis for a positive corporate culture where everyone feels welcome. All views and contributions are equally valued. This is something that is highlighted by our AGES Ambassadors as one of the reasons they like working at AGES. Excellent opportunities to take initiative, drive improvement and develop are among the things often quoted in positive feedback from our employees. These are conditions that create engagement and drive us forward.





// “We have become more efficient and less vulnerable”

Jessica Dahlstedt, Site Manager/Controller
AGES Shared Services

Collective leading edge competence in finance and HR

AGES Shared Services

In AGES Shared Services we have recruited and gathered together pioneering competence in finance, HR and administration in order to be able to provide the best possible service to companies in the Group. We handle everything from payroll and invoicing to annual accounts and tax returns for the companies in the Group. Our objective is to offer our internal customers highly cost-effective and efficient processes and administrative solutions.

Together we are stronger

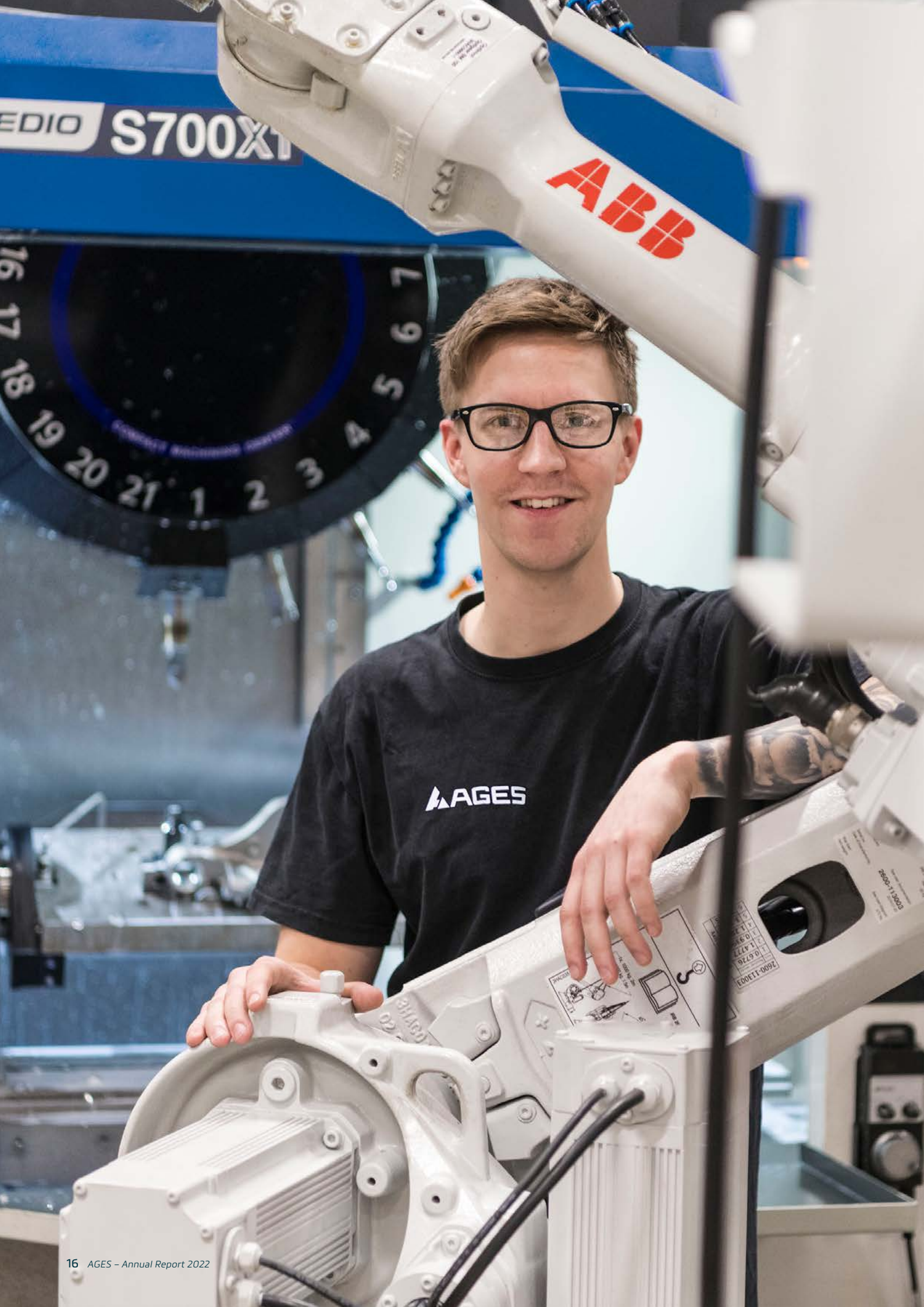
“Since our start in 2020 we have reaped significant rewards from collaboration,” said Jessica Dahlstedt, Site Manager and Controller at AGES Shared Services. “We have developed a shared vision of working methods and are able to work more efficiently. Our team is able to exchange views freely and learn a lot from each other and we have a great team spirit.”

Advanced competence

When we gather our competence in one place we are in a better position to learn from each other. We can develop advanced, leading edge competence and harness specialist knowledge more efficiently. Our collective experience and different expertise complement and strengthen each other.

Improved efficiency and reduced vulnerability

By developing collaborative working methods and procedures, we can share each other's work load when necessary. When one of us is ill, a colleague can step in and help out. This provides a great sense of security for both our employees and the Group's customers. More efficient working methods enable us to offer more cost-effective administrative solutions. Centralisation also makes it easy to scale up and manage more companies.



Business concept

AGES' offers large-series production of advanced precision components to leading players in selected customer segments. Driven production processes, an entrepreneurial spirit and cutting edge technological expertise create the conditions necessary to deliver the best solutions on the market while also ensuring cost-efficiency in production.

Goals

Business goals

AGES wants to further develop the business concept in a way that supports sustained growth and profitability. AGES should be the market leader in its niche, in a historically stable market, and should be regarded by its customers, suppliers and employees as their most skilled, long-term cooperation partner. Ways to achieve this include good customer relationships characterised by a businesslike approach and close collaboration. AGES should build on its strong market position to actively seek to broaden its customer base. AGES should also be able to follow its customers outside the primary home market in order to expand the business.

Financial goals

AGES should create growth combined with profitability. AGES is aiming to achieve sales growth of at least 10% per year and should achieve a profit margin in excess of 8% over an economic cycle.

It is the aim of the Board of Directors that dividends should mirror financial performance over an extended period and correspond to at least 30% of profit after tax. However, the annual dividend ratio must be viewed in relation to investment needs.

Sustainability goals

AGES' sustainability work is governed by the overarching goal to always keep improving the business in terms of the environment, working conditions and ethics. Our ambition is to reduce risks while simultaneously cutting costs and meeting the expectations of our stakeholders.

Strategic direction

AGES should achieve established goals and market requirements through a strategic direction based on the following:

- ▶ Actively work to develop new customer areas outside the automotive industry.
- ▶ Continue to develop and grow AGES' strong position in machining and welding of precision components.
- ▶ Retain AGES' strong position in die casting in the Swedish market.
- ▶ Nurture and develop long-term business relationships with customers who require large-series production of cost-efficient precision components with high technological requirements, top quality and a high degree of accuracy in deliveries.
- ▶ Thanks to a high level of technology in production processes, large proportion of automation, committed employees and continuous improvements, create efficient and profitable, highly competitive production.
- ▶ Through proactive and long-term work and active participation in the supply chain, AGES seeks to be the industry leader both locally and globally in respect of mapping of CO₂ emissions.

Customer offering

AGES' customer offering

The purpose of AGES' concept is to make things easier for customers by providing a broad customer offering, a strong organisation and overall responsibility for turnkey solutions. Our high level of technological expertise and driven production processes enable us to provide high-quality products and services. We have worked to be an ever stronger one-stop-shop for our customers, especially at a time when the need for flexibility and security is greater than ever.

Production and processing of die cast aluminium components and machining currently account for an equal percentage of sales. The AGES Group has eight production units. The operations, which include casting, processing, welding, tooling and assembly, focus on component manufacture.

The AGES companies in Unnaryd and Kulltorp specialise in die casting and associated processing. The AGES companies in Falkenberg, Värnamo and parts of AGES Hörle and AGES Ningbo specialise in machining. Assembly is performed by AGES Värnamo, AGES Unnaryd, AGES Hörle and AGES Ningbo.

UB Verktyg in Bor offers manufacturing of die-casting tools. Welding is concentrated in AGES Hörle. Processing in forging and casting takes place AGES Ningbo.

AGES Ningbo also operates in the domestic market in China.

Our strategic efforts to build and strengthen our organisation is a continuing process that enables us to address a broader customer segment. We have significant flexibility that enables us to manage several different component requirements for a single customer.

Shorter planning horizons and rapid changes in the external environment are challenges that we will have to live with for the foreseeable future. Thanks to rationalisation measures and a proactive approach to our work, we feel confident about the future.



Die casting

AGES specialises in die casting of aluminium and associated post processing.

Machining

AGES supplies components produced through machining of materials such as steel, stainless steel, brass and aluminium.

Welding

AGES performs robot welding and manual welding of advanced, high-precision products.

Tooling

AGES designs and manufactures quality tools for die casting of aluminium which meet stringent market requirements.

Assembly

AGES performs assembly in which the majority of the material used comprises self-produced components.

Customer offering

Die casting

AGES specialises in die casting of aluminium and associated post-processing, such as deburring, trimming, tumbling, blasting, X-raying, 3D measurement and spectrometer analysis.

The range of application for the aluminium ranges from small, simple components to large, load-bearing structures. The primary advantages of the material are its low weight, good workability, corrosion resistance and high recovery potential. Aluminium casting takes place in efficient processes that use robots.

Work process

Projects and design

AGES is involved early on in the design phases of new projects. With more than 40 years of experience, high-tech plant and AGES' expertise, we offer customers a quality-assured design process.

Production of casting tools

AGES designs and produces shaping tools that meet customers' requirements for high-quality products. Through UB Verktøy, AGES controls the entire value chain and is therefore able to meet the market's strict requirements regarding cost-efficiency and short lead times.

Product verification and outturn samples

AGES performs quality assurance and verification of new products in accordance with customers' strict requirements. This ensures a high level of product quality during mass production.

Production

AGES' production is customised and optimised for manufacture of large series of advanced components, with stringent requirements.

Automation

AGES takes a targeted approach to automation and investments in order to ensure foundries are industry leaders in their sector. High levels of automation guarantee robust processes and cost-effective manufacturing.

Post-processing

AGES die-cast products are completed by means of post-processing such as deburring, blasting, tumbling and cleaning before they are ready for delivery to customers or further refinement.

Supply and logistics

To meet customers' requirements for precise deliveries, AGES uses the very latest solutions for EDI communication, KanBan, Pipechain and other just-in-time tools customised for customers' systems.



Certificates

Quality management system:
ISO 9001
IATF 16949

Environment:
ISO 14001

Customer offering

Machining

AGES supplies components produced through machining of materials such as steel, stainless steel, brass, free-cutting steel and aluminium.

Our operations are characterised by flexibility and outstanding technical expertise, with access to advanced production equipment guaranteeing precision, quality and efficiency. Robust knowledge of tools and materials allows us to offer a high level of service and custom solutions.

PROCESSING IS PERFORMED THROUGH:

- ▶ turning and milling in CNC machines
 - ▶ automated turning
 - ▶ machining using rotary tables and automation
-

Work process

Projects and design

AGES has extensive experience of product development together with customers. AGES sees the big picture and identifies the parts played by each individual component, and optimises the design to ensure rational production and simplified assembly.

Product verification and outturn samples

AGES performs quality assurance and verification of new products in accordance with customers' strict requirements. This ensures a high level of product quality during later series production.

Production

AGES' production is optimised for large-series manufacture of advanced components. AGES has a large number of state-of-the-art processing machines so that we can offer high levels of flexibility and process capability.

Automation

AGES takes a targeted approach to automation and investments in order to ensure foundries are industry leaders in their sector. High levels of automation guarantee robust processes and cost-effective manufacturing.

Post-processing

Many products processed by AGES undergo post-processing in the form of curing, grinding and painting. This is often the final process prior to delivery and requires guaranteed processes performed by qualified partners.

Supply and logistics

To meet customers' requirements for precise deliveries, AGES uses the very latest solutions for EDI communication, KanBan, Pipechain and other just-in-time tools customised for customers' systems.

Certificates

Quality management system:

ISO 9001

IATF 16949

Environment:

ISO 14001



Customer offering

Welding

AGES performs robot welding and manual welding with maximum precision. The work is performed using state-of-the-art equipment that meets strict environmental and technological requirements.

Before every new assignment we perform a technical review together with the customer in order to identify the optimum solution. Fixtures manufactured at our own workshop result in short lead times and guarantee that the products meet the specifications. AGES currently supplies a number of advanced items, including a number of safety-classified parts.

Work process

Projects

A well-developed and quality-assured process ensures project management where AGES contributes knowledge and expertise in both production technology and production economics.

Production of fixtures

AGES is responsible for the design and production of fixtures and other technological equipment. Much of product quality is controlled and ensured through the design of the production process layout.

Product verification and outturn samples

AGES performs quality assurance and verification of new products in accordance with customers' strict requirements. This ensures a high level of product quality during later series production.

Quality assurance

AGES' capacity for guaranteeing high product quality through production of fixtures is certified according to SS-EN ISO 3834-2.

Production

Production usually takes place in state-of-the-art robotic cells. To ensure high, uniform quality, we use state-of-the-art Fronius technology for both manual and robot welding. The process is monitored and controlled by operators certified according to SS-EN ISO 14732 and SS-EN ISO 287-1.

Post-processing

AGES' welded products are finished through post-processing such as grinding, machining, blasting and various surface treatments.

Supply and logistics

To meet customers' requirements for precise deliveries, AGES uses the very latest solutions for EDI communication, KanBan, Pipechain and other just-in-time tools customised for customers' systems.



Certificates

Quality management system:
ISO 9001
IATF 16949

Environment:
ISO 14001

Welding:
SS-EN ISO 3834-2
SS-EN ISO 14732
SS-EN ISO 287-1

Customer offering

Assembly

AGES offers component and system assembly and testing in accordance with customers' specific wishes.

Assembly and testing are carried out when the components have been manufactured – by means of die casting, welding or machining. The work is carried out using modern, efficient processes using the very latest technology.

Work process

Projects

AGES has extensive experience of projects and we use documented quality systems to ensure that supply and processes take place in accordance with the product specification.

Components

In assembly of complete systems, most of the incorporated components are from AGES' own production. Purchased components that meet defined requirements via AGES' systematic quality assurance are required to supplement these components.

Assembly

AGES has specialist facilities for assembly to be able to assemble both simple and advanced systems.

Automation

AGES takes a targeted approach to automation and investments in order to ensure foundries are industry leaders in their sector. High levels of automation guarantee robust processes and cost-effective assembly.

Product verification and inspection

AGES performs quality assurance and verification of assembled systems by means of final testing and other tests using measurement tools and measurement machines offering cutting-edge technology. This guarantees high product quality.

Supply and logistics

To meet customers' requirements for precise deliveries, AGES uses the very latest solutions for EDI communication, KanBan, Pipechain and other just-in-time tools customised for customers' systems.



Certificates

Quality management system:
ISO 9001
IATF 16949

Environment:
ISO 14001

Customer offering

Tooling

AGES manufactures quality tools for die casting of aluminium. Our tools are designed to meet the market's strict requirements for first-class products, short lead times and cost-efficiency throughout the process chain. The earlier in the process that we become involved, the more the tools can be customised for an optimal end-result.

Our modern machinery is used to produce the components for the casting tool in our own production. Our expertise and understanding of the customer's needs enable us to design tools that result in efficient production at the customer.

Work process

Development and analysis

AGES enters the process at an early stage and participates in the development of 3D models to be able to develop a tool that ensures optimised, time-sensitive and cost-effective production at the customer. We start by analysing the details of production and make suggestions for improvements in order to detect and eliminate weaknesses at an early stage.

Design of casting tools

AGES performs various simulations and sustainability calculations in order to be able to design the best possible options. We are therefore able to ensure the best possible component quality already at the design stage. Casting simulation replaces expensive attempts to produce optimum casting technology.

Production of casting tools

AGES manufactures the parts for the casting tool in its own production, giving the company full control over all incorporated parts, delivery times, etc, resulting in a durable, high-quality casting tool.

Delivery and validation

Following trial casting at the customer, the part is measured and adjusted as necessary. Validation and quality assurance are a natural part of the process at AGES.

Aftermarket

AGES offers rapid support for any changes to existing casting tools, including spare parts, maintenance and service, to meet our customers' high expectations.

Certificates

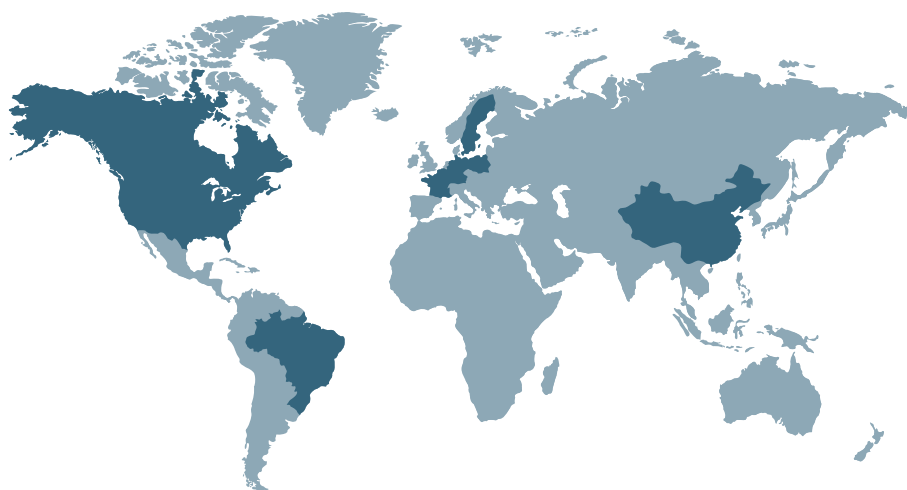
Quality management system:
ISO 9001

Environment:
ISO 14001

Market overview

Flexibility and secure supply chains

AGES has a strong position in Sweden and is one of the leading operators in Scandinavia in production of precision components. We consider Northern Europe to be a strategically important growth market but we also have several global customer relationships. Our marketing aims to both further develop existing customer relationships and further expand our customer base. To meet growing demand for flexibility, delivery security and quality we actively focus on being close to our customers. Customer confidence and trust, stability and reliable quality are important to us.



Trends

The transition towards electrification is continuing to drive development in the automotive segment, which suggests the market for components made from aluminum and high-quality steel will continue to grow. This transition will change the industry and create opportunities for new customers and new deals.

Relocation of production to the local area is continuing and secure supply chains, security and speed are becoming increasingly important competitive advantages. Our existing production units are efficient and skills exchange within the Group gives us maximum flexibility.

