

150

**YEARS OF FASTENER
KNOWLEDGE
1873-2023**

150 years ago, on February 13, 1873, the organizational meeting of Bultfabriks Aktiebolaget was held in Hallstahammar, Sweden. Pictured: Board members at the time Richard Telander, Nils Petersson, Gottfrid Rystedt, and Herman Friedländer.

BULTEN 

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BULTEN ANNUAL AND SUSTAINABILITY REPORT

The legal Annual Report containing the Board of Directors' Report and financial statements can be found on pages 84-129. The relevant page numbers for the Sustainability Report, which is also a part of Bulten's statutory Sustainability Report in accordance with the Swedish Annual Accounts Act, can be found on page 61.

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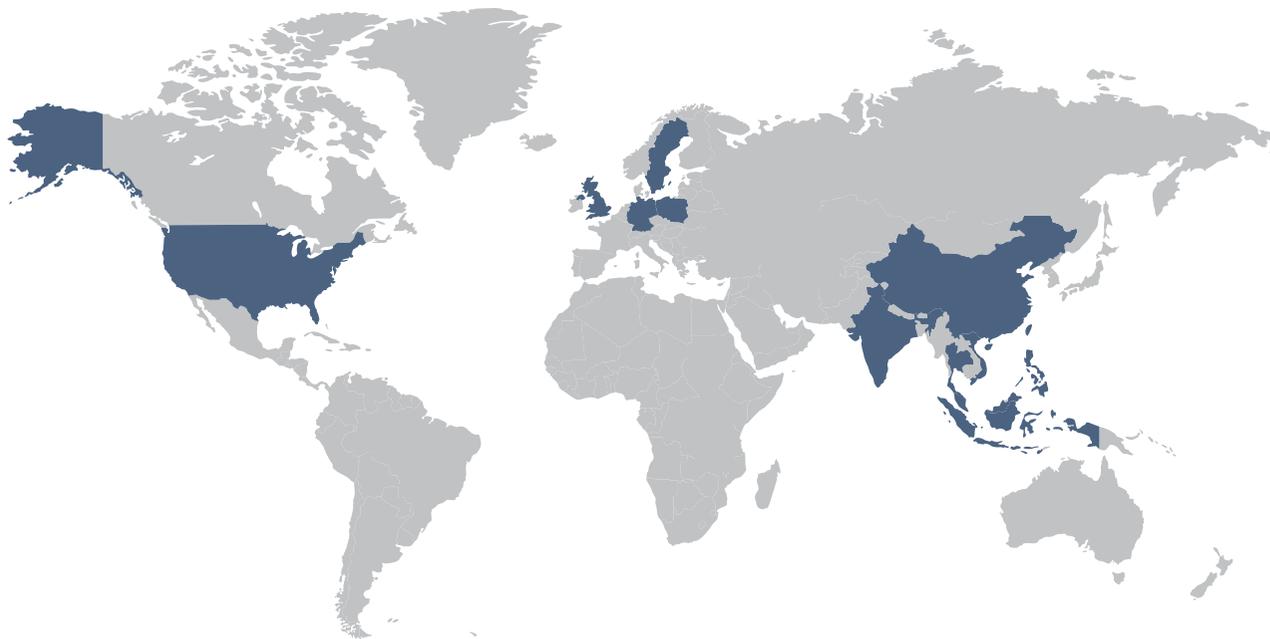
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BULTEN IN BRIEF

With 150 years in business, Bulten today is a leading global manufacturer and distributor of fasteners for a wide range of customers in a range of sectors, from automotive to consumer electronics. Our offering extends from a vast array of standard products to specially adapted fasteners and related services. With Bulten's Full Service Provider concept (FSP), customers can entrust all their fastener needs to us, which means we provide development, sourcing, logistics and service.



- Countries where Bulten has significant operations, e.g. manufacturing. Bulten's sales organization is represented in more countries than those highlighted above.

VISION

We create and deliver the most innovative and sustainable fastener solutions.

MISSION

With 150 years of expertise in fasteners, we continue to deliver not just fasteners, but also complete solutions. Our experienced, dedicated employees help customers worldwide to succeed in everything from product design to production, procurement and service.

It is in our nature to constantly expand our customer offering. By driving innovation and actively seeking collaboration with other innovative companies, we can add new functionality and new services to our offering.

We are strongly committed to sustainability and cost efficiency. We continuously improve our products and our value chain, in order to retain our leading position in the industry when it comes to the lowest possible carbon footprint and use of natural resources. Wherever we operate, we endeavor to make a positive contribution to the community. Sustainability is a natural part of who we are and our business model.

BUSINESS CONCEPT

We continuously deliver market-leading fastener solutions that meet customers' requirements on efficiency, quality, price, and sustainability.

With clearly defined goals, global presence, responsible conduct and the latest in technology and innovation, we are the company that makes a difference and creates the greatest benefit for the customer.

CORE VALUES



PROFESSIONAL



INNOVATIVE



DEDICATED



EMPOWERED

CEO'S STATEMENT

150th anniversary, record growth and acquisitions, all combined with capacity challenges



How would you sum up the past year from a financial perspective?

In 2023 we exceeded our growth target and also our strategic goal of SEK 5 billion in sales by 2024. The financial results for the first quarter of the year built on our situation at the end of the previous year, with high sales and strong margins. The operating margin for the first quarter was 8.4%, which was above our financial target. This was a result of streamlining, but also the fact that we had adjusted our prices to the prevailing cost situation, primarily for raw materials.

Having said that, demand from our primary customer group – the automotive industry – which had risen very sharply following the component shortage throughout 2022, exceeded our production capacity. This meant we had to take extraordinary measures in the second quarter to keep delivering to our customers. We were forced to use air freight, take on new personnel, acquire new production equipment, and also make frequent changeovers in our production processes. The impact of these measures, along with high overtime costs, was a far lower operating margin for the rest of the year, which averaged out at 4.0% for the year as a whole (adjusted 4.2%). I am of course very disappointed by this.

Can you explain the background to it?

As I've said already, demand from our European automotive customers increased faster than expected. Also, because the EU introduced high punitive duties on screws imported from China, our fastener suppliers in Europe were working at full capacity. This made it hard for us in the short term to reduce the workload in our own production. The entire European fastener industry invested heavily in new equipment to meet the sharp rise in demand. The result was long lead times for purchases of machinery used to make fasteners, which also had a detrimental effect on sourcing. I'd like to thank our personnel for their heroic efforts, our customers for a good collaboration during this challenging period, and also our shareholders for their patience.

How are you making sure this doesn't continue in the years to come?

We have now caught up with new recruitment and training of new personnel. We have installed additional machine capacity and phased in our new surface treatment plant in Poland. We have also increased our flexibility between in-house and external production, which will help us to respond better to future fluctuations in demand.

What were the highlights of 2023?

Celebrating Bulten's 150th anniversary was a personal highlight for me. Bulten was very much part of Sweden's industrial revolution in the late 19th century and is one of the companies from that time that has adapted well as the world has changed. This has instilled many strengths in the company, strengths that are important still today and in the future. A unique aspect of Bulten is that we remain faithful to Hallstahammar, the place where the company was born. It's still an important production location for us.

The opening and start-up of our new surface treatment plant in Radziechowy-Wieprz, Poland, was also a high point. The intention behind this major investment was to improve cost-effectiveness, quality and capital tied up, and also to reduce greenhouse gas emissions.

During the summer, we took an important strategic step in the distribution chain. We have long wanted to diversify our customer base and grow in the general industry sector, and a key aspect of being able to do that is to operate as a distributor on the markets where there are potential new customers. Acquiring Exim & Mfr Enterprise (Exim) affords us an excellent platform for further growth outside of the automotive industry. Exim is a well-managed

company operating in Southeast Asia, providing products and services for international customers in various sectors in the region. The company has well-developed processes for distribution and Vendor Managed Inventory (VMI), adapted to completely different purchasing patterns than those found among Bulten's historical customer base. There are also good opportunities to expand Exim's business model to other regions.

Our success in manufacturing and delivering micro screws to customers in the consumer electronics industry in China were a major factor in our decision to establish a similar operation in India during the year. With the explosive growth in this sector in India right now, there is market potential for locally produced micro screws that we want to exploit. Customers demand reliable supply chains, and 'Made in India' is a high priority at a political level. This new establishment is therefore strategically important to Bulten.

How have you developed the organization in tandem with the global expansion described above?

At the end of the year, we began restructuring our organization. From having worked in a global, function-based structure, we decided to regionalize our operations. This means that we now have three regional managers with overall responsibility for their regions: Europe, Asia, and North America. This is an adaptation not only to how our customers actually work, but also to Bulten's dramatic growth in recent years. In addition, it is necessary to move decision-making power closer to the business.

How do you view the future, and what are your key focus areas moving forward?

By the time this is published I will have left Bulten, a decision I made at the beginning of 2024 that was by no means easy. But after five years as CEO of Bulten, the time felt right to hand over the reins. Regardless of that, I can see that the company still

has great potential. There is strong demand for fasteners. The electrification of vehicles and higher sales in consumer electronics are trends that work in Bulten's favor by generating new business.

The top priority is to secure delivery capacity at the European manufacturing sites and thereby improve the financial results. Profitability is the priority over growth in 2024.

Completing the establishment in India alongside Bulten's business partners is of course high up the agenda. Exim has huge potential to grow in its existing markets in Southeast Asia, with excellent margins, and there are also plans for Exim to expand into new markets. Bulten's operations in North America are relatively small as yet, but production will be increasing there during the year as new business gets underway. We still intend to make acquisitions in North America in order to achieve economies of scale and a broader customer portfolio.

In addition, there is a continued heavy emphasis on innovation, primarily in sustainability. Productive collaborations with suppliers and customers are underway to ensure that Bulten retains its lead in the industry when it comes to both sustainability and technological development. This will give the company a huge competitive edge over time.

Finally, I would like to thank everyone who has made my five years at Bulten so enjoyable, memorable and educational, including all my colleagues, our customers, business partners and owners.

Anders Nyström, former President and CEO*

FOCUS 2024

- Ongoing assurance of healthy capacity in our factories, primarily in Europe
- Continuous efforts to improve margins
- Full implementation of the new regional structure to improve Bulten's commercial footprint
- Further evolution of Exim's distribution operations
- Startup of micro screw manufacture in India
- Evaluation of potential strategic acquisitions
- Continued efforts to implement Bulten's climate roadmap

READ MORE

- Market, pages 10-16
- Strategy, pages 18-21
- 150 years as a leading fastener manufacturer, pages 30-33
- New acquisition of distribution company Exim, page 14
- New surface treatment plant in Poland, page 27
- Joint venture in India, page 28
- Sustainable development, pages 43-49

* Anders Nyström left Bulten and stepped down from his role as President and CEO on February 9, 2024. On the same date, Bulten Board member Christina Hallin stepped in as acting President and CEO.

THE YEAR IN BRIEF

FINANCIAL SUMMARY, SEK MILLION	2023	2022	2021	2020	2019
Net sales	5,757	4,474	3,730	3,195	3,093
Gross profit	968	826	710	567	543
Earnings before depreciation (EBITDA)	419	355	400	277	239
Operating earnings (EBIT)	230	180	232	116	98
Operating margin, %	4.0	4.0	6.2	3.6	3.2
Adjusted operating earnings (EBIT)*	243	284	232	113	147
Adjusted operating margin, %*	4.2	6.3	6.2	3.5	4.8
Earnings after tax	127	74	154	50	55
Adjusted earnings after tax*	140	176	154	48	97
Net debt/equity ratio, times	-0.7	-0.5	-0.4	-0.3	-0.4
Equity/assets ratio, %	37.9	41.9	49.3	49.4	55.2
Return on capital employed, %	8.1	6.3	9.7	5.4	5.5
Adjusted return on capital employed, %*	8.5	9.9	9.7	5.2	8.1

*Earnings adjusted for non-recurring items.

5,757 SEK MILLION

NET SALES

230 SEK MILLION

OPERATING EARNINGS

243 SEK MILLION

ADJUSTED OPERATING EARNINGS

28.7%

GROWTH

4.0%

OPERATING MARGIN

4.2%

ADJUSTED OPERATING MARGIN

Q1

Opening of surface treatment plant in Poland

Almost exactly 150 years after being founded, Bulten opened its biggest investment of all time, the ultramodern surface treatment plant in Radziechowy-Wieprz, Poland.

Closure of Swedish logistics center

The closure of one of Bulten's two logistics centers in Sweden began with the aim of streamlining distribution and maintaining a strong operating platform.

Larger holding in TensionCam

Bulten increased its holding in TensionCam Systems AB, a Swedish company specializing in the development of sensors for measuring and monitoring clamp loads in screw joints, to 63.5%.

Q2

Increased demand and capacity challenges

Q2 and Q3 were adversely impacted financially due to extra costs related to air freight, overtime, and temporary contractors. The additional costs were due to a sharp increase in demand for fasteners from European OEMs, which led to capacity and delivery challenges.

Q3

Acquisition of Asian distribution business

Exim & Mfr Holdings Pte Ltd (Exim) was acquired, an Asian distributor of fasteners and other components, based in Singapore. The purchase price was about SGD 66.3 million (SEK 530 M) on a cash-free and debt-free basis. The acquisition affords Bulten a good platform for growth in new industries where the distribution stage is a pivotal sales channel.

Q4

New establishment in India started

Bulten started establishing a manufacturing facility in India through a new joint venture, Bulten Radium Industries Private Limited. Bulten has a 51% holding, the rest being owned by Radium Fasteners Private Limited. (Radium) and ZJK Precision Parts HK (ZJK). The driver is an increased need for domestically produced micro screws among international customers in the electronics sector with production in India.

Begun regionalization of the organization

At the end of the year, a process began to regionalize parts of the company's operations: the manufacturing and sales organizations. The aim is to bring more autonomy to local operations, as conditions vary so widely from one market to the next. The new, regional organization is divided into Europe, Asia, and North America.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR

President and CEO leaves the company

In January 2024, Bulten's President and CEO, Anders Nyström, announced that he will be leaving the company. On February 9, Board member Christina Hallin stepped in as Interim President and CEO.

FINANCIAL GOALS AND CFO'S COMMENTS

Growth

2023 was another year of record sales. Growth was 28.7% (19.9), so we therefore exceeded our goal of 10% average annual growth. This also means we have already achieved our net sales goal of SEK 5 billion in 2024.

Operating margin

Our adjusted operating margin was 4.2% (6.3). Our target for 2024 is at least 8%, so we have some progress to make in order to achieve our goal.

The first quarter of 2023 got off to a good start with an operating margin of 8.4%. Unfortunately, however, high growth during the year, particularly in Europe, led to capacity challenges the following quarter, generating considerable extra costs. The costs mainly related to air freight, overtime, recruitment and investments in our European factories, and totaled around SEK 170 million for the year as a whole. To improve the situation, we have taken measures to boost capacity. These have produced results and will continue to do so in 2024, but it has taken longer than expected as is unfortunately evident in our operating profit.

In August Bulten acquired Asian fastener distributor Exim & Mfr Enterprise (Exim), which has had a positive impact on the operating margin. Acquisition costs burdened the 2023 results by approximately SEK -13 million, and have been adjusted for in the figures above.

The focus in 2024 will be on improving the operating margin.

Return on capital employed

The adjusted return on capital employed amounted to 8.5% (9.9). This is a direct consequence of operating profit, which was adversely impacted by capacity challenges as described above. Goodwill in connection with the acquisition of Exim also had a negative effect.

Dividend

The Board has proposed to the Annual General Meeting a dividend of SEK 2.50 per share for the 2023 financial year, which is the same as the previous year. The dividend equates to roughly 51.1% (94) of net earnings after tax and 45.4% of adjusted net earnings after tax, which is in line with the dividend policy.

Clear financial management

With clearly defined key indicators, guidelines and targets, we ensure the best possible use of capital.

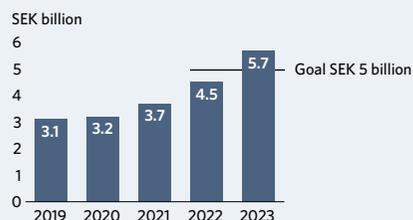
Our strong balance sheet enabled the acquisition of Exim in 2023. This has had an impact on the balance sheet, but we expect the acquisition to make a positive contribution in the long run and to allow further strategic acquisitions in the future.

During the year we have also closed two logistics centers (Arendal, Sweden and Pembroke, UK) and have streamlined production in response to the capacity challenges we unfortunately experienced for much of the year. These measures will also benefit our finances in the long term.



Growth

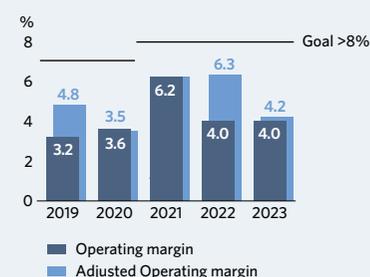
The goal is net sales of SEK 5 billion in 2024* (equating to a compound annual growth rate (CAGR) of 10%, both organic and through acquisitions).



* The goal was achieved in 2023.

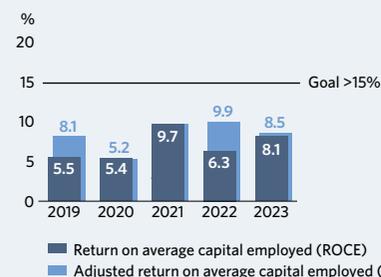
Operating Margin

The goal is to achieve an operating margin (EBIT) of at least 8% in 2024.



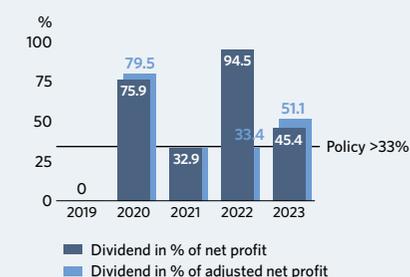
Return On Average Capital Employed (ROCE)

The goal is to achieve a return on average capital employed of at least 15% in 2024.