Increased electricity and energy costs, as well as shortages of raw materials and semiconductor components are a challenge for the industry. Many things point to continued instability and rapid changes in the coming year.

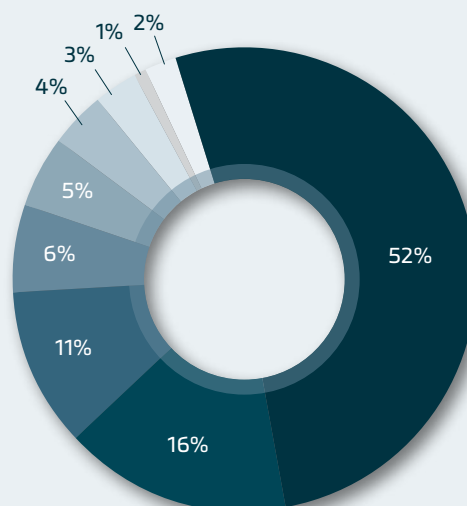
We are adhering to our strategy of broadening the customer base, rationalising production and safeguarding our logistics and supply chain.

Quality and sustainability are key issues for us and we are also finding that these are becoming increasingly important to our customers. The debate concerning carbon dioxide emissions is continuing and we are convinced that mapping and pricing of CO₂ emissions will be required throughout the manufacturing supply chain.

Sustainability reporting requirements are becoming more stringent. Historically, the industry has not been able to fully agree which parts of the supply chain should be included in the calculations of CO₂ emissions. We believe it is important to take the entire chain into consideration, which means our customers are required to include calculations of both AGES' and our suppliers' climate impact. We take a proactive approach and report



MARKET OVERVIEW



Customer structure

This diagram shows the Group's customer structure in relation (%) to sales (2022).



CO₂ emissions per delivered component for a large proportion of our products. This is a clear sales argument in respect of our customers and shows our commitment to these issues.

Market

Fundamentally, the market is based on strong demand. However, demand may be impacted by economic factors, such as a recession.

Availability of input materials has stabilised. The cost of compensating for energy costs is an added factor with regard to input materials. Logistics and security are becoming increasingly important. For this reason, we have focused on moving production closer to end customers. This ensures we are well prepared for the future and for meeting customer requirements. We are

close to our end customers and offer efficient, complete solutions that meet their requirements and demand for good quality.

Our customers generally have high requirements for everything from technologically advanced products to industry certifications and precise deliveries. Our customers expect quality, efficiency and continuous improvement of products and processes. AGES creates value for our customers through secure deliveries, flexibility, speed and quality. Our work on reducing our CO₂ emissions and the fact that most of our production takes place in Sweden creates security and predictability. This is becoming increasingly important in an otherwise uncertain business environment.

Sustainability

Active sustainability work

AGES' sustainability work is governed by the overarching goal to always keep improving the business in terms of the environment, working conditions and ethics. Our prioritised focus areas are based on continuous dialogue with customers, employees, authorities, local organisations and other stakeholders. Our ambition is to reduce risks while simultaneously cutting costs and meeting the expectations of our stakeholders.

Sustainability for AGES

Our business is built by committed employees who act responsibly to meet the expectations and wishes of our external environment. An important aspect of the work is to look at AGES' role in the overall processing chain from our customers' perspective, and consider how we can contribute efficient processes that offer added value. In addition to customers and employees, our most important stakeholders also include owners, suppliers and permit-issuing authorities. Our focus areas together cover all three sustainability perspectives: environment, social and economic.

Environmental sustainability

In recent years, AGES has focused intensely on mapping and reduction of CO₂ emissions. We use 100% recycled aluminium in our casting plants. In 2022, this enabled us to avoid carbon dioxide emissions of 56,810 tonnes, compared with the same production based on primary aluminium. We have been able to reduce our CO₂ impact in die casting by 37%. In machining our goal is to increase the proportion of scrap steel to 35% by 2025.

Social sustainability

We are actively working to be an attractive employer, to be able to recruit and retain skilled employees. Our employees are offered continuous competence development. As an employer, we also want to encourage diversity among our employees and create positive corporate culture where everyone feels welcome.

Economic sustainability

By being a strong and viable company we can continue to invest in sustainable solutions and develop processes for increased sustainability in respect of all sustainability aspects, and also ensure continued competitiveness.

AGES takes a strategic approach to sustainability work in five focus areas

Reduction of operational GHG emissions



Create opportunities for skills development, recruitment and employee retention

TARGET 8-8



Create a safe, secure and healthy workplace

TARGET 8-8



Ensure stable economic performance and long-term profitability

TARGET 8-1



TARGET 8-2



Ensure high product quality

TARGET 8-4



THE GLOBAL GOALS
For Sustainable Development

The UN Global Goals are an ambitious agenda for sustainable development by 2030, comprising 17 overarching goals subdivided into different targets.

Sustainability

GRI – measurable sustainability work

The sustainability perspective is an integral part of our day-to-day operations and goes hand in hand with our business strategies. As part of our sustainability strategy, AGES' sustainability reporting now references the Global Reporting Initiative (GRI), Universal Standards 2021.

International reference framework

GRI is an international, independent organisation that helps companies, governments and organisations create transparency around the effects of issues relating to climate change, human rights and corruption. They have developed sustainability reporting standards that increase the transparency of organisations. A materiality assessment to identify key sustainability issues must be carried out. The assessment enables organisations to make decisions that produce economic, environmental and social benefits.

An updated sustainability strategy

In future, AGES will continue to take a strategic approach to sustainability by updating our existing sustainability strategy to include economic, environmental and social sustainability in line with our focus areas. These were identified on the basis of a materiality assessment carried out in partnership with an external consultant in 2020. We will be setting new goals based on the updated sustainability strategy and preparing action plans supporting these goals. Together with independent, external consultants we have developed a structure and strategy for the sustainability report.

Changed reporting landscape

With effect from the financial year 2025, AGES will be covered by the new EU reporting legislation CSRD (Corporate Sustainability Reporting Directive). This means that our sustainability reporting will be further developed to meet the EU's European Sustainability Reporting Standards (ESRS) and include reporting in accordance with the EU Taxonomy with effect from that year.

UN Global Goals

AGES has also carried out mapping of our sustainability impact in respect of the UN Global Goals (SDGs, Sustainable Development Goals) by examining our respective goals chosen from the full list of 168 targets. The goals are linked to our material sustainability aspects and are narrowed down to areas in which AGES is able to measure and monitor our performance.

Sustainability Report in full

See our website ages.se for the separate Sustainability Report for 2022. On the website we provide more detailed information about our sustainability work, prepared in accordance with Global Reporting Initiative (GRI) Universal Standards. For example, we report the specific targets we are focusing on in respect of the Global Goals.





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Directors' Report

The Board of Directors and CEO of AGES Industri AB (publ), corporate identity number 556234-6204, domiciled in Halmstad, Sweden, hereby submit their Annual Report and consolidated financial statements for the financial year 2022.

Operations

AGES' operations primarily comprise die casting, machining, welding, assembly and tooling. Production is concentrated on high-volume component manufacturing, with a high proportion of sales to customers in the automotive and engineering industries. Driven production processes, an entrepreneurial spirit and cutting edge technological expertise create the conditions necessary to deliver the best solutions on the market while also ensuring cost-efficiency in production. The Group comprises eight manufacturing units with operations in Sweden and China.

AGES' Class B shares are listed on Nasdaq Stockholm First North Premier Growth Market under the symbol AGES B and the company's Certified Advisor is Eminova Fondkommission AB.

Sales and results

Net sales totalled SEK 1,319 million (1,070), an increase of around 23% compared with the previous year. Profit after tax amounted to SEK 34 million (26), an increase of around 31% compared with the previous year.

Share metrics and key ratios

Earnings per share amounted to SEK 4.85 (3.65). Equity per share amounted to SEK 57.00 (52.00). The total number of outstanding shares was 7,028,974. The equity/assets ratio was 41% (37).

Employees

The number of full-time employees in the Group as at 31 Decem-

ber 2022 was 544 (524). The average number of employees was 482 (491). For more information about employees, see Note 4.

Group performance in the year

2022 was a positive year despite many major challenges, such as the Ukraine conflict, inflation and energy crisis. Rising prices of raw materials and energy resulted in comprehensive negotiations with customers regarding price increases. The outcome of the negotiations was positive.

Orders received were at a good level in the financial year, particularly in the second half of the year. Efforts to broaden the customer base continued and the customer base has been expanded to include customers in new product areas. Increased cooperation between the various production units means that we are able to offer our customers complete solutions to a greater extent than before.

The die casting unit in Unnaryd had some challenges relating to production efficiency in 2022, as a result of which a package of measures was introduced which will be implemented in 2023. The measures will focus on improving production efficiency and lowering costs.

Our machining operations implemented a number of investments in machinery, primarily in order to meet increased demand but also to improve the efficiency of production processes.

AGES' sustainability work bore fruit in the year, with the Group receiving the Stora Leverantörspriset 2022 supplier award from the Scandinavian Association for Suppliers to the Automotive

Net sales (SEK million)

1,319

Operating profit (SEK million)

51

Industry (FKG). The Group will continue to develop its sustainability work in 2023 to meet both customer requirements and future regulatory requirements.

Future development

The underlying work on marketing is continuing, and we are pursuing our long-term, strategic plan aimed at shifting the focus from production to marketing and expertise. We are also pursuing our strategies to develop other customer segments. Electrification of the vehicle fleet is expected to create opportunities for new business and customers.

Secure supply chains, security and speed are becoming increasingly important competitive advantages, which is why we believe relocating production closer to home is positive for our business.

We have also noted an ever growing interest in sustainability issues. AGES is well placed to discuss various solutions that lead to reduced environmental impact for us and for our customers.

Events after the reporting period

There were no significant events after the reporting date.

Investments

The Group's net investments in non-current assets amounted to SEK 54 million (66), of which SEK 1 million (1) comprised investment in property and SEK 52 million (65) investments in machinery and equipment. The remaining SEK 0 million (0) comprised business combinations.

Cash flow and liquidity

Cash flow from operating activities amounted to SEK 103 million (-22). The Group's cash and cash equivalents, including committed but undrawn credit lines, stood at SEK 45 million (21) at the balance sheet date.

The improvement in cash flow was partly due to one of our units joining the supply finance programme of a major customer in the first quarter. The aim of the programme is to shorten lead times between invoicing and payment.

The short-term shareholder loan of SEK 30 million accepted in the third quarter of 2021 was paid back in full in the third quarter, in accordance with the repayment plan.

Risks and uncertainties

The Group's principal risks and uncertainties included business risks associated with customers and suppliers and other external factors such as price risks involving input goods. In addition, there are financial risks as a result of changes in exchange rates and interest rates. See Note 31 for a description of the Group's principal financial and business risks.

Currency and interest rates

AGES has some sales and purchasing in foreign currencies and is primarily exposed to foreign exchange rate changes in EUR, CNY and USD against SEK. The Group's interest-bearing liabilities as at the balance sheet date amounted to SEK 290 million (335). A description of the Group's financial risks can be found in Note 31.

Proportion of risk-bearing capital (%)

45

Equity/assets ratio (%)

41

Sustainability

AGES' Sustainability Report is prepared separately from the Directors' Report and is available on the company's website www.ages.se.

Environment and quality management systems

The Group carries out notifiable activities pursuant to the Swedish Environmental Code in one Swedish subsidiary and activities requiring a permit in seven Swedish subsidiaries. The Parent Company does not have any notifiable activities. All of the production units are certified according to the environmental management system ISO 14001. AGES' production units are all certified according to the ISO 9001 quality management system and a number of units are also certified according to the automotive industry standard IATF 16949 and VDA.

Research and development

The Group does not carry out any product research and development activities itself.

The share and shareholders

AGES' Class B shares are listed on Nasdaq Stockholm First North Premier Growth Market. The company's Class A shares are not listed. The share capital amounts to SEK 35.1 million. The quota value is SEK 5. The total number of shares as at the balance sheet date stood at 7,028,974, distributed between 1,822,200 class A shares and 5,206,774 class B shares. One Class A share carries 10 votes per share and one Class B share carries one vote.

All shares have equal rights to the company's assets and dividends. At the end of 2022, AGES had 1,229 (1,245) shareholders. The company currently has two shareholders who each own and control more than 10% of the voting rights of all the shares in the company. Anna Benjamin and her companies control 28.8% of the shares and 57.9% of the votes. Pomona-gruppen AB holds 29.9% of the shares and 29.7% of the votes.

The company has a current share incentive programme

("Warrants 2021/2024"), under which 230,000 warrants were issued in 2021. The warrants may be exercised in the period 15 May 2024 to 30 June 2024. The exercise price for the warrants corresponds to SEK 73.20. The dilution effect is estimated to be around 3.17%.

The work of the Board of Directors

AGES' Board of Directors consists of five ordinary members. The Board members elected by the meeting of shareholders include representatives of AGES' major shareholders as well as persons independent of the major shareholders. The CEO and other executives in the Group participate in the meetings of the Board of Directors for presentations or in an administrative capacity. The Board of Directors held seven meetings in the financial year. The agenda for each ordinary meeting includes regular reporting items and decisions, as well as information on the business, in accordance with the Board of Directors' rules of procedure. The Board of Directors also decides on issues of an overarching nature, such as the Group's strategy, structural and organisational matters, as well as major investments. One of the company's auditors participates in at least one Board meeting per year. The auditor's observations arising from the audit of the company's accounts, procedures and internal controls are presented at this meeting.

Nomination committee

The 2022 Annual General Meeting appointed a Nomination Committee comprising Ulf Hedlundh as the Chairman, Anna Benjamin and Per Rodert. The task of the Nomination Committee prior to the 2023 Annual General Meeting is to propose the Chairman of the Board of Directors and other Board members, auditors, a chairman for the AGM and fees for the Board of Directors, committees and auditors. Prior to the 2023 Annual General Meeting, the Nomination Committee has so far held one ordinary meeting and also conducted numerous discussions between the Nomination Committee's members. The Articles of Association do not contain any separate regulations on the appointment and removal of Board members.

Five-year summary Group

Income statement (SEK m)	2022	2021	2020	2019	2018
Net sales	1,319	1,070	814	1,002	1,099
Cost of goods sold	-1,210	-969	-756	-907	-970
Gross profit	109	101	58	95	129
Selling expenses	-40	-35	-34	-36	-47
Administrative expenses	-25	-28	-27	-26	-25
Other operating income/expense	7	5	18	-148	0
Operating profit	51	43	15	-115	57
Net financial income/expense	-12	-11	-9	-8	-8
Profit/loss before tax	39	32	6	-123	49
Tax	-5	-6	-5	-4	-12
Profit/loss for the year¹⁾	34	26	1	-127	37

¹⁾ Profit/loss for 2019 was impacted by goodwill impairment of SEK -150.5 million.

Financial position (SEK million)	2022	2021	2020	2019	2018
Non-current assets	593	592	578	599	708
Current assets	393	409	288	312	378
Equity	401	365	335	335	473
Non-current liabilities	162	178	167	211	195
Current liabilities	423	458	364	365	418
Total assets	986	1,001	866	911	1,086

Cash flow (SEK million)	2022	2021	2020	2019	2018
Cash flow from operating activities	103	-22	130	99	89
Cash flow from investing activities	-54	-64	-28	-88	-54
Cash flow after investments	48	-86	102	11	35
Cash flow from financing activities	-46	88	-106	-7	-39
Cash flow for the year	2	2	-4	4	-4

Key performance indicators	2022	2021	2020	2019	2018
Operating margin excl. restructuring costs ¹⁾	3.8	4.0	1.8	3.5	5.2
Operating margin, %	3.8	4.0	1.8	-11.5	5.2
Profit margin excl. restructuring costs	2.9	3.0	0.7	2.8	4.4
Profit margin, %	2.9	3.0	0.7	-12.2	4.4
Return on equity, %	8.9	7.3	0.2	-31.4	8.1
Return on capital employed, %	7.1	6.7	2.3	-15.0	6.9
Return on total assets, %	5.0	4.6	1.7	-11.5	5.2
Interest coverage ratio, multiple	4.6	3.9	2.2	-13.9	6.7
Equity, SEK million	401	365	335	335	473
Equity/assets ratio, %	41	37	39	37	44
Proportion of risk-bearing capital, %	45	41	44	42	49
Earnings/loss per share, SEK	4.85	3.65	0.12	-18.00	5.30
Diluted earnings/loss per share, SEK	4.85	3.58	0.12	-18.00	5.30
Equity per share, SEK	57.00	52.00	47.60	47.70	67.25
Cash flow from operating activities per share, SEK	14.59	-3.14	18.55	14.10	12.60
Proposed dividend per share, SEK	0	0	0	0	1.50

Other	2022	2021	2020	2019	2018
Planned depreciation, SEK million	55	52	49	48	42
Interest-bearing liabilities, SEK million	290	335	250	357	354
Net investments	54	66	28	90	54
of which attributable to business combinations	0	0	0	16	0
Average number of employees	482	491	496	557	628

For definitions and alternative performance measures, see Note 32.

¹⁾ Profit/loss for 2019 was impacted by goodwill impairment of SEK -150.5 million.

Profit/loss for 2018 was adversely affected by costs of SEK -7.6 million relating to reorganisation of group management.

Corporate governance

AGES' corporate governance is based on Swedish legislation and the listing agreement with Nasdaq Stockholm. Directives issued by authorities and stakeholders in Swedish industry and in the financial markets are also applied in various matters. Governance, management and control is shared between the shareholders at the Annual General Meeting, the Board of Directors and the CEO in accordance with the Swedish Companies Act and the Company's Articles of Association and rules of procedure.

It is recommended that companies listed on Nasdaq Stockholm First North Premier Growth Market adhere to the Swedish Corporate Governance Code ("the Code"). AGES' Corporate Governance Report is prepared separately from the Directors' Report and can be found on pages 78-80.

Authorisation for new issue

AGES' Board of Directors proposes that the Annual General Meeting renew the Board's authorisation to decide on a new issue of Class B shares corresponding to a maximum of one tenth of the company's issued shares. Such a mandate would enable the Board to make a decision on a new issue in the period until the next Annual General Meeting. The terms and conditions of the issue, including the issue price, must be based on a valuation on market terms, with the issue price at any given time set as close to the market value as possible, less the discount which may be necessary to generate interest in subscription.

Guidelines for remuneration of and terms of employment for group management

Guidelines regarding remuneration of senior executives can be found in Note 4.

No major changes are proposed ahead of the 2023 Annual General Meeting.

Proposed appropriation of profits

Parent Company

Amount at the disposal of the Annual General Meeting:		SEK
Share premium reserve		255,912,726
Retained earnings		-24,408,692
Profit for the year		24,749,221
Total		256,253,255

The Board of Directors and the CEO propose that these funds be appropriated as follows:		SEK
Carried forward		256,253,255
Total		256,253,255

Board's opinion on the proposed dividend

The Board of Directors proposes that no dividend be paid for the financial year 2022.