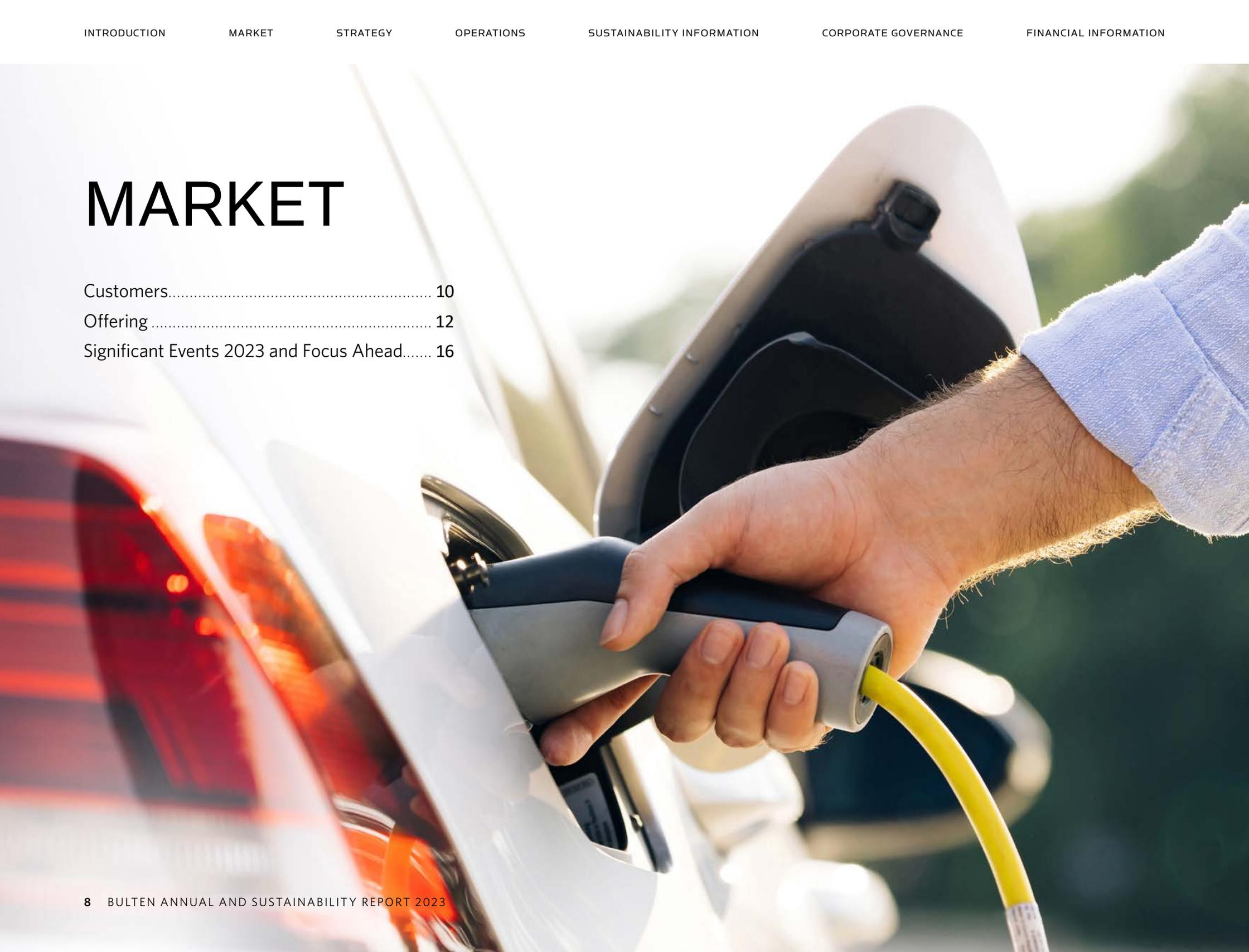
Dividend Policy

Bulten's dividend policy over time is to pay out a dividend of at least one third of net earnings after tax. Consideration is given, however, to the company's financial position, cash flow and outlook.



MARKET

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CUSTOMERS



Faithful partner to a transforming automotive industry

In recent decades, Bulten has grown to be a leading supplier of fasteners and related services for global manufacturers of cars and commercial vehicles, primarily in Europe but also in Asia and North America. The evolution of platforms in the automotive sector has increased sales of fasteners. For instance, the electrification of vehicles has created new business opportunities for Bulten; battery packs need to be joined with new kinds of fasteners, and in different dimensions to those needed in conventional vehicles with combustion engines.

Suppliers to OEMs, known as Tiers 1 and 2, also comprise an increasingly important customer group for Bulten, as the automotive industry evolves with new platforms and new technology.

The future for Bulten in the automotive sector looks bright. Whatever new technology and innovation come along, fasteners will always be essential in holding together the large number of components in a vehicle. Read more about Bulten's customer offering for OEMs on pages 12-13.

Distribution and new establishment creates new opportunities

In recent years, Bulten has also grown a lot in industries beyond the automotive sector, primarily in Asia. These include consumer electronics, medical devices, and renewable energy. In addition,

this diversification of the customer portfolio enables financial growth through improved margins.

In 2023, Bulten acquired the Asian distribution company Exim & Mfr Enterprise (Exim). Historically, the majority of products sold by Bulten have been produced in-house. With Exim, distribution chain operations can now be expanded. This facilitates future growth opportunities in new customer groups that have a tradition of buying large quantities of fasteners from distributors. Read more about Exim on page 14.

At the end of the year, Bulten began establishing a manufacturing operation in India, in a joint venture with two Indian companies in the fastener sector. The driver is an increased need for domestically produced micro screws among international customers in the consumer electronics sector with production in India. The establishment lays the foundation for Bulten to grow further in the consumer electronics segment. Read more about the new joint venture on page 28.

Potential in new services

Bulten can also see a growing future market for services linked to fasteners. One example is TensionCam technology, which can create business opportunities for customer groups operating in infrastructure, water/sewage, power generation and other areas. Read more about TensionCam on page 24.

SELECTION OF CUSTOMERS

Light vehicles

Audi, BAIC, BMW, Fiat, Ford, Geely, Jaguar, Land Rover, Lynk & Co, Nissan, Opel, Polestar, Porsche, Renault, Seat, Skoda, Volkswagen, Volvo

Heavy commercial vehicles

AB Volvo, Mack, MAN, Renault, Scania, UD Trucks

Automotive suppliers

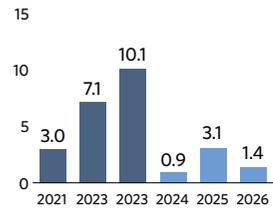
Adient, Autoliv, Aisin, Bosch, CATL, Chassis Brake Intl., Aptiv, Novares, ElringKlinger, Hitachi Astemo, Magna, Facil, Forvia, Hoerbiger, Lear Corporation, Magna, Mann + Hummel, Mahle, Optimas, Schaeffler, ZF, TRW, Trelleborg

Other industries

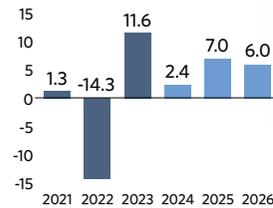
Akcom, Garmin, GE, Foxconn, Hitachi, Honeywell, Jabil, Miele, Mindray, Philips, Sony, TE

FORECAST FOR GLOBAL VEHICLE PRODUCTION*

Light vehicles growth, %



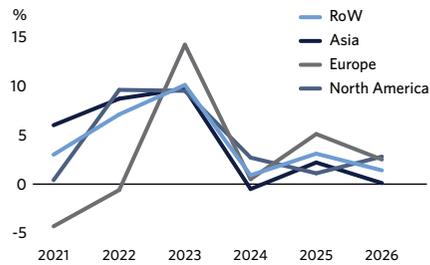
Heavy commercial vehicles (>15t) growth, %



BULTEN'S GROWTH 2023



FORECAST, CARS PRODUCED PER REGION, AVERAGE ANNUAL GROWTH*



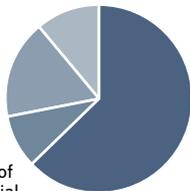
* Source: GlobalData Automotive estimate Q4 2023

INCOME BY CUSTOMER GROUP

Industries outside the automotive industry 11% (12)

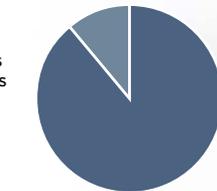
Suppliers to vehicle manufacturers 17% (16)

Manufacturers of heavy commercial vehicles 9% (9)



OUTCOME 2023

Industries outside the automotive industry 11% (12)



OUTCOME 2023

Industries outside the automotive industry 20%



TARGET 2025

INCOME BY GEOGRAPHIC MARKET

North America 5% (6)

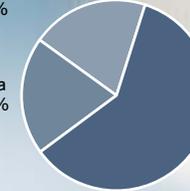
Asia 20% (23)



OUTCOME 2023

North America 20%

Asia 20%



TARGET 2025

OFFERING



On-site Bulten personnel

One unique advantage of Bulten's customer offering is its access to development engineers. They bring their knowledge and experience from the very beginning of a project's startup phase, working on site with the customer. This means that Bulten can act as a proactive partner already at the pre-development and technical design stage. The development engineers then stay with the customer's product throughout its life cycle, and work on continuous improvements. The objective is to find smart solutions and the right dimensioning, and to reduce the number of variations. The development engineers help the customer design fasteners that meet critical specifications, designed to last for the entire life span of the end product.

FSP - an offering that creates added value

Replacing the conventional purchasing model and assigning total responsibility for the purchase and development of fasteners to Bulten can save customers money and resources. Purchasing fasteners, particularly for OEMs, is a complex and demanding

process. This makes Bulten's FSP, or Full Service Provider concept, an attractive proposition. The reason FSP is attractive to OEMs relates to the vast quantity of fasteners they purchase: As many as 25% of all part numbers in a vehicle model may be fasteners. The volumes are huge, and many different variations are needed. FSP is not a static system, rather it adapts to each customer's unique needs. It is a flexible, modular system whereby the customer's needs are met from an array of available services.

FSPS - a unique sustainability offering

As sustainability has become an increasingly important parameter for Bulten's customers, the FSP concept has evolved. Today they can benefit from a new concept called FSPS - Full Service Provider Sustainability. With FSPS, Bulten agrees to take certain extra measures to help the customer achieve their sustainability goals, such as supplying fasteners made primarily from recycled steel to help reduce the customer's carbon footprint.



FSP – FROM COMPLEX AND TIME-CONSUMING TO A SINGLE POINT OF CONTACT



FSPS – FSP WITH ADDED SUSTAINABILITY



STRATEGIC ACQUISITION PAVES THE WAY FOR BULTEN'S NEW INDUSTRIAL SEGMENTS

Bulten has acquired Exim & Mfr Holdings Pte Ltd (Exim), founded in 1982 and headquartered in Singapore. The acquisition was announced in July 2023 and completed at the end of August that year. Over four decades, Exim has established a robust distribution platform for fasteners and other C-parts, i.e. components with a low unit price that manufacturing companies stock in large quantities, as well as related services, from more than 1,800 manufacturers for customers in Asia. Exim's vision is to be the global market leader in stock management of mechanical and electromechanical components, by forming a link between world-class suppliers and their international customer base. The company operates in a wide range of sectors including telecom, electronics, energy, medical devices, and aviation.

Investing for growth

The acquisition of Exim paves the way for the next phase. This entails, for instance, exploiting the growth potential in the general industry sector, capitalizing on upscaling opportunities among existing customers, and evolving the customer offering. To achieve this, investments in personnel and IT systems have been identified as key factors.

Felix Lian, the new MD of Exim operations, can see the potential in combining Exim's strong brand, high-quality management systems, value-creating processes, and well-known purchasing expertise with Bulten's offering. He talks about the benefits of bolstering the customer offering through customized fasteners from Bulten's expert engineering and innovation team. Another advantage is Bulten's strong sustainability profile, and Felix is convinced that Exim can improve and upgrade its existing sustainability efforts to match Bulten's industry-leading standards. "This is an exciting opportunity, and the team is highly motivated to expand the business. We see great potential in evolving the offering, which will create added value for our customers."

Growth in new customer groups

The aim of the acquisition is to boost the Group's position in sectors other than automotive. Bulten also believes there is potential to expand the operation in Asia, and to scale up business with existing



customers on other geographic markets like Europe and North America, where Bulten already has a strong presence.

Bulten's overarching strategy is to have a clear focus on balancing sales through growth in customer groups beyond the automotive industry. The aim is for these customers to represent at least 20% of sales by 2025. Exim, alongside Bulten's fast-growing customers in consumer electronics, represents a building block for a new industrial segment.

Positive response from personnel and customers

Felix Lian adds that the response from personnel and customers alike has been positive. Customers value the fact that Exim's offering will now evolve with value-adding aspects such as customized fasteners developed, designed, and manufactured by Bulten. Many of Exim's co-workers were already aware of the Bulten brand, like belonging to a larger group, and appreciate the high-quality product portfolio. "By combining the two brands, both Exim and Bulten will grow stronger together. We look forward to this change and the exciting journey we have now begun."

ABOUT EXIM

- Exim, established in 1982 and based in Singapore, distributes fasteners and other C-parts*, along with related services from more than 1,800 manufacturers and suppliers for American, European, Indian and Japanese companies operating in Asia.
- The company has more than 1,000 customers in a range of sectors including telecom, electronics, energy, medical technology, aviation, and other industrial manufacturing.
- Exim has about 140 employees in Singapore, India, Indonesia, Malaysia, Thailand, the Philippines, and Vietnam, and had sales of approximately SEK 320 million in 2023.
- Read more on Exim's website: <https://eximfr.com.sg/about-us/>

* C-parts are components with a low unit price that manufacturing companies stock in large quantities.

BULTEN COLLABORATES TO DEVELOP INDUSTRIAL OPERATIONS IN EUROPE

During 2023, Bulten has established a European sales and business development organization focusing on general industries such as consumer electronics. Bulten has conducted market research and mapped market dynamics and motives for each prospective sector, while also building internal expertise and best practices to create an attractive offering. Overall, this creates the right conditions for building strong, long-term relations with potential customers across Europe.

The goal of expanding Bulten's industrial operations is a common theme throughout the organization, and sales experts primarily in the US and China have been involved, alongside Bulten's European sales organization. The company is working intensively to develop the business in sectors outside of the automotive industry, with the aim that 20% of total sales volumes should come from non-automotive sectors by 2025. This is an ambitious goal, and competition is tough. But Peter Lawin, Account Director Business Development Europe, and his team have a solid strategy in place to take advantage of the many opportunities in this area. "We have identified many areas with potential for development in a wide array of industries, and we have an opportunity to create something brand new. This is exactly what business development is all about," says Peter.

Market mapping and knowledge transfer

The business development and sales team has grown during the year, both through recruitment and internal promotion. Four Business Development Managers have been appointed, all focusing on sectors outside of automotive. One of them is Zofia Nycz, based in Poland. Zofia has worked within Bulten since 2006, and after a fine career in previous roles she now has an opportunity to help grow the European operation. "This is something completely new for Bulten in Europe. It is a challenge, but we are incredibly motivated. This will strengthen us, and diversifying will put us in a better position." Other competence has also been added, including technical expertise, and the team is based at Bulten's various facilities in Europe.

A comprehensive market mapping process has identified specific industrial sectors outside of automotive, and some of them have been highlighted as high priority. Bulten's operations in China



Left to right: Sales colleagues Zofia Nycz from Poland, and Sky Huang and Crystal Liu, both from China, on a sales tour in Europe.

and North America have been involved in the prospect-focused phase, as they have long experience of working successfully with customer segments in different industries. Various activities have been arranged during the year to benefit from our Chinese and US colleagues' know-how, including internal workshops, knowledge exchanges, and a European sales tour taking in Poland, Sweden, Germany, and the UK. To date, the activities have built interest and led to further discussions and several potential leads. Bulten has also had a strong attendance at important industry conferences during 2023 and raised awareness of the Bulten brand through advertising and marketing focused on new sectors.

Bulten's history in customer meetings

Both Peter and Zofia stress the importance of highlighting Bulten's strengths and clearly differentiating Bulten when meeting with customers. Both are convinced that Bulten's best move is to position the company as a development partner that can influence how customers use and work with fasteners. While the sales arguments may differ between the automotive and other sectors, Bulten's primary selling point is its 150 years of experience in the industry, along with its ability to tailor and customize its offering as required. Peter sums up with an example of how Bulten can create added value: "We can see where a specific customer has a need for more complex fastener solutions, and we have the capability to redesign. This creates far more value than simply delivering a product, since a redesigned fastener is not only customized, it can also cut costs for the customer."

REPROFILING OF PSM TO BULTEN IN ASIA COMPLETED

Fastener company PSM International (PSM) was acquired by Bulten in the first quarter of 2020, and has since undergone a well-planned integration process. An important milestone in this process was reached in 2023 when PSM's operations in China, Taiwan, and Singapore changed their name to Bulten. The reprofiling of PSM was also a part of Bulten's 150th anniversary celebrations. Work on the reprofiling was led partly by Nancy Yang, MD of Bulten Taiwan. She emphasizes the great flexibility that has characterized the process of shaping a local business culture with a strong focus on customers, and integrating it with Bulten's professional processes and structures.

"Over the years we have integrated our internal systems and processes with Bulten's structure, so for us it's perfectly logical to be called Bulten also externally. PSM was founded in 1931, so we were around for many years before Bulten acquired the company. We know our customers and they trust us. They still have contact with the same people. And it's our people who really make the difference," says Nancy.

A strong brand both internally and externally

The aim of the reprofiling is to strengthen the offering and increase sales by promoting a single, shared brand. The decision was preceded by discussions to ensure that the change would not have any negative commercial consequences.

Reprofiling encompassed many different aspects, and measures taken during the year focused both on customers and personnel. PSM has switched to the Bulten logo, all external signage has been changed, and web content has been moved to the Bulten website. The new profile has been well received by both customers and personnel. Nancy sums it up: "The change of name will make our communication clearer and more distinctive. I also think it will help our co-workers identify with Bulten, and clarify all the benefits of belonging to a global corporation."

SIGNIFICANT MARKET EVENTS 2023

- During the year, several small yet strategically important agreements with good potential to contribute to positive growth have been signed with customers in and outside of the automotive industry.
- There is now a greater focus on sales of more complex products and services, the aim being to improve margins and reach further into the customer's value chain.
- In Europe, there has been an intensive effort to enable growth in sectors outside of automotive.
- The reprofiling of PSM International (PSM) to Bulten has been carried out in Asia and initiated in North America in order to strengthen the offering and make market communication clearer and more distinctive.
- Toward the end of the year, a process was started to begin regionalization of the operation based on manufacturing and sales. The aim is to bring more autonomy to local operations, as conditions vary so widely from one market to the next. The new, regional organization is divided into Europe, Asia and North America.

FOCUS 2024

- Sharper focus on growing margins and volumes.
- Continued focus on profitability through improved margins.
- Continued focus on further balance in the customer portfolio. This means that Bulten should retain and develop existing customers in the automotive industry, and increase the number of suppliers in the automotive supply chain and in new customer segments outside of automotive, including consumer electronics.
- Strive to reach further into the customer's value chain by selling more complex products and services.
- Complete implementation of the new, regional organizational structure (see above).



STRATEGY

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STRATEGY OVERVIEW

STRONG POSITION

FSP/FSPS concept, geographical proximity to important customers, forefront of innovation and sustainability

GROWTH

Organic and acquisition growth, in and outside of the automotive industry

MARGIN EXPANSION

Benefits of scale, production efficiency, technology, value-creating sustainability solutions

STRONG FINANCIAL PLATFORM

Financial leverage, investments in efficiency, solid equity ratio, dividends

GOAL 2024

Enhanced offering, including leadership in sustainability and innovation.

Net sales
SEK 5 bn, CAGR 10%

Operating margin >8%

ROCE >15%

STRONG POSITION

ACTIVITIES 2023

- Begun regionalization of the organization to strengthen its geographic position, focusing on manufacturing and sales.
- Begun pilots with TensionCam technology (sensors for measuring and monitoring clamp loads).
- Begun collaborating on the Polestar 0 project to develop a climate-neutral electric car by 2030; Bulten will deliver climate-neutral fasteners.
- Opening and ramping-up of a state-of-the-art, sustainable surface treatment plant in Poland.

FOCUS 2024

- Commercialization of the TensionCam offering.
- Continued rollout of the new, regional organizational structure.
- Increased efforts in technology and innovation, aiming to create even more sustainable and more functional products.

GOAL 2024

An enhanced offering, including leadership in sustainability and innovation

GROWTH

ACTIVITIES 2023

- Acquisition of Asian distribution company Exim, which creates a good platform to grow in new sectors where the distribution stage is a pivotal sales channel.
- Establishment of a co-owned Indian company for micro screw manufacture to secure growth in the consumer electronics segment in Asia.
- Targeted sales and marketing drives in Europe in sectors outside of automotive, to grow in new customer groups in Europe.
- Ramping-up for new, bigger business in the automotive industry.

FOCUS 2024

- The sales goal was achieved in 2023. The focus moving forward will be on the following activities:
 - Continue to assess acquisition opportunities.
 - Evolve Exim to grow distribution operations in and beyond Asia.
 - Complete the factory and begin producing micro screws in India.

GOAL 2024

Net sales SEK 5 bn, equating to CAGR 10%

MARGIN EXPANSION

ACTIVITIES 2023

- Insourcing of surface treatment through startup of Bulten's new surface treatment plant in Poland.
- Adaptation of sales prices to cover inflationary effects.
- Closure and relocation of logistics and manufacturing operations in Sweden and the UK to enable economies of scale.
- Stronger focus on sales and manufacture of more complex products for automotive.
- Stronger focus on sales to customer groups outside of automotive.