Consolidated income statement

GROUP (SEK thousand)	Note	2022	2021
Net sales	3	1,318,831	1,070,021
Cost of goods sold	5, 6, 7, 8	-1,209,910	-968,613
Gross profit		108,921	101,408
Selling expenses	6, 7, 8	-39,955	-35,267
Administrative expenses	6, 7, 8, 9	-24,853	-27,778
Other operating income	10	15,326	11,342
Other operating expenses	11	-8,785	-6,499
Operating profit	4, 5	50,654	43,206
Financial income and similar income statement items	12	546	152
Financial expenses and similar income statement items	13	-12,551	-11,039
Profit before tax		38,649	32,319
Tax	14, 25	-4,582	-6,683
PROFIT FOR THE YEAR		34,067	25,636
PROFIT FOR THE YEAR ATTRIBUTABLE TO			
- Parent Company's shareholders		34,067	25,636
- non-controlling interests		-	-
SHARE METRICS			
Basic earnings per share, SEK	20	4.85	3.65
Diluted earnings per share, SEK	20	4.85	3.58
Average number of outstanding shares at the end of the year	20, 21	7,028,974	7,028,974

Consolidated statement of comprehensive income

GROUP (SEK thousand)	Note	2022	2021
PROFIT FOR THE YEAR		34,067	25,636
<i>Items that may be reclassified to profit or loss for the period</i>			
Change in hedging reserve	22, 25	114	418
Tax attributable to change in hedging reserve	22, 25	-33	-86
Translation differences	22	1,847	2,776
OTHER COMPREHENSIVE INCOME		1,928	3,108
OTHER COMPREHENSIVE INCOME FOR THE YEAR		35,995	28,744
COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO		35,995	28,744
- Parent Company's shareholders		35,995	28,744
- non-controlling interests		-	-

Statement of financial position

GROUP (SEK thousand)	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
<i>Intangible assets</i>	15		
Goodwill		248,136	248,136
		248,136	248,136
<i>Property, plant and equipment</i>	16		
Buildings and land		117,268	122,919
Plant and machinery		199,741	192,741
Equipment, tools, fixtures and fittings		13,812	10,426
Right-of-use assets	28	5,821	8,836
Construction in progress and advance payments for property plant and equipment		8,373	9,330
		345,015	344,252
<i>Non-current financial assets</i>			
Non-current receivables		40	40
		40	40
Total non-current assets		593,191	592,428
Current assets			
<i>Inventories</i>	17	218,131	199,938
<i>Current receivables</i>			
Trade receivables and other receivables	18, 19	153,083	192,837
Prepayments and accrued income		10,347	7,586
		381,561	400,361
<i>Cash and cash equivalents</i>	19	11,720	7,961
Total current assets		393,281	408,322
TOTAL ASSETS		986,472	1,000,750

GROUP (SEK thousand)	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
Share capital	21	35,145	35,145
Other paid-in capital		260,237	260,237
Reserves	22	4,220	2,292
Retained earnings		101,587	67,520
Total equity		401,189	365,194
- of which attributable to the Parent Company's shareholders		401,189	365,194
Liabilities			
Non-current liabilities			
Liabilities to credit institutions	19, 30	121,114	133,810
Lease liabilities	19, 28, 30	1,218	1,264
Other provisions	24	50	53
Deferred tax liability	25	40,048	42,886
		162,430	178,013
Current liabilities			
Liabilities to credit institutions	19, 30	58,699	33,897
Lease liabilities	19, 28, 30	4,189	6,931
Bank overdraft facilities	19, 23	105,229	129,207
Trade payables and other liabilities	19, 26, 30	252,021	281,091
Derivatives	19	-	114
Current tax liability		2,715	6,303
		422,853	457,543
Total liabilities		585,283	635,556
TOTAL EQUITY AND LIABILITIES	27	986,472	1,000,750

Statement of changes in equity

GROUP (SEK thousand)	Note	Share capital	Other paid-in capital	Reserves	Retained earnings	Total equity
Equity as at 31 December 2020		35,145	258,413	-816	41,884	334,626
Profit for the year		-	-	-	25,636	25,636
Other comprehensive income	22	-	-	3,108	-	3,108
Comprehensive income for the year		-	-	3,108	25,636	28,744
Warrant programme		-	1,824	-	-	1,824
Dividends paid		-	-	-	-	-
Total transactions with shareholders		-	-	-	-	-
Equity as at 31 December 2021		35,145	260,237	2,292	67,520	365,194
Profit for the year		-	-	-	34,067	34,067
Other comprehensive income	22	-	-	1,928	-	1,928
Comprehensive income for the year		-	-	1,928	34,067	35,995
Dividends paid		-	-	-	-	-
Total transactions with shareholders		-	-	-	-	-
Equity as at 31 December 2022		35,145	260,237	4,220	101,587	401,189

Statement of cash flows

GROUP (SEK thousand)	Note	2022	2021
Operating activities			
Operating profit		50,654	43,206
<i>Adjustments for non-cash items, etc.</i>			
Depreciation/amortisation and impairment		55,164	52,218
Other		183	-3,545
Net interest paid and received	29	-12,005	-10,174
Paid income tax		-11,095	-5,847
Cash flow from operating activities before changes in working capital		82,901	75,858
Changes in working capital			
Increase (-) / decrease (+) in inventories		-18,193	-52,290
Increase (-) / decrease (+) in current receivables		36,991	-64,062
Increase (+) / decrease (-) in current liabilities		816	18,401
Cash flow from operating activities		102,515	-22,093
Investing activities			
Acquisitions of property, plant and equipment		-54,345	-67,284
Disposals of property, plant and equipment		-	2,903
Acquisitions of subsidiaries		-	-
Cash flow from investing activities		-54,345	-64,381
Financing activities			
Borrowings		65,447	104,173
Loan repayments		-83,341	-63,439
Repayment of finance leases		-4,084	-8,662
Change in bank overdraft facility		-23,978	54,451
Paid dividends		-	-
Warrant programme		-	1,824
Cash flow from financing activities	30	-45,956	88,347
Cash flow for the year		2,214	1,873
Cash and cash equivalents at the beginning of the year		7,961	5,457
Exchange rate difference in cash and cash equivalents		1,545	631
Cash and cash equivalents at the end of the year	29	11,720	7,961

Notes **The Group**

(All amounts are reported in SEK thousand, unless otherwise stated.)

Note 1 General information

The company AGES Industri AB (publ), corporate identity number 556234-6204, carries on business activities as a limited company and its registered office is in Halmstad municipality in Sweden. The address of the head office is PO Box 815, SE-301 18 Halmstad. All amounts are reported in SEK thousand, unless otherwise stated.

Note 2 Accounting policies

The annual accounts have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, the Swedish Annual Accounts Act and recommendations and statements by the Swedish Financial Reporting Board.

General

The applied accounting policies and measurement bases are unchanged compared with the previous year, with the exception of new or revised standards, interpretations and improvements effective for periods beginning on or after 1 January 2022. These updates have not had any material impact on the consolidated accounts.

New or revised IFRS standards effective in 2023 and beyond have not been applied to the preparation of these financial statements. Application of these updates is not estimated to have had any material impact on the Group's financial performance and position.

Related party transactions

The nature and scope of related party transactions is set out in Note 34 to the financial statements.

Consolidated financial statements

Subsidiaries

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). Because the Parent Company is a company domiciled in the EU, only IFRS adopted by the EU have been applied. In addition, the consolidated financial statements were prepared in accordance with Swedish legislation through application of the Swedish Financial Reporting Board's Recommendation RFR 1 Supplementary accounting rules for groups. The consolidated accounts include the Parent Company, AGES Industri AB, and the companies in which the Parent Company had a direct or indirect controlling interest on the balance sheet date. A company has control over another entity when it is exposed to, or has rights to, variable returns from its involvement with the company and has the ability to affect those returns through its power over the entity. This is usually achieved if the holding corresponds to more than 50% of the votes. The consolidated accounts have been prepared in accordance with the acquisition method. This means that instead of investments in subsidiaries, in the consolidated financial statements the subsidiaries' identifiable assets, liabilities and contingent liabilities are measured at fair value at the time of acquisition. The equity of the acquired subsidiary is eliminated in its entirety, which means that the consolidated equity includes only that portion of the subsidiary's equity which has accrued after the acquisition. If the consolidated acquisition value of the shares exceeds the value of the company's net assets in the acquisition analysis, the difference is recognised as consolidated goodwill. If the consolidated acquisition value of the shares is instead lower than the value of the company's net assets, the difference is recognised directly through profit or loss for the year.

Elimination of intra-group transactions

All intra-group deals, revenue, expenses, gains or losses that arise through transactions between companies which are included in the consolidated financial statements are eliminated in their entirety. Only results that arise after the time of acquisition are included in the consolidated results. The results of companies that have been sold are recognised until the time of the disposal.

Business combinations

IFRS 3 is applied to business combinations, which among other things means that acquisition-related transaction costs are accounted for as expenses.

Translation of foreign subsidiaries

Items included in the financial statements of the various entities belonging to the Group are measured in the currency used in the primary economic environment in which each company operates. The Swedish krona (SEK), which is the Parent Company's functional and presentation currency, is used in the consolidated financial statements. The subsidiaries use the local currency in their respective countries as their presentation currency and this has been regarded as the functional currency. Transactions in foreign currency are translated into the functional currency at the exchange rates prevailing on the transaction date. Exchange gains and losses arising in connection with such transactions and in connection with remeasurement of monetary assets and liabilities in foreign currency at the exchange rate on the balance sheet date are recognised through profit or loss for the year. The results and financial position of all Group companies are translated to the Group's presentation currency as follows:

- assets and liabilities are translated at the exchange rate on the balance sheet date,
- income and expenses are translated at the average exchange rate during the financial year,

- exchange differences arising in connection with translation of foreign operations are recognised as translation differences through other comprehensive income.

Revenue from contracts with customers

In order for the Group to be able to recognise revenue from contracts with customers, each contract is evaluated according to the standard's five-step model:

1. Identifying a contract between at least two parties which involves a right and an obligation.
2. Identifying the various obligations.
3. Determining the transaction price, that is, the amount of consideration that the company is expected to receive in return for the promised goods or services. The transaction price must be adjusted for variable elements, for instance any discounts.
4. Allocating the transaction price to the various performance obligations.
5. Recognising revenue when the performance obligations have been satisfied, that is, control has been transferred to the customer. Control is transferred at a point in time or over time if any of the criteria detailed in the standard are met.

The Group's revenue comprises component manufacturing and includes custom product manufacturing primarily for the automotive and engineering industries. The Group has multiple framework agreements in place but a contract with a customer, as defined in IFRS 15, exists only when the customer has placed and approved an order. It is at this point that the customer's and the Group's enforceable rights and obligations are confirmed. However, under the terms of some framework agreements the Group must hold a specified amount of inventory and customers are committed to purchasing a minimum amount.

Generally, each distinct good in an order is considered to constitute a separate performance obligation. The transaction price consists entirely of a fixed amount. Revenue is recognised when control of the products has been transferred from AGES to the customer. Control of a performance obligation can be transferred over time or at a specific point in time. Revenue comprises the amount of consideration that the Group expects to receive in exchange for the transferred goods or services. For the Group this means that revenue is recognised at a point in time, specifically when delivery of the product has been completed. This coincides with the point in time when the risks and rewards related to the product are transferred to the customer, which also corresponds to the customer receiving the legal title to the product.

Pensions

Pensions and other post-employment benefits are classified as either defined contribution or defined benefit plans. Under a defined contribution plan, the company's obligations are limited to paying fixed contributions to a separate legal entity (insurance company) and the company has no further obligations. A defined benefit plan is a pension plan that stipulates an amount for the pension benefit that an employee receives after retirement. This is normally based on such factors as age, length of employment and salary. An independent actuary calculates the size of the obligations linked to each defined benefit plan. The actuary carries out an annual revaluation of the pension plan obligations and distributes the costs over the employee's working life. The obligation is accounted for as a liability in the balance sheet. The Group primarily has defined contribution pension plans. The majority of the Group's salaried employees on permanent contracts in Sweden are covered by the so-called ITP-plan, which is financed through pension insurance with Alecta or SPP. According to a statement from the Swedish Financial Reporting Board, this is a defined benefit plan. The Group has not had access to the kind of information required to make it possible to recognise this plan as a defined benefit plan. The ITP pension plan was therefore recognised as a defined contribution plan in accordance with IAS 19. In addition, the Group has pension obligations in respect of both blue-collar workers and salaried employees which are defined contribution plans and secured through premium payments to insurance companies. One of the Group's Swedish companies has a pension obligation classified as a defined benefit obligation. This obligation is accounted for as a liability in the company. This liability does not represent a significant item.

Taxes

Income taxes comprise current tax and changes in deferred tax. Income taxes are recognised in profit or loss except when the underlying transactions are recognised in other comprehensive income, in which case the associated tax effect is recognised in other comprehensive income. Current tax is tax that will be paid or received in respect of the current year, with application of the tax rates that have been enacted or substantively enacted at the balance sheet date. Current tax also includes adjustments for current tax of prior periods. Deferred tax is calculated in accordance with the balance sheet method and is based on temporary differences between the carrying amount and the tax bases of assets and liabilities. Measurement of tax assets and tax liabilities is based on nominal amounts and calculated using tax rules and tax rates that have been substantively enacted. Temporary differences primarily comprise untaxed reserves in Swedish companies. Deferred tax liabilities are normally recognised for all taxable temporary differences while deferred tax assets are recognised to the extent that it is probable that the amounts will be utilised.

Non-current assets

Non-current assets are measured at cost after deduction for accumulated depreciation.

tion and any impairment. If there is an indication of impairment of an asset, the asset's recoverable amount must be calculated. If the carrying amount exceeds the recoverable amount, the asset is written down to the recoverable amount. If it is not possible to test an individual asset for impairment, the asset should be allocated to a cash-generating unit for testing. If the carrying amount of an asset will primarily be recovered through a sale of the asset rather than continued usage in the business, the asset will be recognised separately in the balance sheet. Subsequent costs are added to cost only if it is probable that the economic benefits associated with the asset will flow to the company and the cost of the asset can be measured reliably. Other future costs will be accounted for as expenses in the reporting period in which they are incurred.

Intangible assets

Goodwill is accounted for as an intangible asset with an indefinite useful life and is tested for impairment annually or whenever there is an indication of impairment. The recoverable amount of a cash generating unit is determined on the basis of calculation of its value in use. The calculations are based on the Group's annual forecasting process, in which future cash flows for the existing business activities are forecast for the current year and the subsequent four-year period. Cash flows beyond the five-year period are extrapolated. The Group uses the current weighted cost of capital to discount estimated future cash flows. Discounted flows are compared with the carrying amount.

Property, plant and equipment

Depreciation is included in costs under the respective functions. Depreciation is systematically allocated over the expected useful life of the assets as stated below:

Buildings.....	25–50 years
Land improvements	20 years
Machinery and equipment.....	3–10 years

Land is not subject to depreciation because it is determined to have an indefinite useful life. Property, plant and equipment that comprise parts with different useful lives are accounted for as separate components of property, plant and equipment.

Right-of-use assets

In accordance with IFRS 16, leases are recognised in the statement of financial position. This accounting model is based on the view that the lessee has the right to use an asset for an agreed period of time and an associated obligation to pay for this right. This means that on the commencement date, the lessee must recognise a right-of-use asset representing the right to use the underlying asset during the lease term, together with a lease liability representing the present value of future lease payments. In the consolidated income statement and the statement of comprehensive income, a depreciation charge is recognised for the right-of-use asset, together with interest payments for the lease liability. Subsequent to initial recognition, the right-of-use asset is remeasured to reflect changes in lease payments, for example in the case of a change in the lease term or indexation of future lease payments. The remeasured amount is recognised as an adjustment of the right-of-use asset.

AGES' asset classes are machinery, vehicles, trucks and commercial premises. The standard contains two exemptions from recognition in the statement of financial position which are applied by AGES: short-term leases (lease term of 12 months or less) and leases for which the underlying asset is of low value (USD 5,000). These lease payments are recognised as operating expenses in the income statement and are therefore not included in the right-of-use asset or lease liability.

To determine whether a contract contains a leased asset, the definitions under IFRS 16 will be applied. A right-of-use asset is defined as an identified asset where AGES has the right to direct the use of the asset. The lease term is determined on the basis of the non-cancellable period of the lease. If the lease contains an option to extend and it is reasonably certain that this option will be exercised, the lease term will consist of the non-cancellable period of the lease plus the period covered by the option to extend.

The discount rate is in the first instance the interest rate implicit in the lease, if this can be readily determined under the lease. For other leases, the discount rate is the incremental borrowing rate. The incremental borrowing rate is the interest margin based on the lessee's (Group subsidiary) credit rating and a reference rate (IBOR) for the specific currency and lease term.

Inventories

Inventories are measured at the lower of cost and net realisable value and using the first in, first out method (FIFO). This means that inventories are recognised at the lower of cost on a FIFO basis and net realisable value. For finished and semi-finished goods manufactured by the company, cost comprises direct manufacturing costs and a reasonable mark-up for indirect costs based on normal capacity.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank.

Financial assets and liabilities

Financial instruments are any type of contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity. Financial instruments are classified at initial recognition, for instance on the basis of the purpose for which the instrument was acquired and managed. This classification determines measurement of the instruments.

Recognition and derecognition

A financial asset or liability is recognised in the balance sheet when the company becomes

party to the contractual provisions of the instrument. Trade receivables are recognised in the balance sheet once an invoice has been sent and the company's right to consideration is unconditional. Liabilities are recognised when the counterparty has satisfied its performance obligations and there is a contractual obligation to pay, even if the invoice has not yet been received. Trade payables are recognised when an invoice is received.

Financial assets and financial liabilities offset each other and the net amount is recognised in the balance sheet only when a legal right to offset the amounts exists and the company intends to settle them on a net basis or to simultaneously realise the asset and settle the liability. A financial asset is derecognised when the contractual rights to the asset are realised, expire or the company loses control over them. A financial liability is derecognised when the contractual obligation is discharged or is otherwise extinguished. The same applies to a portion of a financial asset or liability.

Gains or losses resulting from derecognition or modification are recognised through profit or loss to the extent that hedge accounting is not applied.

Classification and measurement of financial assets

Debt instruments: classification of financial assets comprising debt instruments is based on the Group's business model for management of the asset and the nature of the asset's contractual cash flows. The instruments are classified to

- Amortised cost
- Fair value through profit or loss, or
- Fair value through other comprehensive income

Financial assets classified to amortised cost are initially measured at fair value plus transaction costs. After initial recognition, assets are measured at amortised cost less provisions for expected credit losses. Assets classified to amortised cost are held under the hold to collect business model, that is, for the purpose of collecting contractual cash flows that are solely payments of principal and interest on the outstanding principal amount.

The Group's financial assets are classified to amortised cost, trade receivables and cash and cash equivalents, as well as fair value through profit or loss, which comprise the Group's financial investments.