FOCUS 2024

- Evolve distribution operations through Exim to improve margins.
- Increase manufacture and sales of micro screws for customers in consumer electronics.
- Increase manufacture and sales of more complex products for automotive customers.
- Balance capacity and demand to improve efficiency in the production units.

GOAL 2024

Operating margin >8%

STRONG FINANCIAL PLATFORM

ACTIVITIES 2023

- Acquisition of Asian distributor Exim, establishing a strong platform for potential future acquisitions.
- Capacity-raising measures, primarily in the European factories.
- Closure and relocation of logistics and manufacturing operations in Sweden and the UK with the aim of releasing capital.
- Fulfillment of all covenants with the company's financiers.

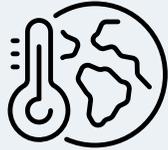
FOCUS 2024

- Focus on cash flow and improved margins.
- Ongoing efforts to optimize working capital.
- Invest in production efficiency and growth.

GOAL 2024

ROCE >15%

MEGATRENDS THAT AFFECT BULTEN



ENVIRONMENTAL THREATS AND LACK OF RESOURCES

More and more parties in the value chain – customers, suppliers, investors and others – are demanding solutions that ultimately reduce greenhouse gas emissions and reduce the use of Earth's resources.

Bulten is working to reduce CO2 emissions in its own value chain, for example by reducing energy use in manufacturing, by purchasing electricity from renewable sources, and by striving to reduce waste and water consumption. Steel is the largest input material in the manufacture of fasteners. Bulten strives to use recycled steel to the greatest extent possible.

Fasteners for new, more sustainable applications, such as EV battery packs, are constantly being developed. This also encompasses new materials and more sustainable manufacturing processes.

Read more on pages 13, 23, 26, and 28.



DIGITALIZATION AND TECHNOLOGICAL TRANSFORMATION

The digital transformation has impacted most industries and businesses. Digitized processes and analysis of digital data are growing increasingly important in manufacturing, work processes, material flows, and customization.

Digitalization also entails more opportunities for Bulten to operate a more efficient development and manufacturing process thanks to automation and artificial intelligence (AI). 3D printing is another area where Bulten is working to tailor tools and components.

Services linked to digitalization and new technology are other opportunities. One example is sensors for measuring and monitoring clamp loads in screw joints. These can be used to monitor critical fastener applications mounted in wind turbines, bridges, and water pipes, for instance.

Read more on pages 24–25.



GEOPOLITICAL UNCERTAINTY AND GLOBAL POWER SHIFTS

As the world becomes more uncertain and geopolitically unstable, trading rules, customer demands, and the competitive situation are all changing, both between and within markets.

Bulten's strategy is to manufacture close to its customers, which has made things easier in an increasingly uncertain geopolitical climate. For instance, it has made the business less vulnerable to punitive duties imposed by the EU on fasteners imported from China.

Another trend is that many global manufacturers are moving their Asian production from China to nearby countries such as India and Vietnam. In keeping with this, Bulten recently began establishing a micro screw production unit in India. This enables the company to benefit from the growing number of manufacturing companies locating there.

Read more on pages 5, and 28.



DEMOGRAPHIC DEVELOPMENTS

One demographic trend is an aging population, while the birth rate is falling. In the long term, this could lead to a shortage of skilled labor.

Positioning itself as an attractive employer for people embarking on a career is a growing concern for Bulten, along with a focus on areas like health and safety, as well as skills and engagement in order to retain existing employees.

The need for human resources may of course also diminish as certain manufacturing processes and work tasks are automated. In this case, the focus might shift to utilizing people's abilities for more advanced jobs.

Read more on pages 49, and 57–59.

VALUE MODEL

RESOURCES	STRATEGIC PRIORITIES AND CUSTOMIZED OFFERINGS	RESULTS 2023	VALUE CREATED FOR STAKEHOLDERS
<p>CUSTOMER RELATIONS</p> <ul style="list-style-type: none"> OEMs of light and heavy commercial vehicles, and suppliers to these Manufacturers of consumer electronics, home appliances, medical technology etc. <p>EMPLOYEES AND PRODUCTION RESOURCES</p> <ul style="list-style-type: none"> Approx. 1,700 skilled, dedicated employees worldwide (FTE) 9 production plants Investments (CAPEX): SEK 150 million <p>FINANCIAL RESOURCES</p> <ul style="list-style-type: none"> Capital employed: SEK 3,518 million <p>INNOVATION AND SUSTAINABILITY</p> <ul style="list-style-type: none"> Patents Partners Efficient use of resources Materials and product development focusing on eco-friendly alternatives 	<p>GOALS</p> <ul style="list-style-type: none"> Strong position Growth Margin expansion Strong financial platform <p>PROCESSES</p> <ul style="list-style-type: none"> Innovation Application development Purchases Production Logistics <p>PRODUCTS/SERVICES</p> <ul style="list-style-type: none"> Proprietary fasteners Purchased fasteners Full Service Provider (FSP/FSPS) Services, e.g. Vendor Management Inventory (VMI), and measuring/monitoring of clamp loads <p>GOVERNANCE</p> <ul style="list-style-type: none"> Clear corporate governance with regional/central responsibilities and KPIs Financial targets Board of Directors Shareholders 	<p>NET SALES SEK 5,757 M (per employee SEK 3.5 million)</p> <p>GROWTH..... 28.7%</p> <p>OPERATING MARGIN 4.0%</p> <p>ADJUSTED OPERATING MARGIN 4.2%</p> <p>RETURN ON CAPITAL EMPLOYED 8.1%</p> <p>ADJUSTED RETURN ON CAPITAL EMPLOYED 8.5%</p> <p>RETURN ON EQUITY 5.7%</p> <p>EQUITY/ASSETS RATIO 37.9%</p>	<p>CUSTOMERS</p> <ul style="list-style-type: none"> Sustainable and innovative products and services <p>EMPLOYEES</p> <ul style="list-style-type: none"> SEK 854 million in salaries, pensions and remuneration Skills development <p>SUPPLIERS</p> <ul style="list-style-type: none"> Purchase of direct materials to a value of SEK 2,300 million <p>INVESTORS</p> <ul style="list-style-type: none"> Proposed dividend of SEK 52 million, equating to SEK 2.50/share 3.13% yield 12,742 shareholders <p>SOCIETY</p> <ul style="list-style-type: none"> More than 2,000 jobs (headcount) in total SEK 109 million income tax paid Social responsibility <p>LENDERS</p> <ul style="list-style-type: none"> SEK 68 million in interest expenses, of which SEK 12 million for leases

OUR VALUE CHAIN

INNOVATION



APPLICATION DEVELOPMENT



PURCHASING



PRODUCTION



LOGISTICS



CUSTOMER SOLUTION

OPERATIONS

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Significant Events 2023 and Focus Ahead..... 29



TECHNOLOGY AND INNOVATION



Innovation focusing on sustainability, functionality, and speed

Bulten's work related to new technology and innovation is conducted from two locations: Bulten Advanced Technology Center (BATC) in Gothenburg, Sweden, and Bulten Innovation Center (BIC) in Bielsko-Biala, Poland. The teams are made up of engineers with specialized expertise in areas like materials, testing, screw application and design. They identify and design technical solutions and products that undergo rigorous testing, before being approved and added to Bulten's vast array of fasteners. In addition to product development, the two teams also work on competence and process development, which helps to strengthen and improve Bulten's own production. They also provide support with advanced testing and prototype development.

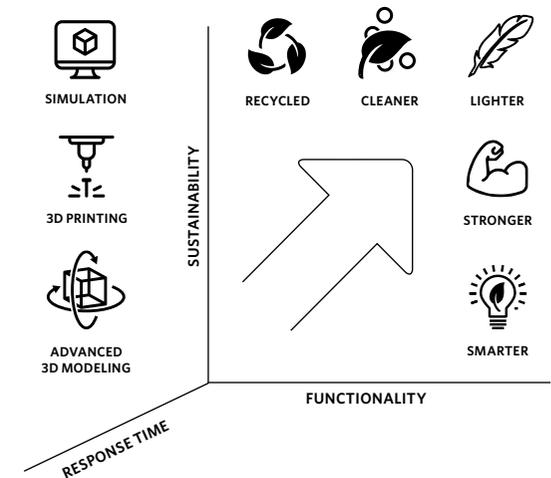
Model for developing new products

Innovation is a constantly ongoing process, focused on finding the technology and product solutions that offer enhanced sustainability and functionality.

Functionality and sustainability are vital aspects of developing new products. Sustainability is fundamental along the entire value chain from design to use, with a focus on choice of materials, material consumption, energy-efficient production methods, and above all function. At Bulten, we see the way forward as developing more sustainable fasteners that also offer broader functionality. For instance, a fastener might be combined with another component or also have an integral sealing function. Essentially, it's about smarter fasteners that offer the customer more.

In addition, there is great emphasis on finding methods to achieve improved response times - a must if Bulten is to remain at the leading edge and retain its position as one of the world's leading fastener manufacturers.

Bulten's model for developing new products



TENSIONCAM'S CONNECTED SOLUTION INCREASES SAFETY ON THE RAILWAYS

In January 2023, Bulten became the majority owner of tech company TensionCam, based in Gothenburg, Sweden. TensionCam offers solutions that enable businesses to measure and monitor clamp loads in critical screw joints, using connected sensor technology. This means that changes and patterns in the collected data can be monitored in real time. This in turn enables better maintenance planning, while also indicating whether any measures beyond regular maintenance are required. Customers can be found in a range of industries including wind power, railways, and water treatment.

The solution is based on many years' experience and work in the field of clamp loads, combined with the benefits offered by sensor technology. Various pilot projects have begun during the year, the aim being to step up a gear and take the next step in commercializing the offering.