Impairment of financial assets

The Group's impairment model is based on expected credit losses and takes into account forward-looking information. A credit loss provision is established when there is exposure to credit risk, usually upon initial recognition of an asset or receivable. According to the simplified approach, a credit loss provision is recognised for the expected remaining life of the receivable or asset. The simplified approach is applied to trade receivables and contract assets and is based on historical credit losses combined with forward-looking information.

Classification and measurement of financial liabilities

Financial liabilities, with the exception of derivatives, are classified to amortised cost. Financial liabilities recognised at amortised cost are initially measured at fair value including transaction costs. After initial recognition they are measured at amortised cost using the effective interest rate method.

The Group's financial liabilities (trade payables and borrowings) are classified at amortised cost.

Hedge accounting

The Group applies hedge accounting according to IAS 39 for financial instruments (derivatives) used to hedge against interest rate risk. In order for it to be possible to use hedge accounting, a number of criteria must be fulfilled: the position to be hedged is identified and exposed to exchange rate or interest rate fluctuations, the purpose of the instrument is to serve as a hedge, and the hedge effectively protects the underlying position against changes in its value. AGES uses interest rate swaps to limit uncertainty in future interest flows with regard to loans with variable interest rates.

These derivatives are measured at fair value in the balance sheet. Measurement is based on forward interest rates established on the basis of observable yield curves using the mid market rate. The measurement system detects which day count convention is being traded and adjusts measurement accordingly. The relationship between the hedging instrument and the hedged item is documented when the transaction is entered into. The efficiency of the hedging relationship is measured regularly thereafter. The coupon portion is recognised as interest income or expense through profit or loss as they arise. Other value changes are reported through other comprehensive income as long as the criteria for hedge accounting and efficiency are fulfilled. The ineffective portion is recognised at fair value as a financial item through profit or loss for the year.

Provisions

Provisions are recognised in the balance sheet when the company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. The amounts are measured regularly and are based on both historical information and reasonable assessments of the future. The Group's provisions mainly concern pension and warranty obligations.

Borrowing costs

Borrowing costs which are directly attributable to procurement, construction or production of a qualifying asset constitute part of the cost of the asset. Other borrowing costs are written off in the period they arise.

Notes The Group

(All amounts are reported in SEK thousand, unless otherwise stated.)

Cash flow

Cash flow is reported by applying the indirect method. This means that the net profit/loss is adjusted for transactions that have not resulted in cash inflows or outflows during the period and for any income and costs related to the cash flows of investing or financing activities. In the cash flow statement, consideration for companies that are either acquired or disposed of is presented on a separate line. The assets and liabilities of the acquired or sold company at the time of the acquisition/disposal are therefore not included in cash flow.

Segments

According to IFRS 8, companies must provide information about operating segments. IFRS 8 defines an operating segment as a component of an entity:

- (i) that carries out business activities
- (ii) whose operating results are reviewed regularly by the entity's chief operating decision maker to make decisions about allocation of resources to the segment and assess its performance, and
- (iii) for which discrete financial information is available.

The Group identified operating segments according to a four-step model: identification of the chief operating decision maker, identification of business activities, confirmation of the availability of discrete financial information and confirmation that this information is regularly followed up by the chief operating decision maker. Thereafter, the definition according to IFRS 8 was used to define the Group's operating segments. Because operating results are not used as a basis for decisions on allocation of resources to various parts of the company, the Group has only one operating segment, see Note 3 for further details.

Significant judgements

The preparation of the financial statements and application of accounting policies is based on judgements and estimates about the future. Below is a description of assumptions that entail a risk of considerable adjustments in the coming period.

Goodwill impairment testing

The Group tests assets for impairment of goodwill annually, or when there is an indication that an asset is impaired. The recoverable amount is determined by calculating the value in use. For further information on calculations and methods, see Note 15 Intangible assets.

Provisions

Provisions are defined as liabilities in an indeterminate amount and with indeterminate settlement dates. This means that estimates are always made when provisions are reported.

Deferred tax assets and liabilities

Judgements are made to determine both current and deferred tax items, particularly with regard to deferred tax assets. This includes assessing the probability of deferred tax assets being utilised for offsetting against future taxable profits. The fair value of these future taxable profits may deviate with regard to future business climate and earning capacity or changes to tax regulations.

Derivatives

The Group holds derivatives measured at fair value. The measurement of these instruments is based on estimates and comprises the market value that fluctuates over time. In addition, reporting may be affected if the criteria for hedge accounting and effectiveness are not met.

Note 3 Lines of business and geographical areas

The business activities of the subsidiaries have similar economic characteristics and they are also similar in respect of the nature of their products and production processes.

The customer categories are the same for the companies and they supply the same market, primarily the Swedish market. Because management does not use the financial results of the individual operations as a basis for decisions on allocation of resources, the Group's business activities form a single segment.

The Group's business activities focus on component manufacturing and comprise 100% custom manufacturing and no own products. The Group has four customers which each generate revenue accounting for more than 10% of the Group's total revenue. Revenue from these customers amounted to SEK 223 million (152), SEK 211 million (158), SEK 187 million (163) and SEK 79 million (71) respectively.

Sales by geographical market	2022		2021	
Sweden	960,792	73%	815,792	76%
Poland	57,028	4%	42,401	4%
Belgium	46,326	4%	41,001	4%
The Netherlands	57,972	4%	37,952	4%

Sales by geographical market	2022		2021	
Germany	45,652	3%	33,130	3%
North America	42,669	3%	31,621	3%
Norway	36,514	3%	17,194	2%
Other	71,878	6%	50,930	4%
Total for the Group	1,318,831	100%	1,070,021	100%

Sales by geographical market comprise all revenue from external customers divided by the geographical areas where customers are based.

Assets by geographical market	2022		2021	
	Non-current assets	Investments	Non-current assets	Investments
Sweden	587,178	53,418	587,161	65,523
China	6,013	927	5,267	467
Total	593,191	54,345	592,428	65,990

Carrying amount of assets and investments divided by the geographical areas where assets are located. Of net investments in 2022, SEK 2 million (1) comprised investments in property, SEK 52 million (65) investments in machinery and equipment and SEK 0 million (0) business combinations.

Note 4 Employees and personnel costs

Average number of employees	2022		2021	
		of which men		of which men
Sweden	449	78%	457	81%
China	33	55%	34	56%
Total	482	80%	491	80%

Proportion of men on the board/ in group management	2022		2021	
<i>Parent Company</i>				
Board members	60%		71%	
Group management	100%		100%	
<i>Operating subsidiaries</i>				
Board members	100%		100%	
Group management	83%		83%	

Wages, salaries, other remuneration and social security expenses	2022		2021	
Wages, salaries and other remuneration	212,300		201,645	
Social security expenses	87,509		74,388	
(of which pension costs) ^{1,2,3,4)}	(15,423)		(14,747)	
	299,809		276,033	

¹⁾ Of the Group's pension costs, SEK 2,169,000 (1,954,000) relate to the Group's Board and CEO. The Group's outstanding pension obligations to these amount to SEK 0 (0)

²⁾ Cost of pension obligations through Alecta (recognised as a defined contribution plan) for the reporting period amounted to SEK 1,376,000 (2,972,000). Alecta's surplus can be distributed to the policyholders and/or the insured. At the end of 2022, Alecta's surplus in the form of the collective funding ratio was 189% (169).

³⁾ Pension costs do not include payroll tax

⁴⁾ One of the Group's Swedish subsidiaries has pension obligations classified as a defined benefit pension plan. Information about this has not been provided because the liability, totalling SEK 50,000 (53,000), is not significant.

Breakdown of wages, salaries and other remuneration	2022		2021	
	Board of Directors and CEO	Other employees	Board of Directors and CEO	Other employees
Sweden (of which bonuses)	8,704 (506)	197,579 (-)	9,392 (277)	187,281 (-)
China (of which bonuses)	901 (-)	5,116 (-)	745 (106)	4,227 (-)
Total (of which bonuses)	9,605 (506)	202,695 (-)	10,137 (383)	191,508 (-)

The Chairman and members of the Board receive remuneration in accordance with the decision of the Annual General Meeting. The Annual General Meeting resolved that fees to the Board of Directors should total SEK 1,100,000 (1,275,000). Of this amount, SEK 375,000 (375,000) comprised the fee for the Chairman of the Board. The Annual General Meeting further resolved that fees for work in the Remuneration Committee and Audit Committee must not exceed SEK 100,000, to be awarded by the Board of Directors on an as-needed basis. All fees were paid out in 2022.

Remuneration of Board members carried as an expense is shown in the table.

Board fees and committee remuneration

Name	Elected	Function on the Board of Directors	Board fee including committee remuneration, SEK 2022	Board fee including committee remuneration, SEK 2021
Stefan Jonsson	2018	Chairman	420,000	395,000
Anna Benjamin	2015	Board member	220,000	205,000
Fredrik Rapp	2013	Board member	185,000	170,000
Håkan Lindor	2018	Board member	-	160,000
Anders Berggren	2020	Board member	175,000	160,000
Petra Öberg Gustafsson	2021	Board member	175,000	160,000
			1,175,000	1,250,000

Senior executives

For 2022 and 2021, senior executives are defined as group management, currently comprising the CEO and CFO.

The Remuneration Committee of the Board of Directors prepares decisions on salaries and other terms and conditions of employment for the CEO and other senior executives according to the principles decided by the Annual General Meeting. For both the CEO and other senior executives, the variable component of remuneration is based partly on the Group's results and partly on personal goals. The maximum amount of variable compensation is three months' salary. Upon termination of employment by the company, a notice period of not more than six months shall apply. In addition, severance pay corresponding to not more than twelve months' salary for the CEO and not more than six months' salary for other group management may be payable subject to deduction for new employment. In the case of notice of termination given by the employee, the notice period shall be six months. No severance pay shall be payable in the case of notice of termination by the employee. The retirement age is set at 65 years. Pensions must be premium-based and premiums must not exceed 35% of pensionable salary. Other benefits include company car and health insurance.

Remuneration and other benefits carried as an expense	Basic salary		Variable remuneration		Other benefits		Pension costs		Other compensation		Total	
SEK thousand	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
CEO	2,190	2,100	0	0	68	58	751	606	90	241	3,099	3,005
Other senior executives	1,470	1,380	0	0	91	89	433	335	56	210	2,050	2,014
Total	3,660	3,480	0	0	159	147	1,184	941	146	451	5,149	5,019



Notes **The Group**

(All amounts are reported in SEK thousand, unless otherwise stated.)

The Board of Directors' decision on guidelines for remuneration of senior executives

The guidelines apply to the Group CEO of AGES, members of the group management and the managing directors of AGES' subsidiaries who report directly to the Group CEO. The guidelines do not include remuneration decided by the Annual General Meeting, such as fees for Board members or share-based incentive schemes.

The guidelines will govern the decisions on remuneration taken by the Board of Directors' Remuneration Committee in respect of senior executives reporting directly to the Group CEO, and by the Board of Directors as a whole in respect of the CEO.

Guidelines underpin AGES' business strategy

AGES' business concept is to offer large-series production of advanced precision components to leading players in selected customer segments. Driven production processes, an entrepreneurial spirit and cutting edge technological expertise create the conditions necessary to deliver the best solutions on the market while also ensuring cost-efficiency in production. To achieve this, AGES has adopted a strategy focusing on growth-promoting priorities and efficiency-enhancing measures. Additionally, the strategy includes a large focus on employees. Successful implementation of AGES' business strategy and safeguarding of AGES' long-term interests, including sustainability, depend on AGES being able to recruit and retain qualified employees with the required skills. In order to achieve this, AGES must be able to offer competitive compensation. The guidelines make it possible for senior executives to be offered competitive total compensation.

Forms of compensation

AGES shall offer compensation on market terms that is based on factors such as roles and responsibilities, skills, experience and performance. Remuneration may consist of fixed salary, short-term variable compensation, pension benefits, insurance and other benefits. In addition, the Annual General Meeting may – irrespective of these guidelines – decide on share-based and share price-related compensation.

Fixed salary

Fixed salary constitutes compensation for a committed and highly professional work contribution which ultimately seeks to create added value for AGES' customers, shareholders and employees. Fixed salary must be attractive in relation to the market rate and shall be based on the employee's skills, experience and performance. Salary shall be evaluated on an annual basis. Senior executives are not paid a fee for directorships in the AGES Group's subsidiaries.

Variable remuneration

In addition to fixed salary, variable remuneration may be payable. The variable remuneration must be linked to measurable criteria that must be designed to promote the business strategy and long-term interests of the company, including its sustainability. The criteria shall be set annually by the Remuneration Committee and the Board of Directors. Variable remuneration shall be based on attainment of financial results targets in AGES and, where relevant, subsidiaries, and personal goals for the financial year. The measurement period is one year and compensation may not exceed three monthly salaries.

Pension benefits and other benefits

AGES applies a retirement age of 65 for all senior executives. Pensions shall be defined contribution pensions unless the executive has a defined benefit pension under mandatory collective agreement regulations. Variable compensation is not qualifying income for pension purposes. Pension premiums for a premium-based pension must not exceed 35% of pensionable salary. Other benefits must be limited in scope and may include, e.g. health insurance, company car and travel benefit.

With regard to terms and conditions of employment governed by rules other than Swedish regulations, both pension benefits and other benefits shall be adjusted as required to comply with mandatory regulations or local practice, while ensuring that the overall objective of these guidelines is met.

In the case of termination of employment of a senior executive by the company, a period of notice of not more than six months shall apply. Fixed salary during the notice period. In the case of termination of employment by the company, the CEO will be entitled to severance pay corresponding to not more than twelve months' salary. The amount of severance pay is adjusted for income from other sources. In the case of termination of employment of other senior executives by the company, the executive will be entitled to severance pay corresponding to six months' salary. The amount of severance pay is adjusted for income from other sources.

In the case of notice of termination given by the senior executive, no severance pay is payable.

Salary and terms and conditions of employment for employees

In the preparation of the Board of Directors' proposals for these compensation guidelines, the salaries and terms and conditions of employment for AGES' employees have been taken into consideration. Information about total remuneration of employees, remuneration components and increase and rate of increase in remuneration over time was one of

the factors considered by the Remuneration Committee and the Board of Directors in the evaluation of whether the guidelines and the limitations resulting from the guidelines are reasonable.

Decision-making process to establish, review and implement guidelines

The Board of Directors has appointed a Remuneration Committee. The Committee's duties include preparing the Board of Directors' decision on proposed guidelines for remuneration of senior executives and other terms and conditions of employment for this group. The Board of Directors must prepare proposals for new guidelines at least every four years and present the proposals for ratification by the Annual General Meeting.

The guidelines shall remain in force until new guidelines are adopted by the Annual General Meeting. The Remuneration Committee shall also monitor and evaluate current schemes and schemes completed in the reporting year for variable remuneration of the Group's group management, application of guidelines for remuneration of senior executives and current remuneration structures and remuneration levels in AGES. To the extent that these matters relate to them, the CEO and other senior executives shall not attend meetings of the Board where remuneration-related issues are discussed and decided.

Deviation from guidelines

The Board may decide to temporarily deviate from the guidelines either wholly or partly on a case by case basis if there are compelling reasons for doing so and deviation is considered necessary to safeguard the AGES Group's long-term interests and sustainability, or in order to safeguard the Group's financial strength. As stated above, the Remuneration Committee's duties include preparing the Board's decisions in remuneration matters, which includes decisions on deviation from the guidelines.

Description of significant changes to guidelines and how the views of shareholders have been taken into consideration

The proposal for guidelines to be presented to the 2022 Annual General Meeting does not include any significant changes compared with the company's existing remuneration guidelines. The company has not consulted the shareholders.

Note 5 Expenses by category of expense

	2022	2021
Material costs	-666,758	-502,856
Personnel costs	-344,990	-299,178
Depreciation/amortisation	-55,164	-52,218
Other external expenses	-207,806	-177,406
	-1,274,718	-1,031,658

Note 6 Personnel costs

Personnel costs by function	2022	2021
Cost of goods sold	-306,271	-257,986
Selling expenses	-23,095	-22,055
Administrative expenses	-15,624	-19,137
	-344,990	-299,178

Note 7 Depreciation

Depreciation/amortisation by function	2022	2021
Cost of goods sold	-54,709	-51,765
Selling expenses	-173	-162
Administrative expenses	-282	-291
	-55,164	-52,218

Depreciation/amortisation by asset class	2022	2021
Buildings and land	-8,191	-8,250
Plant and machinery	-39,880	-35,886
Equipment, tools, fixtures and fittings	-2,783	-2,395
Right-of-use assets	-4,310	-5,687
	-55,164	-52,218

Note 8 Other external expenses

Other expenses by function	2022	2021
Cost of goods sold	-182,171	-156,006
Selling expenses	-16,687	-13,050
Administrative expenses	-8,947	-8,350
	-207,805	-177,406

Note 9 Fees and other remuneration to auditors

	2022	2021
<i>Ernst & Young AB</i>		
Audit engagement	871	850
Audit work other than the audit engagement	-	-
Tax advice	15	25
Other services	10	84
	896	959
<i>Other auditors</i>		
Audit engagement	28	24
Other services	-	201
Total	924	1,184

Audit engagement comprises the review of the annual financial statements, the interim financial statements, corporate reports and the administration by the Board of Directors and CEO.

Note 10 Other operating income

	2022	2021
Rental income	176	172
Foreign exchange gains on operating receivables/liabilities	11,048	4,977
Other	4,102	6,193
	15,326	11,342

State support will be recognised as other income in the income statement and balance sheet when it is probable that the support will be received or has been received.

Note 11 Other operating expenses

	2022	2021
Foreign exchange losses on operating receivables/liabilities	-7,646	-5,761
Other	-1,139	-738
	-8,785	-6,499

Note 12 Financial income

	2022	2021
Interest income, financial assets	328	82
Exchange differences, financial items	218	70
	546	152

Note 13 Financial expenses

	2022	2021
Interest expense, financial liabilities	-10,733	-10,631
Exchange differences, financial items	-1,818	-
	-12,551	-10,631

Hedge accounting: assets and liabilities at fair value through other comprehensive income

Interest expense from derivatives	-	-408
	-12,551	-11,039

Note 14 Tax on profit for the year

	2022	2021
Current tax	-7,507	-9,783
Deferred tax	2,925	3,100
	-4,582	-6,683

The difference between the Swedish income tax rate of 20.6% (20.6%) and the effective tax rate is as follows:

	2022	2021
Profit before tax for the year	38,648	32,319
Tax according to Swedish income tax rate	-7,962	-6,657
<i>Tax effect of</i>		
Non-deductible items	-2,832	-3,170
Non-taxable items	4,749	2,357
Deviation in tax rates in foreign companies	1,034	787
Adjustments for current tax of prior periods	428	0
Tax for the year	-4,582	-6,683

Note 15 Intangible assets

Goodwill

Accumulated cost	2022	2021
At the beginning of the year	398,657	398,657
Goodwill impairment	-150,521	-150,521
At the end of the year	248,136	248,136
Residual value at the end of the year	248,136	248,136

Goodwill is allocated to the Group's cash generating units, which comprise one segment, and tested for impairment at least annually or whenever there is an indication of impairment.