Pilots pave the way for a new approach to maintenance

Two of the pilot projects in 2023 have been for the Swedish Transport Administration, focusing on rail tracks near Ängelholm and Landskrona, both in southern Sweden. Railway maintenance is something that requires both human and financial resources on a recurring basis.

In the projects, TensionCam's technology has been tested in combination with a new type of connecting plate to secure the clamp load in its bolt joint. Connecting plates are used when a rail ruptures and are attached to the rail before a permanent repair is in place. The working hypothesis is that the newly developed connecting plate has sufficient bearing capacity and clamp force to allow the rail to take the same load as before the rupture, and at higher train speeds than before. The projects will be completed in 2024.

TensionCam is being used to perform measurements that show the clamp load in the bolt joint, and thus gauge changes over time.

Jonas Nilsagård, CEO of TensionCam, explains: "TensionCam enables preventive maintenance, which means greater predictability and the ability to carry out maintenance before a problem arises. This helps not only to lower costs, but also improve punctuality for the Swedish Transport Administration. The solution also makes it possible to detect loose bolts, which enables proactive prevention of delays and accidents."

TensionCam sees huge potential in the future as attitudes toward maintenance change. Something that has always been governed by established routines and working methods can now instead reap the benefits of technology and connected data. In conclusion, Jonas Nilsagård adds: "We're solving a common problem that many businesses struggle with, i.e. costly, time-consuming maintenance. With TensionCam, customers themselves can collect data, which is then analyzed and processed in order to achieve more precise, planned maintenance."



EXCITING DEVELOPMENT COLLABORATIONS WITH EUROPEAN UNIVERSITIES

During 2023, Bulten focused on expanding its collaboration with universities across Europe. The results have been very positive, with several exciting research projects and collaborations in Sweden, Poland, and Germany. Emmy Pavlovic, Chief Technology Officer (CTO): “Here at Bulten, it has been an exciting year working with universities to find solutions to existing problems, and also taking application-related research forward together. And for the universities, it’s interesting for them to see how their research is applied in real life and learn about the challenges we face in industry.”

The academic initiative is part of Bulten’s long-term strategy, and the collaborations have been carefully selected; they are tailored to the main strengths of each university, as well as Bulten’s local opportunities and challenges. “I’m delighted that we’ve been able to establish various exciting projects and collaborations that are so very relevant to us at Bulten. We can gain advantages from these in our day-to-day business, while also contributing to local exchanges and benefiting from the universities’ expertise,” Emmy Pavlovic continues.

Collaboration on test equipment and 3D printing

Bulten already enjoys collaborating with Chalmers University of Technology in Gothenburg, Sweden, and for several years now some students have completed their graduation projects in engineering and materials science with the company. One new feature this year is that an ‘extra-laboration’ in the engineering students’ screw technology course will be held at Bulten. This means that teaching takes place in Bulten’s lab environment, which has been much appreciated by the students. Bulten has also been the principal for a design project alongside KTH Royal Institute of Technology, and Konstfack University of Arts, Crafts and Design, both based in Stockholm, Sweden. That project focuses on developing advanced testing equipment through a combination of sophisticated mechanical engineering and design.

Two collaborations have also taken shape in Poland during the year: one with the University of Bielsko-Biala, where the Bulten factory is based, and one with AGH University of Science and Technology in nearby Krakow. These collaborations relate to 3D printing with a focus on designing and printing tools.



Left to right: Robin Gitschel, MSc, IUL, TU Dortmund University, Prof. Dr Yannis P. Korkolis, new head of IUL, TU Dortmund University, Gabriele Path, engineer and cold forging expert at Bulten, Aniket Subhash Gawali, masters student at IUL, TU Dortmund University and Prof. Dr.-Ing. A. Erman Tekkaya.

Increased knowledge of steel’s properties in cold forging

In Germany too, a collaboration has taken shape during the year with Technical University Dortmund and its Institute of Forming Technology and Lightweight Components (IUL). Here the focus is on studying material properties and cold forging of metal. Aniket Subhash Gawali is studying for a Masters under the tutelage of Robin Gitschel, and he has examined the properties of the steel used in bolt production at Bulten, in the cold forging process. This was prompted by an identified need at Bulten to produce more detailed data on the properties that steel displays during cold forging. The results of the masters thesis have been used to calibrate material models based on data from experiments. These models make it easier to more accurately monitor the material’s properties in the simulation programs Bulten uses. Overall, this helps ensure that more reliable data can be generated. Aniket Subhash Gawali talks about what the graduation project has

meant to him: “I’m very interested in metal forming, and it has been an honor to have the opportunity to apply my knowledge and increase my understanding of cold forging during my graduation project for Bulten. There is huge potential to increase product quality and energy efficiency in this field, and I’m absolutely delighted that my conclusions have helped to improve existing processes.”

Robin Gitschel also emphasizes why collaborations are of interest to universities: “They are a great way for us to generate new ideas, and also to keep up to date with the present and future challenges that industry has to deal with. These collaborations can also act as a kind of validation process for us, as we have an opportunity to test our hypotheses.”

PRODUCTS AND MANUFACTURING



With 150 years of experience, Bulten has far-reaching knowledge of manufacturing fasteners, and today offers a vast array of products. Bulten's strategy is to have manufacturing close to the customers, thus laying the right foundation for an efficient, adaptable and competitive production process. Geographical proximity to customers also ensures the right conditions for a more sustainable value chain with less of an impact on the climate.

The production process

Fasteners are primarily made from rolls of wire using a cold forging technique. This is an efficient production method that can make up to 300 fasteners a minute depending on the machine and dimensions. The production process is essentially the same at all manufacturing plants. This allows flexibility, as production can be coordinated between plants to optimize overall production capacity.

As well as hardening and surface treatment, other forms of refinement may also take place, such as turning and milling. This is in order to deliver a more complete, pre-assembled fastener, ready for direct application in vehicle assembly, for example, with no further interim stages.

Production is adjusted to customers' long-term delivery plans, and in the short term to timetabled orders that demand precision in delivery times.

Sustainable products

The screw is the most important part of a fastening application, since it creates the force that holds together the components, i.e. the clamp load. To create the right clamp load – not too much or too little – the screw elongation must be very precise. This requires exact dimensioning, calculation and mounting, as several factors have an impact, such as external loads, heat, cold, vibration and friction. Not only the screw's strength must be considered, but also all other components in the fastener application. It is important that the relative strengths are correct.

The screw's surface treatment is another important aspect of fastener design. Consideration must be taken as to what extent the fastening application is exposed to the elements, moisture, and extreme heat. Besides the obvious, that the screw must not rust, it is also necessary to consider that it may be visible, which means it must also be pleasing to the eye and harmonize with its surroundings. Surface treatment is also a guiding parameter for achieving optimum clamp load in assembly, since surface treat-

ment has a direct impact on friction at the moment of assembly, and thus determines the eventual clamp load. This is important, because deviating clamp load contributes to an increased risk that the joint loosens or the screw breaks.

Bulten strives to continuously develop new and innovative products. Regardless of a fast-changing climate where greater sustainability is the constant driving force, the screw will always be an important fastener. Unlike welding, soldering, gluing, and riveting, a screw can be undone, and this makes material recycling easier as the idea of a circular economy and an ecocycle-based approach gather momentum.

BULTEN'S FACILITIES

8 wholly owned production units in Sweden, Germany, Poland, China, Taiwan, and the US

1 partly owned production facility in China

BULTEN'S ULTRAMODERN NEW SURFACE TREATMENT PLANT



The project team that made the new plant happen!

Dr Iwłona Szłapa, Operations Director, (front row center) and her team at the grand opening of Bulten's surface treatment plant in Radziechowy-Wieprz, Poland.

At the beginning of January 2023, Bulten opened its latest production facility in Radziechowy-Wieprz, Poland, 150 years after the first factory was founded in Hallstahammar, Sweden. The new surface treatment facility is ultramodern in many ways, including in terms of energy efficiency and highly automated functions. It is also strategically located close to Bulten's facility in Bielsko-Biala.

In the new facility, Bulten can produce all the most common coatings, both electrolytic and flake, in-house rather than purchasing them from external suppliers. This allows flexibility thanks to insourcing, as well as in-house control of the product quality.

Teamwork and the pandemic

The local team in Poland planned and built the new plant between May 2021 and January 2023, when it opened. The project called for extensive teamwork to keep to budget and schedule, and also continued during the pandemic, which involved some major challenges. It is by far Bulten's biggest ever investment in a production facility. The project was headed up by Dr Ilona Szłapa, Operations Director: "The process was tough going for the team due to the pandemic and other external factors, but we pulled it off thanks to some dedicated teamwork. I'm incredibly proud of my team and everyone in the organization who has supported us. The result? State-of-the-art surface treatment that will boost Bulten's success moving forward, both operationally and environmentally."

A more efficient, more sustainable operation

The services available at the new facility include galvanization and other surface treatment, fastener sorting and packing, and a logistics center for distribution to customers. The plant also covers all finishing after surface treatment, such as patching and injection molding, as well as packaging. There are also areas that can be used for the strategic expansion of other activities, such as cold forming and machining.

This means that Bulten now has control over more steps of the production process and is no longer so dependent on external suppliers in Poland. Benefits include higher margins thanks to insourcing and modern technology, shorter lead times and in-house control of product quality. Another advantage is that Bulten has now secured capacity on what is a limited market for surface treatment in Europe. Since the beginning of the year the factory has employed around 200 people, 70 of whom are personnel recruited into a range of new roles, from specialists to engineers.

Sustainability is one of Bulten's focus areas, and it was also a guiding principle for the new surface treatment plant. The facility contributes to lower greenhouse gas emissions thanks to significantly shorter transport routes, and moving forward it will be supplied with renewable electricity. Dr Ilona Szłapa explains: "Our goal is to be a sustainability leader and a role model for other companies in the region." The facility has been designed with

energy efficiency in mind, runs completely on electricity (which is not that common in Poland today), and production will be carbon neutral from 2024. It also has a closed recirculating water system, thus minimizing water consumption. The building was constructed in accordance with the BREEAM system, a leading science-based validation and certification system for sustainable buildings. The aim is to achieve certification.