The recoverable amount is determined on the basis of calculations of value in use. Estimates of value in use are based on a discounted cash flow model. The estimate contains a significant source of uncertainty because the estimates and assumptions that are used in the discounted cash flow model are combined with uncertainty about future events and market conditions, and the actual outcome can deviate significantly. Estimates and assumptions have, however, been reviewed by management and are consistent with internal forecasts and future prospects for the business.

The discounted cash flow model includes projections of future cash flows from the business, including estimates of revenue, production costs and required capital employed. Multiple assumptions are made, the most significant of which are the rate of growth in revenue, operating margin and the discount rate.

Projections of future operating cash flows are based on the following:

- budgets and strategic plans for a three-year period corresponding to management's estimates, adopted by the Board, of future revenue and operating costs using results of prior periods, general market conditions, industry developments and forecasts and other available information. Assumed growth is 1.5% for the forecast period and subsequent sustained growth of 1.5%.

Impairment testing in the financial year used a discount rate (WACC) of 13.5% (9.7) before tax.¹⁾

Impairment testing in the financial year showed no indication of impairment. A number of sensitivity analyses have been carried out. No impairment was identified in the analyses.

¹⁾ The discount rate comprises the risk-adjusted required return, which in addition to risk-free interest includes a risk premium based on the average market premium on the Swedish stock market with an additional premium based on the size of the company and the company's cost of borrowed capital and which has also been adjusted for debt/equity ratio based on market data.

Note 16 Property, plant and equipment

Buildings and land

Accumulated cost	2022	2021
At the beginning of the year	259,561	258,702
Additions	1,369	194
Reclassifications	1,091	665
At the end of the year	262,021	259,561
Accumulated depreciation according to plan	2022	2021
At the beginning of the year	-133,564	-125,392
Depreciation for the year according to plan	-8,191	-8,250
Reclassifications	80	78
At the end of the year	-141,675	-133,564
Accumulated impairment losses	2022	2021
At the beginning of the year	-3,078	-3,078
At the end of the year	-3,078	-3,078
Residual value according to plan at the end of the year ¹⁾	117,268	122,919
¹⁾ of which land	5,870	5,870

Plant and machinery

Accumulated cost	2022	2021
At the beginning of the year	734,099	684,044
Additions	31,002	47,838
Disposals and retirements	-7,913	-9,484
Reclassifications	2,284	11,701
Translation differences for the year	460	-
At the end of the year	759,932	734,099
Accumulated depreciation according to plan	2022	2021
At the beginning of the year	-541,358	-514,184
Disposals and retirements	7,753	8,190
Reclassifications	13,514	179
Depreciation for the year according to plan	-39,880	-35,886
Translation differences for the year	-220	343
At the end of the year	-560,191	-541,358
Residual value according to plan at the end of the year	199,741	192,741

Equipment, tools, fixtures and fittings

Accumulated cost	2022	2021
At the beginning of the year	56,335	55,454
Additions	1,076	987
Disposals and retirements	-2,476	-438
Reclassifications	18,444	355
Translation differences for the year	178	-23
At the end of the year	73,557	56,335

Accumulated depreciation according to plan	2022	2021
At the beginning of the year	-45,909	-43,957
Disposals and retirements	2,457	431
Reclassifications	-13,401	-163
Depreciation for the year according to plan	-2,783	-2,395
Translation differences for the year	-109	174
At the end of the year	-59,745	-45,909
Residual value according to plan at the end of the year	13,812	10,426

Assets under construction

Accumulated cost	2022	2021
At the beginning of the year	9,330	4,001
Additions/advances	20,898	18,064
Reclassifications	-21,855	-12,735
At the end of the year	8,373	9,330

Note 17 Inventories

	2022	2021
Raw materials and consumables	67,239	54,752
Work in progress	47,165	67,770
Finished goods and goods for resale	80,100	60,494
Goods in transit	23,627	16,922
	218,131	199,938

Cost of inventories carried as an expense was included in the line item Cost of goods sold and amounted to SEK 666,758,000 (502,856,000). Impairment amounted to SEK 0 (SEK 0).

Write-downs for the year are included in the cost of goods sold in the income statement.

Note 18 Trade receivables and other receivables

	2022	2021
Trade receivables ¹⁾	147,845	188,187
Other receivables	5,238	4,650
	153,083	192,837

¹⁾ For information on maturity structure and age distribution, see Notes 19 and Note 31.

Note 19 Financial assets and liabilities

Breakdown by category

2022	Financial assets at amortised cost	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total carrying amount	Fair value ¹⁾
<i>Financial assets</i>					
Trade receivables ²⁾	147,845			147,845	147,845
Derivatives ³⁾					
Cash and cash equivalents	11,720			11,720	11,720
Total financial assets				159,565	159,565
<i>Financial liabilities</i>					
Liabilities to credit institutions			179,813	179,813	179,813
Lease liabilities ⁴⁾			5,407	5,407	5,407
Bank overdraft facilities			105,229	105,229	105,229
<i>Total interest-bearing liabilities</i>				<i>290,449</i>	<i>290,449</i>
Trade payables			168,918	168,918	
Derivatives ³⁾				-	
Total financial liabilities				459,367	
2021	Financial assets at amortised cost	Financial liabilities at fair value through profit or loss	Financial liabilities at amortised cost	Total carrying amount	Fair value ¹⁾
<i>Financial assets</i>					
Trade receivables ²⁾	188,187			188,187	188,187
Derivatives ³⁾				-	
Cash and cash equivalents	7,961			7,961	7,961
Total financial assets				196,148	196,148
<i>Financial liabilities</i>					
Liabilities to credit institutions			167,707	167,707	167,707
Current liabilities to shareholders			30,000	30,000	30,000
Lease liabilities ⁴⁾			8,195	8,195	8,195
Bank overdraft facilities			129,207	129,207	129,207
<i>Total interest-bearing liabilities</i>				<i>335,109</i>	<i>335,109</i>
Trade payables			171,584	171,584	
Derivatives ³⁾		114		114	
Total financial liabilities				506,807	

¹⁾ The fair value of financial assets and liabilities, with the exception of lease liabilities, is estimated to be substantially the same as the carrying amount.

²⁾ Expensed credit losses in the year amounted to SEK 83,000 (300,000), of which SEK 39,000 (0) comprised incurred credit losses.

³⁾ Derivatives refer to interest rate swaps measured at fair value and classified as level 2 in the fair value hierarchy under IFRS 13.

Change in value in the reporting period amounted to SEK 0 (-418,000) excluding tax. An effective hedge is in place for the item, which was recognised through profit or loss for the year.

⁴⁾ See Note 28 regarding finance leases.

Notes The Group

(All amounts are reported in SEK thousand, unless otherwise stated.)

Note 19 Cont.

Age distribution

Financial assets As at 31 Dec 2022	Maturity			Total
	- 30 days	31 - 90 days	91 - 360 days	
Trade receivables	140,489	5,321	2,035	147,845
Derivatives	-	-	-	-
Cash and cash equivalents	11,720	-	-	11,720
Total financial assets	152,209	5,321	2,035	159,565

The fair value of financial receivables is estimated to be substantially the same as the carrying amount.

Financial assets As at 31 Dec 2021	Maturity			Total
	- 30 days	31 - 90 days	91 - 360 days	
Trade receivables	183,085	3,337	1,765	188,187
Derivatives	-	-	-	-
Cash and cash equivalents	7,961	-	-	7,961
Total financial assets	191,046	3,337	1,765	196,148

Financial liabilities As at 31 Dec 2022	Maturity						Total
	- 30 days	31 - 90 days	91 - 360 days	Total within 1 year	Between 1 and 5 years	More than 5 years	
Liabilities to credit institutions	4,892	9,783	44,025	58,700	105,356	15,757	179,813
Lease liabilities	349	698	3,142	4,189	1,218	-	5,407
Bank overdraft facilities	-	-	105,229	105,229	-	-	105,229
Total interest-bearing liabilities	5,241	10,481	152,396	168,118	106,574	15,757	290,449
Trade payables	133,825	35,059	34	168,918	-	-	168,918
Derivatives	-	-	-	-	-	-	-
Total financial liabilities	139,066	45,540	152,430	337,036	-	-	459,367
<i>Value of undiscounted flows ¹⁾</i>				337,036			458,208

Financial liabilities As at 31 Dec 2021	Maturity						Total
	- 30 days	31 - 90 days	91 - 360 days	Total within 1 year	Between 1 and 5 years	More than 5 years	
Liabilities to credit institutions	2,825	5,649	25,422	33,897	113,675	20,135	167,707
Short-term shareholder loan	-	-	30,000	30,000	-	-	30,000
Lease liabilities	578	1,155	5,198	6,931	1,264	-	8,195
Bank overdraft facilities	-	-	129,207	129,207	-	-	129,207
Total interest-bearing liabilities	3,403	6,804	189,827	200,034			335,109
Trade payables	129,477	42,009	98	171,584	-	-	171,584
Derivatives	-	114	-	114	-	-	114
Total financial liabilities	132,880	48,927	189,925	371,732	-	-	506,807
<i>Value of undiscounted flows ¹⁾</i>				372,231			507,439

¹⁾ Includes estimated future interest payments.

For fixed interest terms and interest risk, as well as credit risk, see Note 31.

Breakdown by currency

	Financial assets		Financial liabilities			
	31 Dec 2022	31 Dec 2021	Non-current		Current	
			31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
SEK	127,113	179,312	122,331	135,074	310,822	343,459
USD	2,265	8,515	-	-	334	4,825
EUR	15,536	7,542	-	-	17,509	16,861
CNY	14,651	779	-	-	7,072	4,364
Other currencies	-	-	-	-	1,299	2,223
	159,565	196,148	122,331	135,074	337,036	371,732

Note 20 Earnings per share

Basic earnings per share	2022	2021
Profit for the year, SEK thousand	34,067	25,636
Average number of outstanding shares, thousand	7,029	7,029
Basic earnings per share, SEK	4.85	3.65

Diluted earnings per share	2022	2021
Profit for the year, SEK thousand	34,067	25,636
Average number of outstanding shares after dilution, thousand	7,029	7,163
Diluted earnings per share, SEK	4.85	3.58

AGES 2021 Annual General Meeting passed a resolution on a share incentive plan for group management, comprising warrants for Class B shares. Of the 250,000 warrants issued, 230,000 have been subscribed for. The warrants were transferred at a price of SEK 7.93 each. The exercise price for the warrants is SEK 73.20. The exercise period runs from 15 May to 30 June 2024.

For number of shares, see Note 21.

In the calculation of number of shares after dilution, the average number of shares is adjusted for the effects of dilutive potential ordinary shares, which in the reporting periods concerned comprise rights to acquire shares in AGES Industri AB within the framework of the long-term incentive programme. As at 31 December 2022, the warrants were not assessed as having a dilutive effect because the share price in 2022 was below the exercise price for the warrants.

Note 21 Share capital

Share capital distribution	31 Dec 2022	31 Dec 2021
Class A shares	1,822,200	1,822,200
Class B shares	5,206,774	5,206,774
Total number of shares	7,028,974	7,028,974

Quota value, SEK	5	5
Share capital, SEK	35,144,870	35,144,870

One Class A share carries 10 votes per share and one Class B share carries one vote. The number of votes amounted to 23,428,774

The proposed dividend was SEK 0 (SEK 0) per share.

Note 22 Reserves

Translation reserve	2022	2021
At the beginning of the year	2,373	-403
Translation differences for the year	1,847	2,776
At the end of the year	4,220	2,373

Hedging reserve	2022	2021
At the beginning of the year	-81	-413
Change during the year	81	332
At the end of the year	0	-81

The amounts concern the effective component of value change in derivative instruments used for hedge accounting. Reclassification to profit or loss was recognised as a reclassification adjustment in the reporting period. As at the balance sheet date 31 December 2022, the Group had interest rate swaps to lock in interest rates with a total nominal amount of SEK 0 million (SEK 50 million).

Total reserves	4,220	2,292
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Note 23 Bank overdraft facilities

Bank overdraft facilities	2022	2021
Committed bank overdraft facilities	150,000	150,000
Unused portion	-44,771	-20,793
Used amount	105,229	129,207

Note 24 Other provisions

Non-current	2022	2021
Pension obligations	50	53
Other	-	-
	50	53

<i>Estimated maturity</i>		
Between one and five years from the balance sheet date	30	30
More than five years from the balance sheet date	20	23
	50	53

Note 25 Deferred tax liability

Temporary differences

Temporary differences arise when there is a difference between the carrying amounts and the tax bases of assets and liabilities. Temporary differences relating to the following items have resulted in deferred tax liabilities and deferred tax assets.

	2022	2021
Property, plant and equipment, items in consolidated financial statements ¹⁾	34,996	36,904
Buildings, subsidiaries	7,070	6,415
Untaxed reserves		
Additional depreciation, machinery and equipment	56,908	53,071
Tax allocation reserves	88,742	104,403
Derivatives	-	-114
Other items	6,692	7,507
Total	194,408	208,186
Tax 20.6% (20.6%)	40,048	42,886
Deferred tax liability	40,048	42,886
Deferred tax liability carried forward	42,886	46,110
Other items	-	210
Deferred tax expense relating to temporary differences	-2,838	-3,014
- of which recognised through Profit or loss for the year	-2,925	-3,100
Other comprehensive income	33	86

¹⁾ Refers primarily to consolidated carrying amounts as a result of fair value measurement in connection with acquisition of subsidiaries.

Note 26 Trade payables and other liabilities

	2022	2021
Advance payments from customers	10,493	6,124
Trade payables	168,918	171,584
Salary and holiday pay liabilities	34,087	33,322
Accrued social security contributions	13,736	13,924
Other accrued expenses	11,540	17,037
Other interest-bearing current liabilities	-	30,000
Other non interest-bearing liabilities	13,247	9,100
	252,021	281,091

Other interest-bearing current liabilities refer to short-term shareholder loan of SEK 0 million (SEK 30 million).

Notes The Group

(All amounts are reported in SEK thousand, unless otherwise stated.)

Note 27 Pledged assets

Group	2022	2021
<i>In respect of own liabilities and those of Group companies</i>		
Property mortgages	70,600	70,600
Floating charges	79,790	79,790
Shares in subsidiaries	462,037	441,840
	612,427	592,230

Note 28 Right-of-use assets

Right-of-use assets 2022	2022				
	Machinery	Vehicles	Premises	Trucks	Total
At the beginning of the year	4,873	2,890	752	321	8,836
Additional right-of-use assets	1,953	1,741	1,336	-	5,030
Disposals/retirements	-6,567	-2,848	-	-	-9,415
Depreciation/amortisation	-1,624	-1,530	-908	-248	-4,310
Disposals/retirements	3,544	2,106	-	-	5,650
Exchange differences	-	-	30	-	30
Carrying amount at the end of the year	2,179	2,359	1,209	73	5,821

Right-of-use assets 2021	2021				
	Machinery	Vehicles	Premises	Trucks	Total
At the beginning of the year	10,607	2,929	250	569	14,355
Additional right-of-use assets	2,775	1,863	1,275	0	5,913
Disposals/retirements	-11,590	-1,400	1,203	0	-11,787
Depreciation/amortisation	-2,811	-1,826	-801	-248	-5,687
Disposals/retirements	5,892	1,324	-1,203	0	6,013
Exchange differences	0	0	29	0	29
Carrying amount at the end of the year	4,873	2,890	752	321	8,836

Maturity analysis, liabilities 2022	Maturity					
	Total	30 days	31-90 days	91-360 days	Between 1 and 5 years	More than 5 years
Machinery	2,263	125	249	935	990	0
Vehicles	2,087	1,008	114	980	0	0
Premises	1,002	0	250	546	228	0
Trucks	55	22	13	20	0	0
	5,407	1,154	627	2,481	1,218	0

Also see Note 19 Financial liabilities

The following amounts relating to right-of-use assets were recognised through profit or loss:	2022	2021
Depreciation/amortisation of right-of-use assets	-4,310	-5,687
Interest expense	-130	-130
Short-term leases	-1,309	-1,147
	-5,749	-6,964

Total cash flow relating to right-of-use assets in 2022 was SEK -4,084 million (SEK -8,662 million).

Note 29 Cash flow

Interest

Interest paid in the reporting period amounted to SEK 12,551,000 (10,244,000) and interest received amounted to SEK 546,000 (70,000).

Cash and cash equivalents	2022	2021
Cash in hand and at bank	11,720	7,961
Amount at the end of the year	11,720	7,961

Note 30 Change in liabilities

	31 Dec 2021	Cash transactions	Non-cash transactions	31 Dec 2022
Non-current liabilities to credit institutions	133,810	-12,696	-	121,114
Current liabilities to credit institutions	33,897	24,802	-	58,699
Other interest-bearing liabilities ¹⁾	30,000	-30,000	-	-
Lease liabilities	8,195	-4,084	1,296	5,407
Total liabilities attributable to financing activities	205,902	-21,978	1,296	185,220

¹⁾ Refers to current shareholder loan included in trade payables and other liabilities

	31 Dec 2020	Cash transactions	Non-cash transactions	31 Dec 2021
Non-current liabilities to credit institutions	115,940	17,870	-	133,810
Current liabilities to credit institutions	43,794	-9,897	-	33,897
Other interest-bearing liabilities ¹⁾	-	30,000	-	30,000
Lease liabilities	13,961	-8,662	2,896	8,195
Total liabilities attributable to financing activities	173,695	29,311	2,896	205,902

¹⁾ Refers to current shareholder loan included in trade payables and other liabilities

Note 31 Risks

Financial risks

The Group is exposed to financial risks through its business activities. Financial risk refers to the changes in the Group's cash flow that are due to changes in exchange rates and interest rates, together with liquidity, financing and credit risks. The Group's financial risk management policy is determined by the Board of Directors and forms the framework for risk management. The aim is to minimise the cost of raising capital and financial risk in a cost-effective way. The Parent Company plays a central role in management of financial activities, which means that the Group can benefit from economies of scale and have a better overview of financial risks.

Currency risks

The Group's business activities are exposed to currency risks mainly in the following three areas:

- » Transaction risk
- » Risk relating to translation of the income statements of subsidiaries
- » Risk relating to translation of the balance sheets of subsidiaries

The transaction risk arises due to the commercial payment flows that take place in a currency other than the local currency of each subsidiary. The Group's policy is not to hedge commercial flows. Because of the changes made to the Group's structure and their impact on currency flows, this policy may be revised. The flows are monitored continuously in order to minimise transaction risks.

The proportion of invoicing in foreign currency in 2022 was 6% (6). Of the Group's manufacturing, 94% (94) was based in Sweden. The majority of the Group's products are sold in the countries in which they are manufactured. The main exceptions are deliveries from the Swedish production units to foreign end-customers. It is in this latter case that transaction risk arises, as well as in connection with purchases of material.