IN BRIEF

Area: 20,000 m²

Investment: EUR 31 million

Location: Radziechowy-Wieprz, Poland, close to Bulten's production facility in Bielsko-Biala

No. of employees: About 200, 70 of whom in new roles

PURCHASED PRODUCTS AND MATERIALS

By balancing in-house production with products purchased from external fastener suppliers, Bulten can maintain flexibility and efficiency. The main purchased products are screws, nuts, clips, and rivets.

Bulten's strategy is to source the majority of its purchased products regionally, thus ensuring good service close to the customer. In addition, this approach ensures a competitive cost structure and enables collaborations with more specialized suppliers. It also reduces lead times, transport costs, and currency risks, and provides protection against trade barriers and risks in geopolitical crises.

Broad, quality-assured supplier network

Bulten currently has a broad network of suppliers on many geographic markets who provide products, materials and finishing. The majority of purchases relate to steel wire for in-house production, surface treatment, and products to supplement in-house production.

All suppliers to Bulten must live up to Bulten's standards and requirements. All suppliers should be certified to ISO 9001 as well as ISO 14001, and suppliers in automotive should be certified to IATF 16949. In addition to the standards

mentioned above, all suppliers must accept and comply with Bulten's code of conduct for suppliers. To ensure compliance with the code of conduct, it is included as part of the agreements and is managed via Bulten's Supplier Relationship Management, or SRM, system.

Bulten audits new and potential suppliers in the following way:

- The supplier undergoes careful assessment based on the code of conduct using a self-assessment questionnaire (Drive Sustainability SAQ), which covers human rights including child labor and human trafficking, employment and working conditions, health and safety, the environment, responsible purchasing, business ethics, and corporate governance.
- Assuming the requirements are met and Bulten decides to move on in discussions, an on-site audit is conducted. The audit includes management systems, financial status, the purchasing process and flow of goods process, as well as the supplier's follow-up system.

Existing suppliers are also regularly assessed, both to assure quality and to develop the collaboration.

BULTEN ESTABLISHES ITS FIRST PRODUCTION FACILITY IN INDIA THROUGH JOINT VENTURE

In November 2023, Bulten announced that it would be establishing a production facility in Jamnagar in the west-Indian state of Gujarat, through a joint venture company. The decision is based on an increased need for locally produced micro screws for international customers in the electronics sector. Bulten's ambition is to increase sales, primarily of micro screws, to companies in the electronics industry. India is a growing market for this segment, as many international manufacturers of electronics are locating more and more of their Asian production here.

Alongside two industrial partners, Radium and ZJK, Bulten has formed a joint venture company called Bulten Radium Industries

Private Limited, with Bulten holding 51% of the shares. Radium is a newly formed company owned by experienced players in the fastener industry in India, and ZJK has previously been a partner to Bulten for the manufacture of micro screws in China.

Production planned for late 2024

A new production plant is under construction, and the plan is to be fully up and running by late 2024. The building will be leased and therefore involves only limited investment costs for Bulten. Adrian Brown, Project Manager for the establishment in India, explains the ways this production unit will differ from Bulten's others:

"We will be using far smaller machines to produce these screws than those used to produce fasteners designed for cars. To provide a bit of perspective, a million of these micro screws fit inside a small box. Consequently, not much room is needed either for the production plant itself or for stock management."

While the facility is being built, around 50 employees will be recruited. Adrian Brown says the plant will initially focus mainly on micro screws, but there are also other opportunities going forward: "To begin with, we're planning to deliver screws for smartphones, but longer term we also want to look at new opportunities for tablets and computers, for example, and increase our market reach."



KEY DEVELOPMENTS IN TECHNOLOGY AND INNOVATION AND PRODUCTS AND MANUFACTURING 2023

- Opening and startup of the new, ultramodern surface treatment plant in Poland. Today, the facility is fully staffed and operational.
- As demand from OEMs with production in Europe increased dramatically during the year, the European manufacturing operation faced challenges with capacity. Activities were prioritized to improve production capacity, but resulted in higher costs for air freight, overtime, recruitment, and investment in new production equipment.
- Manufacturing in the UK was closed down to streamline the operation, which also entailed relocating machinery and production to other facilities.
- Closure of a logistics center in Sweden and relocation of operations to other logistics centers in Europe in order to create a more efficient and sustainable value chain.
- Establishment of a manufacturing operation in India through a new joint venture. The aim is to manufacture micro screws for international customers in the consumer electronics industry that have production in India.
- Efforts to reduce costs related to indirect materials and services intensified during the year, and significant effects are expected in the year ahead.
- Progress regarding the use of green and scrap-based steel in the manufacture of various products.
- Positive results from pilot projects with TensionCam's technology for measuring and monitoring clamp loads in critical applications.
- Opening of a new innovation lab in Sweden, enabling the expansion of testing and product development capabilities.

FOCUS 2024

- Reduce the capacity challenges that arose at the European plants in 2023 and take measures to minimize the risk of recurrence.
- Startup of micro screw manufacturing in India.
- Rollout of digital tools to streamline and improve production, e.g. a Computerized Maintenance Management System (CMMS).
- Efforts to reduce lead times in industrialization (the process from order to approved new item).
- Material improvement measures in collaboration with suppliers.
- Increase the use of scrap-based material from selected suppliers to reduce GHG emissions.
- Further improve the development process for new products.

BULTEN – 150 YEARS OF TRADITION AND INNOVATION

A lot has happened since the first fasteners saw the light of day in Hallstahammar back in 1873. The story of Bulten is closely intertwined with industrial and economic developments in Sweden, and extends over a century and a half.

The Bulten of today has evolved and been shaped by successfully combining two key elements of sustainable enterprise: tradition and innovation.



1873



In 1873, two Swedish engineers, Gottfrid Rystedt and Nils Petterson, saw an opportunity in manufacturing fasteners to support the growing construction of railways, trains and bridges. Businessman Herman Friedländer invested 225,000 Swedish kronor, and Bultfabriks Aktiebolaget ('The Bolt Manufacturing Company') was founded in Hallstahammar, central Sweden, with a staff of 20. The idea was to make high-quality nails, nuts, and bolts in uniform standard sizes. Prior to this, Swedish companies had either imported fasteners or made them to their own dimensions. Bulten, and Nils Pettersson in particular, were thus instrumental in Swedish industry adopting a plan to standardize nuts and screws.

Hallstahammar was chosen for its close proximity to ironworks and hydro power. The first purchased machines came from the UK and were state of the art at the time. Two years later, production was up to about 400 tons.

1900



In the 1920s, after WWI, large parts of the world were in an economic depression, which also affected Bulten as demand for fasteners declined. At the time Bulten had grown dramatically and had 700 machines, 500 workers in Hallstahammar, and production in the region of 6,000 tons. Also, share capital had grown to SEK 3 million. A visit was made to the US to find inspiration to remedy the situation. This led to new investments in state-of-the-art machinery, and a focus on fasteners for the new, upcoming automotive industry. For example, Bulten delivered fasteners for Volvo's first passenger car, the Jacob, in 1927. The trip to the US also marked the beginning of exports to several European countries, as well as Latin America and India.

After WWII and up to the 1990s, the company expanded dramatically. The offering was expanded by acquiring various other related businesses. The factory in Hallstahammar was modernized, subsidiaries were acquired in Sweden, and later on operations were established around the world. Over several decades, Bulten established itself as a leading European manufacturer of fasteners.

1990



The 1990s heralded further crucial steps toward growth. After facing major profitability problems for a while, a new direction was taken. With sights set on the international market, production units were acquired in Germany, China, and Poland. Also in the 1990s, Bulten is listed on the stock exchange for the first time, but is delisted in 2001 when Finnveden becomes the new principal owner. During Finnveden's era as owner, the company was listed on the Stockholm Stock Exchange in 2011.

In 2014 Finnveden sold its holding in Bulten and the Board decided to focus exclusively on fasteners for the automotive industry.

TODAY



150 | YEARS OF FASTENER KNOWLEDGE
1873–2023

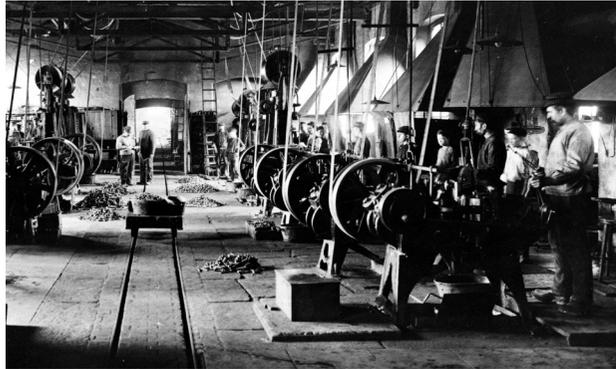
In the early 2020s, various acquisitions strengthened the company's position outside of the automotive industry. Through PSM International (PSM) with operations in China, Taiwan, the UK, and the US, Bulten started delivering fasteners to customers outside the automotive industry, in sectors including consumer electronics, medical devices, and renewable energy.

During 2023, Singapore-based Exim & Mfr Enterprise (Exim) was acquired, a fastener distributor with high-profile international customers across Southeast Asia. In the same year a joint venture was established in India with the aim of starting domestic production of micro screws.

Bulten today:

- A global leader in the fastener industry.
- A full service provider supplying a range of industries, including automotive and consumer electronics.
- A sustainability leader in the fastener industry, with various distinctions for its sustainability work including EcoVadis and Morningstar Sustainability rankings
- Nine production plants in six countries on three continents, and about 1,800 employees.
- Production in excess of 40,000 tons.
- Still with around 300 employees at the factory in Hallstahammar where it all started 150 years ago.

THE FACTORY IN HALLSTAHAMMAR – A VITAL HUB SINCE 1873



Bulten's first factory in Hallstahammar, central Sweden, started production 150 years ago. A lot has changed since then, and today the plant machinery operates around the clock in a plant spanning 48,000 square meters (over half a million square feet). Automation, sustainability, and energy efficiency are the guiding principles. As for the latter, the plant has reduced its GHG emissions by 90% since 2015. Times have changed, but the factory in Hallstahammar remains an important keystone in building the future Bulten.