A simplified summary of the Group's revenue and cost structure in 2022, broken down by currency, is shown in the table below.

Proportion (%) of	SEK	EUR	USD	CNY	Total
Invoicing	94	5	1	0	100
Cost of goods sold	81	12	1	6	100

The Group is primarily exposed to changes in EUR, CNY and USD, which showed negative net flows in 2022. In addition, subsidiaries have receivables in mostly EUR and CNY and liabilities in EUR, CNY and USD. An average change of 5% in all currencies against the Swedish krona would have an impact on profit before tax of approx. SEK 0.1 million for the corresponding flow. In the event of a change of 5% in either EUR, CNY or USD against the Swedish krona, the impact on profit before tax over a period of one year would be around SEK 1 million, SEK -1 million and SEK 1 million respectively.

Risk relating to translation of the income statements and balance sheets of subsidiaries
Because the foreign subsidiaries' sales, results and value of net assets are low, translation of the subsidiaries' income statements and balance sheets does not represent a significant risk.

Interest risks

Interest risk refers to the risk that changes in interest rates will have a negative impact on the Group's results due to increased borrowing costs. Financing primarily comprises bank borrowings.

The average interest rate (interest expense in relation to average interest-bearing liabilities) was 4.2% (3.6). The Group's interest-bearing liabilities as at the balance sheet

date amounted to SEK 290 million (335), of which SEK 290 million were variable interest liabilities. The net impact of a one (1) percentage point rise in interest rates is around SEK -2.90 million (-2.85) on an annual basis. Interest rate swaps are used to change the fixed interest rate period in the desired direction and also to reduce the effect of interest rate fluctuations. The Group had interest rate swaps of a total nominal amount of SEK 0 million (SEK 50 million) at the balance sheet date.

Hedging instruments and hedge accounting

To manage the interest rate risk described above, the Group had interest rate swaps in an amount equal to SEK 50 million until April 2022, to which hedge accounting under IAS 39 was applied. To the extent that an effective hedging relationship existed, the change in the value of derivative instruments was recognised through other comprehensive income. Value changes relating to the ineffective portion of a hedging relationship were recognised directly under net financial income/expense through profit or loss. The Group had no active hedges as at 31 December 2022.

Liquidity and financing risks

Liquidity and financing risks refer to the risk of not being able to meet payment obligations as a result of insufficient liquidity or difficulty raising external loans. The Group is actively looking to ensure a high level of financing preparedness and effective raising of capital by always having access to confirmed credit. The majority of the Group's borrowing comprises bank borrowings. The Parent Company offers credit within the Group on market terms and usually at variable interest rates. Liquidity preparedness (cash and cash equivalents, including credit granted but not used, in relation to net sales) at the balance sheet date stood at 4% (3). See Note 19 for overview of financial assets and liabilities.

Credit risks

Credit risk is the risk that a counterparty in a financial transaction will not be able to meet its obligations. The Group's credit risk mainly involves trade receivables. The risk of credit losses is managed through established procedures for credit control and claims management. The Group's customers primarily comprise large and well-established, solvent companies, which has meant that credit losses have historically been low. The maximum credit risk in respect of the Group's trade receivables corresponded to the carrying amount of SEK 147 million (188). Trade receivables are recognised net of expected credit losses based on the Group's assessment of expected credit losses. The loss allowance was SEK 341,000 (SEK 461,000), of which SEK 341,000 (461,000) was attributable to trade receivables more than 60 days past due.

Age distribution of past due trade receivables as at 31 December 2022	Days past due				Total
	11–30 days	31–60 days	> 60 days		
Not past due					
Trade receivables	135,533	4,956	5,321	2,035	147,845
Percentage distribution	92%	3%	4%	1%	100%

Change in loss allowance for expected credit losses	31 Dec 2022	31 Dec 2021
Opening balance	-461	-1,870
Allowances	-44	-297
Reversals	125	1,652
Incurred and recovered credit losses	39	54
	-341	-461

Notes The Group

(All amounts are reported in SEK thousand, unless otherwise stated.)

Business risks

Business risks are associated both with customers, suppliers and other external factors and with the Group's own business activities. AGES works in close proximity to its customers and is therefore able to build long-term relationships with them. AGES' five largest customers together accounted for 57% (55) of net sales. On a Group level AGES is dependent on access to a number of input goods, such as aluminium and steel, at competitive prices. Raw material prices are dependent on world market prices and exchange rate fluctuations, as well as production capacity. However, price fluctuations have a limited effect on the Group's results, as many customer agreements contain raw material clauses. Management of price risks forms part of daily work and requires ongoing cost rationalisation and productivity improvements. Within the Group's product area there is always a risk that products may need to be recalled due to faults. To avoid such risks, the Group's companies use quality control systems. The Group has satisfactory protection in place through insurance policies in respect of traditional insurance risks such as fire, theft, liability, stoppages, etc.

Note 32 Alternative performance measures

In addition to information about our results reported according to IFRS, we provide information based on the underlying results of operations. We believe that our measures of the underlying results of operations provide key supplementary information for management, investors and other stakeholders. These underlying performance measures should not be viewed in isolation from, or as a substitute for, the corresponding IFRS measures, but should be used in conjunction with the most directly comparable IFRS measures in the reported results. This application is consistent with prior periods.

The following underlying performance measures are used:

Return on equity
Return on capital employed
Return on total assets
Interest coverage ratio
Proportion of risk-bearing capital

SEK m	2022	2021
Opening balance of equity at the beginning of the period	365.2	334.6
Closing balance of equity at the end of the period	401.2	365.2
Average equity	383.2	349.9
Profit for the period	34.1	25.6
Return on equity, %	8.9%	7.3%
Profit after net financial income/expense	38.6	32.3
Financial expenses	12.0	10.9
Profit after net financial income/expense after reversal of financial expenses	50.6	43.2
Average equity	383.2	349.9
Interest-bearing liabilities at the beginning of the period	335.0	250
Interest-bearing liabilities at the end of the period	290.4	335
Average interest-bearing liabilities	312.7	292.5
Return on capital employed, %	7.1%	6.7%
Profit after net financial income/expense after reversal of financial expenses	50.7	43.3
Total assets at the beginning of the period	1,000.8	865.7
Total assets at the end of the period	986.5	1,000.8
Average total assets	993.6	933.3
Return on total assets, %	5.0%	4.6%
Profit after net financial income/expense after reversal of financial expenses	50.7	43.2
Financial expenses	12.0	10.9
Interest coverage ratio, multiple	4.6	3.9
Equity	401.2	365.2
Provisions for taxes	40.0	42.9
Total assets	986.5	1,000.8
Percentage of risk-bearing capital, %	45%	41%

Note 33 Capital management

The Group's aim is to achieve a good return on equity with limited financial risk while reporting strong and stable growth. In order to achieve this, a stable cash flow and a strong balance sheet are required with an equity/assets ratio of more than 30 per cent. At the end of 2022, the equity/assets ratio was 41% (37). The Group's financing is dependent on the Group achieving certain financial key ratios agreed with the Group's main bank. The key ratios in question are the Group's proportion of risk capital and net debt in relation to results. The results for the reporting period meant that the relevant key ratios were within the agreed limits.

It is the aim of the Board of Directors that dividends should mirror financial performance over an extended period and correspond to at least 30% of profit after tax. However, the annual dividend ratio must be viewed in relation to investment needs.

Note 34 Related party transactions

The Group's related parties consist of senior executives, Board members and companies in which Board members or the senior executives of subsidiaries have a controlling interest. In addition to the remuneration referred to in Note 4, Board members and senior executives have not received dividends. The shareholdings of Board members and senior executives as at the balance sheet date are shown on pages 84 and 85.

Viem Invest AB, controlled by Anna Benjamin, and Pomona-gruppen AB, in which Board member Fredrik Rapp has a controlling interest, are major shareholders in AGES. In the third quarter of 2021, a short-term shareholder loan corresponding to a total of SEK 30 million was accepted from VIEM Invest AB and Pomona-gruppen AB. The loan was repaid in full in the third quarter of 2022. Interest expense paid amounted to SEK 1.2 million.

Transactions took place between AGES' subsidiaries and companies in which AGES' Board members or senior executives of subsidiaries have a controlling interest. These transactions formed part of the companies' normal activities and took place on market terms.

In 2022, AGES subsidiaries purchased goods and services worth SEK 0.0 million (0.1) from XANO Industri AB and its subsidiaries. In addition, AGES Industri sold goods and services worth SEK 0.7 million (1.1) to XANO Industri AB and its subsidiaries. XANO Industri AB is controlled by Anna Benjamin and Pomona-gruppen AB.

In 2022, sales from AGES subsidiaries to Pomona-gruppen AB and its subsidiaries amounted to SEK 0.0 million (0.0). Pomona-gruppen is controlled by Fredrik Rapp. As at the balance sheet date, the amounts of receivables from and liabilities to related parties were not significant.

Note 35 Group affiliation

The Parent Company in the largest group of which the company is a subsidiary and for which consolidated financial statements are prepared is VIEM Invest AB, corporate identity number 556239-3099.

Note 36 Events after the reporting period

There were no significant events after the reporting period.





Income statement

PARENT COMPANY (SEK thousand)	Note	2022	2021
Net sales		9,180	9,180
Gross profit		9,180	9,180
Selling expenses	3, 4, 6	-8,277	-8,653
Administrative expenses	3, 4, 5, 6	-5,631	-5,761
Other operating income		500	-
Other operating expenses		-454	-
Operating profit		-4,682	-5,234
Profit from participations in Group companies	7	2,000	-
Financial income and similar income statement items	8	4,664	3,736
Financial expenses and similar income statement items	9	-7,010	-7,514
Profit after net financial income/expense		-5,028	1,585
Appropriations	10	34,693	26,616
Profit before tax		29,665	17,604
Tax	11	-4,916	-5,041
PROFIT FOR THE YEAR		24,749	12,563

Statement of comprehensive income

PARENT COMPANY (SEK thousand)	Note	2022	2021
Profit for the year		24,749	12,563
Other contributed capital		-	1,824
Other comprehensive income		-	-
COMPREHENSIVE INCOME FOR THE YEAR		24,749	14,387

Income statement

PARENT COMPANY (SEK thousand)	Note	31 Dec 2022	31 Dec 2021
ASSETS			
Non-current assets			
<i>Property, plant and equipment</i>			
Equipment, tools, fixtures and fittings	12	38	48
<i>Non-current financial assets</i>			
Participations in Group companies	13.19	396,982	396,982
Total non-current assets		397,020	397,030
Current assets			
<i>Current receivables</i>			
Receivables from Group companies		237,071	253,883
Other receivables	14	3,018	3,687
Prepayments and accrued income		735	868
Total current assets		240,824	258,439
Cash and cash equivalents		-	1
TOTAL ASSETS		637,844	655,469

PARENT COMPANY (SEK THOUSAND)	Note	31 Dec 2022	31 Dec 2021
EQUITY AND LIABILITIES			
Equity			
<i>Restricted equity</i>			
Share capital	15	35,145	35,145
Statutory reserve		4,500	4,500
		39,645	39,645
<i>Restricted equity</i>			
Share premium reserve		255,913	255,913
Retained earnings		-26,232	-38,795
Other contributed capital		1,824	1,824
Profit for the year		24,749	12,563
	22	256,254	231,505
Total equity		295,899	271,150
Untaxed reserves	16	53,550	63,960
Liabilities			
<i>Non-current liabilities</i>	17, 21		
Liabilities to credit institutions		12,000	24,000
Liabilities to Group companies		1,983	1,983
		13,983	25,983
<i>Current liabilities</i>			
Trade payables and other liabilities	17, 18, 21	3,372	35,079
Bank overdraft facilities	17, 21	105,229	129,207
Liabilities to credit institutions	17, 21	32,000	12,000
Liabilities to Group companies		133,811	118,091
Current tax liability		-	-
		274,413	294,376
Total liabilities		341,946	384,319
TOTAL EQUITY AND LIABILITIES	19	637,844	655,469

Statement of changes in equity

PARENT COMPANY (SEK thousand)	Note	Share capital	Statutory reserve	Share premium reserve ¹⁾	Restricted equity	Total equity
Equity as at 1 January 2021	14	35,145	4,500	255,913	-38,795	256,763
Profit/loss for the year					12,563	12,563
Warrant programme					1,824	1,824
Other comprehensive income					-	-
Comprehensive income for the year					14,387	14,387
Dividends paid					-	-
Equity as at 31 December 2021	14	35,145	4,500	255,913	-24,408	271,150
Profit for the year					24,749	24,749
Other paid-in capital					-	-
Other comprehensive income					-	-
Comprehensive income for the year					24,749	24,749
Dividends paid						
Equity as at 31 December 2022	14	35,145	4,500	255,913	341	295,899

¹⁾ The share premium reserve is part of unrestricted equity.

Statement of cash flows

PARENT COMPANY (SEK thousand)	Note	2022	2021
Operating activities			
Operating profit/loss		-4,682	-5,234
<i>Adjustments for non-cash items, etc.</i>			
Depreciation/amortisation		10	11
Dividends received		2,000	-
Net interest paid and received	19	-2,346	-3,370
Paid income tax		-4,247	-4,643
Cash flow from operating activities before changes in working capital		-9,265	-13,236
Changes in working capital			
Increase (-) / decrease (+) in current receivables		85,828	-117,166
Increase (+) / decrease (-) in current liabilities		-30,586	56,326
Cash flow from operating activities		45,977	-74,076
Investing activities			
Acquisitions of property, plant and equipment		-	-
Acquisitions of non-current financial assets		-	-
Disposals of non-current financial assets		-	-
Cash flow from investing activities		-	-
Financing activities			
Borrowings		30,000	45,000
Loan repayments		-52,000	-25,375
Paid dividends		-	-
Warrant programme		-	1,824
Change in bank overdraft facility		-23,978	52,627
Cash flow from financing activities	21	-45,978	74,076
Cash flow for the year		-1	0
Cash and cash equivalents at the beginning of the year		1	1
Exchange rate difference in cash and cash equivalents		-	-
Cash and cash equivalents at the end of the year		-	1

Notes **Parent Company**

(All amounts are reported in SEK thousand, unless otherwise stated.)

Note 1 General information

The company AGES Industri AB (publ), corporate identity number 556234-6204, carries on business activities as a limited company and its registered office is in Halmstad municipality in Sweden. The address of the head office is PO Box 815, SE-301 18 Halmstad. All amounts are reported in SEK thousand, unless otherwise stated.

Note 2 Accounting policies

The annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and recommendations and statements by the Swedish Financial Reporting Board.

General

The Parent Company applies the same accounting policies as the Group, except in the cases shown below. The Parent Company's financial statements have been prepared according to Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board. The deviations that occur between the Parent Company's and the Group's policies are caused by limitations in the scope to apply IFRS to the Parent Company as a result of the Swedish Annual Accounts Act and, in some cases, for tax reasons. For information on the impact of new standards issued by IASB on the Parent Company's accounting policies, see Note 2 Group Accounting policies.

Receivables and liabilities

Exchange rate differences in the business's receivables and liabilities are recognised in operating profits, while exchange rate differences attributable to financial receivables and liabilities are recognised in net financial income/expense.

Leases

In accordance with Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board, the Parent Company applies the exemption under IFRS 16 with effect from 1 January 2019. This means that the Parent Company recognises lease payments as operating expenses through profit or loss on a straight-line basis over the lease term for all leases.

Related party transactions

Of the Parent Company's net sales, 100 per cent (100) comprised billing of subsidiaries.

There are significant financial receivables and liabilities between the Parent Company and subsidiaries which accrue interest at the market rate.

In addition to what is set out in Note 3, Board members and senior executives have not received dividends in accordance with the decision taken by the AGM.

As the owner, the Parent Company has a related party relationship with its subsidiaries, see Note 12. Viem Invest AB, controlled by Anna Benjamin, and Pomonagruppen AB, in which Board member Fredrik Rapp has a controlling interest, are major shareholders in AGES. No dividends were paid and no transactions took place between these shareholders and AGES.

Participations in Group companies

Participations are measured according to the cost method. Dividends from subsidiaries are recognised as income. The items are tested for impairment annually and the participations measured at the highest consolidated value, i.e. the subsidiary's adjusted equity plus consolidated surplus values.

Cash flow

Cash flow is recognised by applying the indirect method. This means that the net profit/loss is adjusted for transactions that have not resulted in cash inflows or outflows during the period and for any income and costs related to the cash flows of investing or financing activities.

Financial assets and liabilities

Because of the relationship between accounting and taxation, the rules regarding financial instruments in IFRS 9 are not applied in the Parent Company as a legal entity. The Parent Company instead applies the cost method in accordance with the Swedish Annual Accounts Act. The Parent Company therefore measures financial fixed assets at cost and financial current assets according to the lower of cost and net realisable value, with application of expected credit loss impairment under IFRS 9 for assets accounted for as debt instruments. For other financial assets, impairment is based on market value.

Revenue

The Parent Company offers its subsidiaries services relating to business development, organisation, finance, etc. Revenue from services is recognised in the period in which the service is carried out. Intra-group sales take place at market price.

Group contributions

Group contributions are recognised in accordance with the alternative rule of recommendation RFR 2, according to which Group contributions paid and received are recognised as appropriations through profit or loss.

Taxes

Recognised income taxes include tax payable for the current year and changes to deferred tax. Measurement of tax assets and tax liabilities is based on nominal amounts and calculated using tax rules and tax rates that have been enacted. Deferred tax is calculated on the basis of temporary differences which arise between the carrying amount and the tax bases of assets and liabilities.

Deferred tax liabilities are normally recognised for all taxable temporary differences while deferred tax assets are recognised to the extent that it is probable that the amounts will be utilised.

Because of the relationship between accounting and taxation, the Parent Company recognises the deferred tax liability relating to untaxed reserves as part of untaxed reserves.

Bank overdraft facilities, Group foreign currency accounts

Subsidiaries' claims on and debts to internal lines of credit are recognised as liabilities and receivables in respect of Group companies. The Group's total receivable/liability in respect of the bank is recognised as a receivable or liability in the Parent Company.

Interest at the market rate is applied to the subsidiaries' claims and debts.

Note 3 Employees and personnel costs

Average number of employees	2022	of which men	2021	of which men
Sweden	3	67%	3	67%
Total	3	100%	3	100%

Proportion of men on the board/ in group management	2022	2021
Board members	60%	83%
Group management	100%	100%

Wages, salaries, other remuneration and social security expenses	2022	2021
Wages, salaries and other remuneration	5,876	6,241
Social security expenses	3,269	3,354
(of which pension costs) ^{1,2)}	(1,229)	(1,142)
	9,145	9,595

¹⁾ Of the Parent Company's pension costs, SEK 751,000 (606,000) relate to the Group's Board and CEO

²⁾ Pension costs do not include employer's contribution.

Breakdown of wages, salaries and other remuneration	2022	2021
Board of Directors and senior executives (of which bonuses)	3,560 (-)	4,175 (-)
Other employees	2,316	2,613
Total (of which bonuses)	5,876 (-)	6,788 (-)

Remuneration of Board members and senior executives

Decisions and completed proposals for guidelines relating to remuneration of Board members and senior executives, see Note 4 Group.

Note 4 Personnel costs

Personnel costs by function	2022	2021
Selling expenses	-5,866	-5,919
Administrative expenses	-3,910	-3,826
Total	-9,776	-9,745

Note 5 Fees and other remuneration to auditors

	2022	2021
<i>Ernst & Young AB</i>		
Audit engagement	206	250
<i>Audit work other than the audit engagement</i>		
Tax advice	-	89
Total	206	339

Audit engagement refers to the review of the annual accounts, interim financial reporting, the administration by the Board of Directors and CEO and the corporate governance report.

Note 6 Operating leases

Future minimum lease payments under non-cancellable operating leases at the end of the reporting period are due as follows:
Parent Company's operating leases primarily relate to leases for premises and vehicle leases.

Operating lease costs in the Parent Company in the financial year amounted to SEK 282,000 (SEK 401,000)

	2021	2022
Within one year	310	391
More than one year but less than five years	456	764
Total	766	1,155

Note 7 Participations in Group companies

	2022	2021
Dividends received	2,000	-
Total	2,000	-

Note 8 Financial income

	2022	2021
Interest income, Group companies	4,527	3,736
Interest income, other	127	-
Foreign exchange gains	10	-
Interest income, other	4,664	3,736

Note 9 Financial expenses

	2022	2021
Interest expense, Group companies	-1,767	-1,801
Interest expense, other	-5,243	-5,713
Interest expense, other	-7,010	-7,514

Note 10 Appropriations

	2022	2021
Group contributions received	68,883	38,800
Group contributions paid	-44,600	-28,203
Tax allocation reserve, transfer for the year	-8,000	-7,840
Tax allocation reserve, reversal for the year	18,400	23,849
Excess depreciation	10	10
Total	34,693	26,616

Note 11 Tax on profit for the year

	2022	2021
Current tax	-4,916	-5,041
Total	-4,916	-5,041

The difference between the Swedish income tax rate of 20.6% (20.6%) and the effective tax rate is as follows:

	2022		2021	
Profit before tax for the year	29,665		17,604	
Tax according to Swedish income tax rate	-6,110	20.6%	-3,626	20.6%
<i>Tax effect of</i>				
Non-deductible items	-359		-3,170	
Non-taxable items	1,262		2,357	
Adjustments for current tax of prior periods	291		-	
Tax for the year	-4,916	16.6%	-6,683	20.6%

Note 12 Equipment, tools, fixtures and fittings

Accumulated cost	2022	2021
At the beginning of the year	100	100
At the end of the year	100	100

Accumulated depreciation according to plan	2022	2021
At the beginning of the year	-52	-42
Depreciation according to plan for the year	-10	-10
At the end of the year	-62	-52

Residual value according to plan at the end of the year	2022	2021
	38	48

Note 13 Participations in Group companies

Accumulated cost	2022	2021
At the beginning of the year	677,808	677,808
At the end of the year	677,808	677,808

Accumulated impairment losses	2022	2021
At the beginning of the year	-280,826	-280,826
At the end of the year	-280,826	-280,826

Carrying amount at the end of the year	2022	2021
	396,982	396,982

Notes **Parent Company**

(All amounts are reported in SEK thousand, unless otherwise stated.)

Parent Company's shareholdings

Company	Corporate identity number	Registered office	Number of shares	Share of equity	Carrying amount 2022	Carrying amount 2021
AGES Kulltorp AB	556436-1441	Gnosjö, Sweden	4,000	100%	24,138	24,138
AGES Solna AB	556782-1888	Upplands Väsby, Sweden	1,000,000	100%	1,000	1,000
AGES Östra Fastighet i Unnaryd AB	556345-3637	Hylte, Sweden	10,000	100%	6,695	6,695
MPT Gruppen AB	556310-2424	Hylte, Sweden	12,470	100%	1,243	1,243
ÅGES Industrier i Unnaryd AB	556345-9618	Hylte, Sweden	5,000	100%	195,053	195,053
Hörle Automatic Gruppen AB	556117-5141	Värnamo, Sweden	3,640	100%	150,652	150,652
UB Verktyg AB	556312-9930	Värnamo, Sweden	1,000	100%	17,551	17,551
AGES Shared Services AB	559281-1848	Halmstad, Sweden	500	100%	650	650
					396,982	396,982

Subsidiaries' shareholdings

Company	Corporate identity number	Registered office	Number of shares	Share of equity
AGES Casting Unnaryd AB	556179-0717	Hylte, Sweden	2,000	100%
AGES Värnamo AB	556497-2056	Värnamo, Sweden	4,000	100%
AGES Falkenberg AB	556125-7147	Falkenberg, Sweden	5,000	100%
AGES Hörle AB	556208-0936	Värnamo, Sweden	2,500	100%
Hörle Automatic Fastighets AB	556266-5090	Värnamo, Sweden	1,000	100%
Hörle Automatic (Ningbo) Co Ltd	330200400033754	Ningbo, China	100	100%
Hörle Metal Products (Ningbo) Co Ltd	330200400072380	Ningbo, China	100	100%
HB Gunnarsson & Ström Fastigheter	916821-7611	Hylte, Sweden	-	100%

The subsidiaries comprise 5 industrial companies. The other companies have limited operations of type sales company, holding company, property company or dormant company.

Note 14 Other receivables

	2022	2021
Current tax asset	3,018	3,687
Total	3,018	3,687

Other receivables includes derivatives of SEK 0 (0).

Note 15 Share capital

Share capital distribution	31 Dec 2022	31 Dec 2021
Class A shares	1,822,200	1,822,200
Class B shares	5,206,774	5,206,774
Total number of shares	7,028,974	7,028,974
Quota value, SEK	5	5
Share capital, SEK	35,144,870	35,144,870

One Class A share carries 10 votes per share and one Class B share carries one vote. The total number of votes was 23,428,774. The proposed dividend is SEK 0 (0) per share.

Note 16 Untaxed reserves

Untaxed reserves	2022	2021
Transfer to tax allocation reserve 2016	-	18,000
Transfer to tax allocation reserve 2017	8,800	8,800
Transfer to tax allocation reserve 2018	12,000	12,000
Transfer to tax allocation reserve 2019	10,700	10,700
Transfer to tax allocation reserve 2020	6,572	6,572
Transfer to tax allocation reserve 2021	7,440	7,840
Transfer to tax allocation reserve 2022	8,000	0
Excess depreciation	38	48
Total	53,550	63,960

Of untaxed reserves, SEK 11,031,000, 20.6% (SEK 13,176,000, 20.6%) comprises deferred tax liability.

Note 17 Liabilities

Non-current liabilities	2022	2021
Maturity between one and five years from the balance sheet date	13,983	25,983
Maturity more than five years from the balance sheet date	-	-
	13,983	25,983

Current liabilities	2022	2021
Bank overdraft facilities, Group foreign currency accounts ¹⁾	105,229	129,207
Current portion of non-current loans	32,000	12,000
Short-term shareholder loan	-	30,000
	137,229	171,207

Total interest-bearing liabilities	151,212	197,190
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Bank overdraft facilities	2022	2021
Committed bank overdraft facilities, Group foreign currency accounts	150,000	150,000
Unused portion	44,771	20,793
Used amount	105,229	129,207

¹⁾ All subsidiaries have internal bank overdraft facilities linked to AGES Industri AB's Group account system. The unused portion is recognised as a net amount. The Parent Company's cash and cash equivalents, including external credit granted but not utilised, totalled SEK 44,771 million on the balance sheet date. Cash in hand and at bank included overdraft available balance, Group foreign currency accounts.

Note 18 Trade payables and other liabilities

	2022	2021
Trade payables	1,092	599
Salary and holiday pay liabilities	974	825
Accrued social security contributions	306	557
Other accrued expenses	393	770
Other non interest-bearing liabilities	607	2,328
Other interest-bearing current liabilities	-	30,000
Total	3,372	35,079

Other interest-bearing current liabilities refer to short-term shareholder loan of SEK 0 million (SEK 30 million).

Note 19 Pledged assets

	2022	2021
<i>For own liabilities</i>		
Shares in subsidiaries	396,982	396,982
Total	396,982	396,982

Note 20 Cash flow

Interest

Interest paid amounted to SEK 7,010,000 (7,106,000) and interest received amounted to SEK 4,664,000 (3,736,000).

Note 21 Change in liabilities

	31 Dec 2021	Cash transactions	Non-cash transactions	31 Dec 2022
Non-current liabilities to credit institutions	24,000	-12,000	-	12,000
Current liabilities to credit institutions	12,000	20,000	-	32,000
Other interest-bearing liabilities ¹⁾	30,000	-30,000	-	-
Lease liabilities	-	-	-	-
Total liabilities attributable to financing activities	66,000	-22,000	-	32,000

¹⁾ Refers to current shareholder loan included in trade payables and other liabilities

	31 Dec 2020	Cash transactions	Non-cash transactions	31 Dec 2021
Non-current liabilities to credit institutions	18,675	5,325	-	24,000
Current liabilities to credit institutions	27,700	-15,700	-	12,000
Other interest-bearing liabilities ¹⁾	-	30,000	-	30,000
Lease liabilities	-	-	-	-
Total liabilities attributable to financing activities	46,375	19,625	-	66,000

¹⁾ Refers to current shareholder loan included in trade payables and other liabilities

Note 22 Proposed appropriation of profits

Amount at the disposal of the Annual General Meeting:		SEK
Share premium reserve		255,912,726
Retained earnings		-24,408,692
Profit for the year		24,749,221
Total		256,253,255

The Board of Directors and the CEO propose that these funds be appropriated as follows:		SEK
Carried forward		256,253,255
Total		256,253,255

Note 23 Events after the reporting period

There were no significant events after the reporting period.

The undersigned certify that the consolidated financial statements and annual accounts have been prepared in accordance with international financial reporting standards IFRS, as adopted by the EU, and generally accepted accounting principles, and that they give a true and fair view of the position and performance of the Group and Company, and that the Directors' Report for the Group and Company gives a fair review of the development and performance of the business and the position of the Group and Company together with a description of the principal risks and uncertainties facing the companies that form part of the Group.

The annual accounts and consolidated financial statements for AGES Industri AB (publ) for the financial year 2022 have been authorised for issue by the Board of Directors.

The Annual Report will be presented for adoption to the Annual General Meeting on 4 May 2023.

Halmstad, 30 March 2023

Stefan Jonsson
CHAIRMAN OF THE BOARD

Anna Benjamin
BOARD MEMBER

Petra Öberg Gustafsson
BOARD MEMBER

Fredrik Rapp
BOARD MEMBER

Anders Berggren
BOARD MEMBER

Anders Magnusson
CEO

Our Auditor's Report was submitted on 30 March 2023.
Ernst & Young AB

Carolina Birch
AUTHORISED PUBLIC ACCOUNTANT



Auditor's Report

To the Annual General Meeting of AGES Industri AB (publ) AB, corporate identity number 556234-6204

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of AGES Industri AB (publ) for the financial year 2022. The Company's annual accounts and consolidated accounts are included on pages 38–75 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with the Swedish Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as at 31 December 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Annual Accounts Act. The Directors' Report is consistent with the other parts of the annual accounts and consolidated financial statements.

We therefore recommend that the Annual General Meeting adopt the income statement and balance sheet for the Parent Company and the Group.

Basis for opinions

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

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

Information other than the annual accounts and consolidated accounts

The Board of Directors and the CEO are responsible for this other information. This other information consists of a description of the business on pages 1–37 (but does not include the annual accounts, consolidated financial statements or our auditor's report regarding these).

Our opinion on the annual accounts and consolidated financial statements does not include this information and we do not and will not express an opinion verifying this other information.

In connection with our audit of the annual accounts and consolidated financial statements, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated financial statements. In this review we also take into account the knowledge we have obtained in the audit and assess whether the information otherwise appears to contain material misstatements.

If, based on the work carried out with respect to this information, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this respect.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and CEO are responsible for the preparation and fair presentation of the annual accounts and consolidated financial

statements in accordance with the Swedish Annual Accounts Act and, in respect of the consolidated financial statements, in accordance with IFRS, as adopted by the EU. The Board of Directors and CEO are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In the preparation of the annual accounts and consolidated financial statements, the Board of Directors and CEO are responsible for assessment of the company's ability to continue as a going concern. They disclose, where appropriate, information on conditions that may affect the ability to continue as a going concern and to use the going concern basis of accounting. However, the going concern basis of accounting is not used if the Board of Directors and CEO intend to liquidate the company, discontinue operations or do not have a realistic alternative to either of these actions.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISAs) and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated financial statements.

As part of an audit according to ISA, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- ▶ identify and assess the risks of material misstatement in the annual accounts and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for a material misstatement resulting from error, because fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control procedures.
- ▶ obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- ▶ evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the CEO.
- ▶ form a conclusion on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of financial statements. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability

to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

- ▶ evaluate the overall presentation, structure and content of the annual accounts and consolidated financial statements, including the disclosures, and whether the annual accounts and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- ▶ obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated financial statements, we audited the Board of Directors' and CEO's administration of AGES Industri AB (publ) for the financial year 2022 and the proposed appropriation of the company's profit or loss.

We recommend to the Annual General Meeting that the profit be appropriated as proposed in the Directors' Report and that the members of the Board of Directors and the CEO be discharged from liability for the financial year.

Basis for opinions

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

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

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposed appropriation of the company's profit or loss. Dividend proposals include an assessment of whether the dividend is justifiable considering the demands that the nature, scope and risks of the company's and Group's operations place on the amount of equity in the Parent Company and the Group, and on the consolidation requirements, liquidity and financial position in general of the Parent Company and the Group.

The Board is responsible for the organisation of the company and the management of its affairs. Among other things, this includes continuously assessing the financial position of the company and the Group and ensuring that the company's organisation is designed such that controls of accounting records, asset management and the company's financial circumstances in general are performed in a satisfactory manner. The CEO must take charge of the day-to-day management in accordance with the Board's guidelines and directives, including taking the necessary measures to ensure that the company's accounting records are complete according to law and that asset management is conducted satisfactorily.

Auditor's responsibilities

Our objective for the audit of the administration, and thereby our opinion on discharge from liability, is to obtain audit evidence to enable us to determine with reasonable assurance whether any member of the Board or the CEO has, in any material respect:

- ▶ taken any action or been guilty of any negligence that may result in a claim for compensation being brought against the company, or
- ▶ in any other way acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the Articles of Association.

Our objective for the audit of the proposed appropriation of the company's profit or loss, and thereby our opinion on this matter, is to determine with reasonable assurance whether the proposal is consistent with the Swedish Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions which may result in a claim for compensation being brought against the company, or that the proposed appropriation of the company's profit or loss is inconsistent with the Swedish Companies Act.

As part of an audit according to generally accepted auditing standards in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriation of the company's profit or loss is based primarily on the audit of the accounts. Any additional audit procedures performed are based on our professional judgement with risk and materiality as the starting point. This means that we focus the examination on such actions, areas and circumstances that are material for the operations and where deviations and violations would be of particular importance for the company's situation. We review and test decisions taken, supporting information for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriation of the company's profit or loss, we have examined whether the proposal is in accordance with the Swedish Companies Act.

Jönköping, 30 March 2023

Ernst & Young AB

Carolina Birch

AUTHORISED PUBLIC ACCOUNTANT

Corporate Governance Report 2022

AGES Industri AB (publ); AGES Class B shares have been listed on Nasdaq Stockholm First North Premier Growth Market since 16 May 2014. The company's Class A shares are not listed.

Corporate governance in Swedish listed companies is regulated by a combination of written rules and practices. Legislation mainly consists of the Swedish Companies Act and the Swedish Annual Accounts Act, as well as the rules that apply in the regulated market on which the company's shares are listed for trading. In addition, all listed Swedish companies are covered by the Swedish Code for Corporate Governance ("the Code") since 2008. Guidelines concerning the Code can be found on the website of the Swedish Corporate Governance Board (www.bolagsstyrning.se). The Code complements legislation by setting stricter requirements in certain areas, but simultaneously makes it possible for companies to deviate from these in certain circumstances if this is believed to lead to better corporate governance, provided that an explanation is given about the deviation.

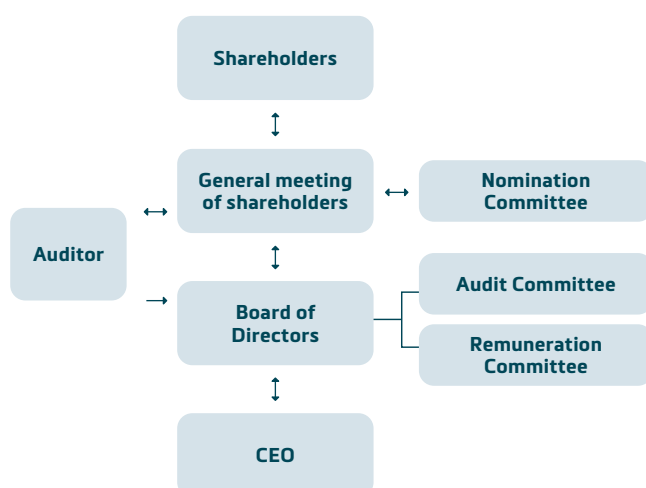
Corporate governance AGES Industri AB

The purpose of AGES Industri's corporate governance is to create a clear division of roles and responsibilities between the owners, board, board committees and group management and create long-term value for shareholders and other stakeholders.

Corporate governance in AGES Industri is primarily based on application of the Swedish Companies Act, Nasdaq Stockholm First North Premier Growth Market's regulations, the Code and internal guidelines and rules.

Share capital and shareholders

The share capital at the end of 2022 stood at SEK 35.1 million, distributed between a total of 7,028,974 shares on the balance sheet date, of which 1,822,200 were Class A shares and 5,206,774 were Class B shares. One Class A share carries 10 votes per share and one Class B share carries one vote. All shares have equal rights to the company's assets and dividends. At the end of 2022, AGES had 1,229 shareholders. The ten largest shareholders held 85.5% of the capital and 95.7% of the votes. As at the balance sheet date, two shareholders each controlled more than 10 per cent of both the equity and votes in the company. Anna Benjamin and her companies control 28.8% of the shares and 57.9% of the votes. Pomona-gruppen AB holds 29.9% of the shares and 29.7% of the votes.



General meeting of shareholders

The general meeting of shareholders is the forum at which shareholders exercise their influence over the company and it is the company's highest decision-making body, being superior to the company's Board of Directors and CEO. In accordance with the Articles of Association, a general meeting of shareholders must be called through a notice in the official gazette Post- och Inrikes Tidningar and on the company's website. An announcement of the notice must be published in the Dagens Industri newspaper.

Annual General Meeting

The Annual General Meeting convenes once a year to, among other things, adopt the annual financial statements and consolidated financial statements, discharge the Board of Directors and CEO from liability and pass a resolution on appropriation of profits for the financial year just ended. The Annual General Meeting also elects the Board of Directors and, if required, the auditor. All shareholders who are directly registered in the share register and who have registered their attendance in time can attend the meeting and use their voting rights. Shareholders who are unable to attend in person may be represented by a proxy.

Annual General Meeting 2022

AGES Industri AB's Annual General Meeting was held on 3 May 2022 and was attended by 10 shareholders, whose combined holdings corresponded to 91% of the votes and 60% of the outstanding shares. AGES' Board of Directors and management, together with the auditors and representatives of the Nomination Committee, were present at the meeting. The following key decisions were taken:

- ▶ Adoption of the income statements and balance sheets for 2021, allocation of profits and discharge from liability for the Board of Directors and CEO.
- ▶ Stefan Jonsson was re-elected Chairman of the Board.
- ▶ Anna Benjamin, Fredrik Rapp, Anders Berggren and Petra Öberg Gustafsson were re-elected as members of the Board of Directors.
- ▶ Election of auditor Ernst & Young AB, with Carolina Birch as the Auditor in Charge.
- ▶ Ulf Hedlundh, Anna Benjamin and Per Rodert were re-elected to the Nomination Committee, with Ulf Hedlundh re-elected Chairman.
- ▶ Guidelines for remuneration of senior executives.
- ▶ Resolution to approve the Board's proposal for guidelines for remuneration terms and other terms and conditions of employment for senior executives.
- ▶ Resolution on authorisation for new issue.

Annual General Meeting 2023

AGES Industri AB's Annual General Meeting will be held on 4 May 2023 at 15:00 CEST at the company's head office at Halmstad University, Kristian IV:s väg 3.

Further information is available on page 87 of the Annual Report for 2022 and at www.ages.se.

Nomination committee

The Nomination Committee is the general meeting's body responsible for preparing recommendations for appointments for ratification by the general meeting and its purpose is to establish a sound basis for the general meeting's consideration of these matters. The 2022 Annual

General Meeting appointed a Nomination Committee comprising Ulf Hedlundh as the Chairman, Anna Benjamin and Per Rodert. The task of the Nomination Committee prior to the 2023 Annual General Meeting is to propose a Chairman of the Board of Directors and other Board members, auditors, a chairman for the AGM, Board committees, and fees for the auditors. In its proposal to the Board, the Nomination Committee must propose Board members who are the most suitable candidates for the company, based on an overall assessment of relevant skills and experience, while also taking into consideration the need for diversity and breadth on the Board, as well as gender balance.

Board of Directors

Composition of the Board of Directors

According to AGES Industri's Articles of Association, the Board of Directors must be composed of at least three and not more than eight members.

The 2022 Annual General Meeting resolved that the number of Board members should be five. The Board of Directors has comprised Stefan Jonsson (Chairman), Fredrik Rapp, Anna Benjamin, Anders Berggren and Petra Öberg Gustafsson.

Fredrik Rapp and Anna Benjamin are not considered to be independent in relation to major shareholders. Other Board members are judged to be independent in relation to both major shareholders and the company and its group management.

Role of the Board of Directors

The Board of Directors is responsible for the organisation of the Company and management of the company's operations. The Board of Directors also issues guidelines and instructions to the CEO. The Board of Directors must also ensure satisfactory control of the organisation of the company with regard to reporting, management of funds and financial position. The Board of Directors follows rules of procedure that are revised annually and adopted at the first scheduled board meeting following election.

Chairman of the Board

The Chairman of the Board is responsible for ensuring that the Board's work is well organised, performed efficiently and that the Board fulfills its duties. The Chairman of the Board is elected by the general meeting.

Evaluation of the work of the Board of Directors and the CEO

The Chairman of the Board is responsible for the evaluation of the work of the Board of Directors, including assessments of the performances of individual Board members. This is carried out on an annual basis through a structured process. The evaluation findings are presented to the Nomination Committee and form the basis for the Nomination

Committee's proposals for Board members and fees for the Board.

Work of the Board of Directors in 2022

The Board of Directors held 7 meetings in the reporting period. The agenda for each ordinary meeting includes regular reporting items and decisions, as well as information on the business, in accordance with the Board of Directors' rules of procedure. The Board of Directors also decides on issues of an overarching nature, such as the Group's strategy, structural and organisational matters, as well as major investments. One of the company's auditors participates in at least one Board meeting per year. The auditor's observations arising from the audit of the company's accounts, procedures and internal controls are presented at this meeting.

Audit Committee and Remuneration Committee

The Board of Directors has two committees, the Audit Committee and Remuneration Committee.

Audit Committee

The Audit Committee must prepare the work of the Board of Directors by performing quality assurance of the company's financial reporting, regularly meeting the company's auditor to inform themselves of the company's direction and scope as well as discussing the coordination of the external and internal audit and the view of the company's risks, establishing guidelines for services other than auditing that can be provided by the company's auditor, evaluating the audit work and informing the company's Nomination Committee of the outcome of the evaluation, as well as assisting the Nomination Committee in preparing its proposals for auditors and fees for the audit work. AGES' Audit Committee in 2022 comprised Anna Benjamin.

Remuneration Committee

The Remuneration Committee must prepare recommendations relating to remuneration and other employment terms and conditions for the company's group management. AGES Industri AB's Remuneration Committee is composed of Chairman of the Board Stefan Jonsson and Board members Fredrik Rapp and Anna Benjamin.

CEO

The Board appoints a CEO to manage the day-to-day administration of the company. The current CEO is Anders Magnusson.

Group management

Group management in the reporting period comprised CEO Anders Magnusson and CFO Johan Bladh.

Composition of the Board of Directors and the committees as at 31 December 2022

Name	Elected	Function on the Board of Directors	Independent in relation to the company and group management	Independent in relation to major shareholders	Attendance at Board meetings 2022	Attendance at Remuneration Committee meetings 2022	Attendance at Audit Committee meetings 2022	Board fee including committee remuneration, SEK 2022
Stefan Jonsson	2018	Chairman	Yes	Yes	7 (7)	1 (1)		420,000
Anna Benjamin	2015	Board member	Yes	No ¹⁾	7 (7)	1 (1)	2 (2)	220,000
Fredrik Rapp	2013	Board member	Yes	No ¹⁾	7 (7)	1 (1)		185,000
Anders Berggren	2020	Board member	Yes	Yes	7 (7)			175,000
Petra Öberg Gustafsson	2021	Board member	Yes	Yes	7 (7)			175,000

¹⁾ Anna Benjamin and Fredrik Rapp are not considered to be independent in relation to major shareholders in their capacity as shareholders. This is also the overall assessment. Further information about the Board of Directors in 2022 is available at www.ages.se and also on page 84 of the printed version of the Annual Report.

Guidelines for remuneration of the CEO and senior executives

The Annual General Meeting on 3 May 2022 adopted the Board's proposal for guidelines for remuneration of the CEO and senior executives. The key principles for remuneration and other terms and conditions of employment of the CEO and other senior executives are that AGES must offer its senior executives remuneration on market terms. The guidelines cover basic salary, variable remuneration, pension benefits and other benefits and severance pay.

No significant changes are proposed ahead of the 2023 Annual General Meeting regarding the principles for remuneration and other terms and conditions of employment of the CEO and senior executives. For a full description of the proposed guidelines, see Note 4, page 53.

Corporate governance and sustainability

A Corporate Governance Report was prepared by AGES Industri AB for the financial year 2022. The Corporate Governance Report is available on the company's website. The Corporate Governance Report for 2022 was subject to examination by the auditor in accordance with the attached auditor's statement.

A Sustainability Report was prepared by AGES Industri AB. The Sustainability Report is available on the company's website www.ages.se.

Auditor

The auditor shall audit the company's Annual Report and accounts and the administration of the company by the Board of Directors and CEO. According to the Articles of Association, the Annual General Meeting shall appoint a registered public accounting firm or 1-2 auditors, at least one of whom must be an authorised public accountant. Fees to auditors will be paid against an approved invoice.

Deviations from the Code

Based on the composition of the Group and the size of the Group, AGES Industri AB decided not prepare a remuneration report for 2022 and instead refers to Note 4, which provides detailed and itemised reporting of remuneration.

Internal controls related to financial reporting

In accordance with the Swedish Companies Act and the Code, the Board of Directors is responsible for internal controls, which are aimed at protecting the company's assets and thereby the shareholders' investments.

Financial reporting

All AGES Industri units report their financial results every month. These reports are consolidated and form the basis for monthly reports, quarterly reports and operational follow-up. This operational follow-up is carried out in accordance with an established structure where invoicing, liquidity, capital management and other key ratios for the Group are collated and form the basis for analysis and measures by management and controllers.

Control environment

The basis for internal control related to financial reporting consists of an overarching control environment. The main task of the Audit Committee is to monitor accounting and reporting processes and to ensure the quality of these reports and processes. Responsibility for maintaining an effective control environment and the ongoing work concerning risk management and internal controls related to financial reporting rests with the CEO. Managers at various levels within AGES Industri have this responsibility within their respective areas. Responsibilities and powers are defined in the CEO's instructions, instructions concerning authorisation rights, manuals and other policies, procedures and codes. The Board of Directors establishes the Group's key policies concerning communication, financing and risk management. Group management establishes other policies and instructions, and responsible corporate functions issue guidelines and monitor application of the regulations. The Group's accounting and reporting regulations are set out in a finance manual which is available to all finance personnel. Together with laws and other external regulations, the organisational structure and internal regulations constitute the control environment.

Risk assessment and control activities

There is a risk that material misstatement could occur in the financial statements in connection with accounting and measurement of assets, liabilities, income and expenses or deviations from information requirements. Each year, AGES' finance function carries out a risk assessment of the group's balance sheet and income statement items based on qualitative and quantitative risks.

Standard control activities include account reconciliation and supporting controls. The purpose of all control activities is to prevent, detect and correct any errors or deviations in financial reporting. The most significant risks related to financial reporting identified as a result of the Group's internal control activities are managed through control structures that in all material respects are based on deviation reporting from established goals or standards.

Monitoring activities

The Group applies IFRS, which are defined in AGES' audit manual. The manual covers accounting and measurement regulations that must be followed by all companies within the Group, together with reporting instructions. Financial information is reported on a monthly basis by all legal entities.

Each Board member receives a monthly report containing consolidated income statements and balance sheets for the Group.

The Group's financial position is discussed at each meeting of the Board of Directors. The finance division and management perform a detailed analysis of financial reporting on a monthly basis.

It is the opinion of the Board of Directors that the company is in compliance with the Swedish Code of Corporate Governance.

Halmstad, 30 March 2023

Stefan Jonsson
CHAIRMAN OF THE BOARD

Fredrik Rapp
BOARD MEMBER

Anna Benjamin
BOARD MEMBER

Anders Berggren
BOARD MEMBER

Petra Öberg Gustafsson
BOARD MEMBER

Anders Magnusson
CEO

Auditor's Statement on the Corporate Governance Report

To the Annual General Meeting of AGES Industri AB (publ) AB, corporate identity number 556234-6204

Engagement and responsibilities

The Board of Directors is responsible for the Corporate Governance Report for 2022 on pages 78–80 and for ensuring that it is prepared in accordance with the Swedish Annual Accounts Act.

The direction and scope of the audit

Our examination has been carried out in accordance with FAR's auditing standard RevU 16 Auditor's examination of the Corporate Governance Report. This means that our examination of the Corporate Governance Report has a different direction and is significantly less in scope than the direction and scope of an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this examination provides sufficient basis for our opinions.

Opinion

A Corporate Governance Report has been prepared. Disclosures in accordance with Chapter 6, Section 6, paragraph 2, items 2–6 of the Swedish Annual Accounts Act and Chapter 7, Section 31, paragraph 2 of the same Act are consistent with the financial statements and consolidated financial statements and are in accordance with the Swedish Annual Accounts Act.

Jönköping, 30 March 2023
Ernst & Young AB

Carolina Birch

AUTHORISED PUBLIC ACCOUNTANT



Definitions

Percentage of risk-bearing capital

Equity plus provisions for tax in relation to total assets.

Return on equity

Profit for the year in relation to average equity.

Return on capital employed

Profit after financial income/expense after reversal of financial expenses in relation to average capital employed.

Return on total assets

Profit after financial income/expense after reversal of financial expenses in relation to average total assets.

Gross margin

Gross profit in relation to net sales.

Dividend yield

Proposed dividend in relation to the share price on the balance sheet date.

Equity per share

Equity in relation to the number of outstanding shares on the balance sheet date.

Cash flow from operating activities per share

Cash flow from operating activities in relation to the average number of outstanding shares.

Earnings/loss per share

Profit for the year in relation to the average number of outstanding shares.

Diluted earnings/loss per share

Profit for the year in relation to the average number of outstanding shares, plus the average number of shares that will be added on conversion of outstanding warrants.

Interest coverage ratio

Profit after financial income/expense after reversal of financial expenses in relation to financial expenses.

Operating margin

Operating profit in relation to net sales.

Equity/assets ratio

Equity in relation to total assets.

Capital employed

Total assets less non interest-bearing liabilities.

Total assets

Total equity and liabilities (total assets).

Profit margin

Pre-tax profit in relation to net sales.

Calendar

Report publication dates and date of the Annual General Meeting

4 May 2023	Interim Report, January–March 2023
4 May 2023	Annual General Meeting 2023
11 July 2023	Interim Report, January–June 2023
24 October 2023	Interim Report, January–September 2023
8 February 2024	Year-end Report, January–December 2023
7 May 2024	Annual General Meeting 2024

Board of Directors



Stefan Jonsson
(born 1953)

Chairman, elected 2018.

Education: Engineering degree 4 years 1973, group management at IFL Sigtuna 1991.

Professional experience: CEO of GARO AB, Head of division at SAPA AB, Deputy CEO of Pallco AB.

Other directorships: Chairman of Axjo Plastic AB, Flåren AB, Hörle Wire Group AB, Stefan Jonsson Invest AB and S Jonsson Consulting AB. Board member of Axjo America Inc and Fiber Fenix Ek Förening.

Shareholding in AGES: 0.



Fredrik Rapp
(born 1972)

Board member, elected 2013.

Education: MSc in Business and Economics.

Professional experience: CEO of Pomona-gruppen, Investment manager Pomona-gruppen, CEO of Talk Telecom.

Other directorships: Chairman of e.g. XANO Industri AB (publ), Argynnis Group AB, Estinvest AB, Serica Consulting AB, Svenska Handbollsförbundet. Board member of e.g. ITAB Shop Concept AB (publ), Corem Property Group AB (publ), Pomona-gruppen AB, PrimeKey Solutions AB and Segulah AB.

Shareholding in AGES: 540,000 Class A shares and 1,567,045 Class B shares.



Anna Benjamin
(born 1976)

Board member, elected 2015.

Education: MSc in Economics, Jönköping International Business School.

Professional experience: Business development ICA Sverige AB, Manager PricewaterhouseCoopers, Controller Nobina.

Other directorships: Board member of XANO Industri AB (publ), ITAB Shop Concept AB (publ), Hand in Hand Sweden, INEV AB, among others.

Shareholding in AGES: 1,282,200 Class A shares and 737,800 Class B shares.



Anders Berggren
(born 1971)

Board member, elected 2020.

Education: MSc in Engineering (Industrial Economics), Linköping University 1995, Harvard Business School Executive Program 2007.

Professional experience: Executive Advisor Partner in Wind Point Partners USA, Head of Business Area in Marmon Holdings Inc. USA, a number of managerial positions in Husqvarna AB.

Other directorships: Board member of Dacke Industri AB and Axjo Plastic AB and advisor to Wind Point Partners.

Shareholding in AGES: 20,000 Class B shares.



Petra Öberg Gustafsson
(born 1970)

Board member, elected 2021.

Education: International marketing.

Professional experience: Several managerial positions at SKF in sales and Product Management and CEO of TengTools AB.

Other directorships: Board member of Uveco AB and HM Albretsen.

Shareholding in AGES: 0.

Group management



Johan Bladh

(born 1978)

CFO since 2013.

Education: MSc in Business and Economics.

Professional experience: Business area controller Getinge Infection Control, Group controller Getinge AB, auditing KPMG.

Shareholding in AGES: 8,000 Class B shares and 50,000 warrants.



Anders Magnusson

(born 1968)

CEO, employed since 2017.

Education: Mechanical engineer.

Professional experience: Founder, owner and CEO of Hörle Gruppen AB.

Shareholding in AGES: 240,000 Class B shares through ANO i Värnamo AB and 50,000 warrants.

Auditor

Carolina Birch

(born 1981)

Authorised Public Accountant, elected 2022.
Ernst & Young Jönköping.



Annual General Meeting

Notice is hereby given that the Annual General Meeting of AGES Industri AB (publ) will be held on Tuesday 4 May 2023 at 15:00 CEST at Restaurant Mangold, Halmstad University, Kristian IV:s väg 3, 302 50 Halmstad, Sweden.

Notice Shareholders who wish to attend the Annual General Meeting must (i) be entered in the register of shareholders maintained by Euroclear Sweden AB as at 25 April 2023 and (ii) must notify the company of their intention to participate in the Annual General Meeting not later than by 16:00 on Friday 28 April 2023 either by post to AGES Industri AB, PO Box 815, SE-301 18 Halmstad, by telephone to +46 (0)706 048 382 or by email to arsstamma@ages.se. A registration form can be obtained from www.ages.se

To be entitled to participate in the Annual General Meeting, shareholders who have registered their shares in the name of a nominee must, in addition to confirming their attendance at the AGM, re-register their shares in their own name so that the shareholder is entered in the shareholder register as at 25 April 2023. Such registration may be temporary (so-called voting rights registration) and should be requested from the nominee in accordance with the nominee's procedures and giving advance notice as determined by the nominee. Voting rights registration completed not later than 27 April 2023 will be taken into consideration in the preparation of the shareholder register.

Dividend The Board of Directors proposes to the Annual General Meeting that no dividend be paid.

Nomination Committee The 2022 Annual General Meeting appointed a Nomination Committee comprising Ulf Hedlundh as the Chairman, Anna Benjamin and Per Rodert. The task of the Nomination Committee ahead of the 2023 Annual General Meeting is to propose the Chairman of the Board of Directors and other Board members, auditors, a chairman for the AGM and fees for the Board of Directors, committees and auditors.

Business The Annual General Meeting shall conduct such business as according to the Swedish Companies Act and the Articles of Association should be conducted at Annual General Meetings, including presentation of the Annual Report and Auditor's Report, resolutions on adoption of the income statement and balance sheet, discharge from liability for Board members and the CEO, and election of Board members and auditors.

Other agenda items will be stated in the notice of the Annual General Meeting, published in the official Swedish gazette Post och Inrikes Tidningar and on the company's website not later than four weeks before the meeting.



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