Still today there are buildings and details that speak both of the site's industrial history, and of the interplay between Bulten and the wider Hallstahammar community. One example is the listed concert and community building, Bultlokalen, which opened in 1913 and gradually became a local community hub. Over the years, Bulten has also run an industrial high school, and has had its own company soccer team – further examples of good corporate citizenship in harmony with the local community.

“At Bulten, we have always been good at enabling people to grow. All of us who work here have had opportunities to develop and take on more responsibility,” says Birgitta Ramström, HR Manager at Bulten in Hallstahammar and a third-generation Bulten staffer. It used to be very common for multiple generations of families to work at Bulten. Many would start out taking a summer job at the company via their parents, and would then stay on and go to the local high school. Birgitta too began her 25-year-plus career at Bulten as a summer worker, inspecting screws in production. Today she is HR Manager, with responsibility for recruitment and developing opportunities for existing employees.

The factory is currently undergoing a generational shift, with many new recruits joining in recent years. Birgitta says that recruitment has changed over the years, and competition for workers has also grown tougher. People often still join Bulten as

“ At Bulten, we have always been good at enabling people to grow. People have opportunities to develop and take on more responsibility.

Birgitta Ramström, HR Manager and third-generation Bulten staffer

a result of recommendations from friends and family, and the company has also found new ways of promoting itself as an employer – one of these being job fairs that Bulten hosts to tell people more about the career paths and roles available.

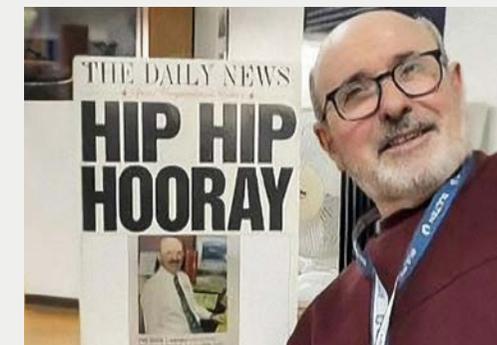
When it comes to the main benefits of working at Bulten, Birgitta is always keen to emphasize the working climate. “We have a good working climate, and we care. Going to work should be a pleasure,” says Birgitta. She describes the workplace atmosphere as informal, a place with good prospects for development, particularly through internal training. As a result, many people have been able to evolve in their roles and become team leaders or departmental engineers. And this is where the key to Bulten's 150 years of success lies: in the positive working climate, the fostering of co-workers' talents, and the company's ability to grow both locally and globally.

DAN KEITH – CELEBRATING 40 YEARS WITH THE COMPANY

Bulten is privileged to have several co-workers who have been with the company for the majority of their careers. One of them is Dan Keith, a material planner at Bulten's site in Scunthorpe, UK.

Over the years he has held various roles in customer services, which have changed and evolved with time. Dan began his journey with the company as a sales coordinator, continued into sales analysis, and eventually took on the role of material planner.

“People often ask me why I've chosen to stay with the company for 40 years. The answer lies in the amazing career opportunities I've had with Bulten, plus all the wonderful colleagues I've had the privilege to work with. They've helped me to develop in my professional role, and their support has made this an exciting and meaningful journey,” says Dan.



150TH ANNIVERSARY CELEBRATIONS WORLDWIDE

In the past year, co-workers have celebrated Bulten's 150th anniversary on various occasions. The focus has been on community and sharing memories, while also looking ahead to another 150 exciting years.



TAIPEI, TAIWAN

“ In celebrating Bulten's 150th birthday, we all realized what a long history the company has. It made us feel even more a part of Bulten.

Frank Lin, QC Manager

WUXI, CHINA

“ It's not often you have a chance to celebrate a successful company's 150th birthday, it makes me absolutely delighted. I'm especially proud to be one of the people contributing to Bulten's current and future success.

Linda Du, Customer Service Manager

STREETSBORO, USA

“ It was nice to celebrate the company's 150th anniversary, it's quite an achievement to be in business that long. Imagine all the changes the company has seen during that time.

Ben Bohurjak, Warehouse and Logistics Supervisor

BERGKAMEN, GERMANY

“ It's great how Bulten has remained strong all these years. So much collective knowledge and expertise, which keeps us successful still today!

Andreas Wessels, Global Distribution Manager

TIANJIN, CHINA

“ For me, the celebrations were a chance for us to learn about Bulten's history, and based on that to prepare for the next 150 years.

Stella Zhang, HR Specialist

GOTHENBURG, SWEDEN

“ It's certainly worth celebrating Bulten being in business as long as 150 years. It's quite something to think that the company was operating back in the 19th century and was part of the industrial revolution.

Lenitha Alexandh, Office Coordinator

BIELSKO-BIALA, POLAND

“ It's an honor to be a part of Bulten - a company with such a long and rich history.

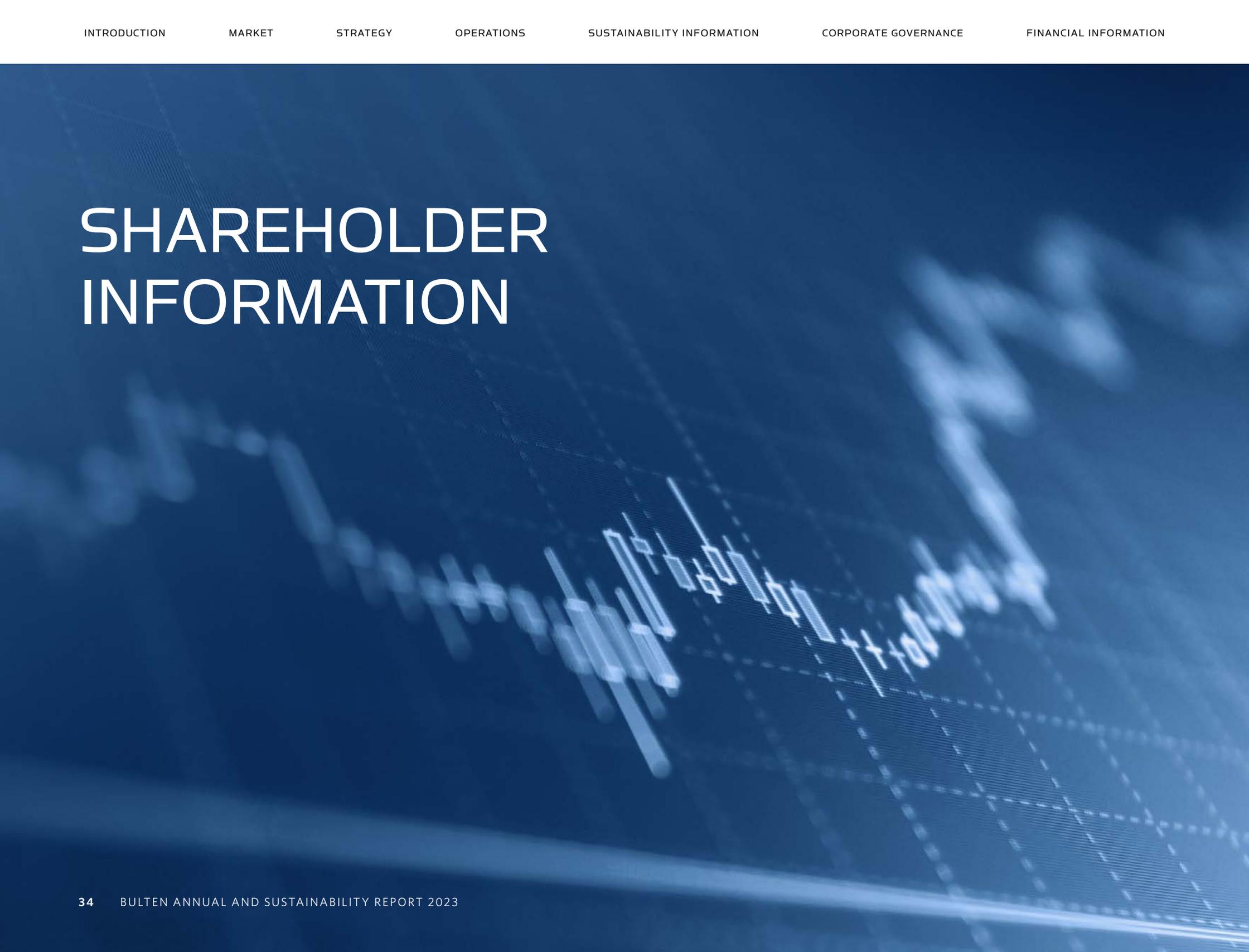
Sylwia Knopp, Junior Quality Specialist

HALEWOOD, UK

“ I'm proud to be part of such a long tradition of fastener production. It feels great to carry that legacy forward and develop innovative new solutions.

Sandra Cox, Account Controller

SHAREHOLDER INFORMATION



FIVE REASONS TO INVEST IN BULTEN

1 QUALITY SUPPLIER OF FASTENERS

- Over more than 150 years, Bulten has built a market position as a quality supplier of sustainable fastener solutions, with a strong customer base that has become more diversified in recent years.
- Bulten is a leading full service provider of fasteners and related services, including FSP/FSPS, and has thereby established key strategic collaborations with several customers.
- With long-standing expertise and in-house technical and innovation competence, Bulten is a natural development partner to its customers and is often involved from the initial design and technical design phase.
- Bulten is involved in innovative development projects such as Polestar 0, and also conducts research-related development projects with various universities and colleges.

Read more on pages 10-13 and 25.

2 FINANCIAL STRATEGY FOCUSING ON A STRONG BALANCE SHEET

- Bulten has a strong financial position, with secured financing and good underlying profit capacity. This creates scope for investing in growth and in efficiency measures, as well as return opportunities for shareholders.
- Over time, economies of scale have generated good profitability for Bulten. Some of the more recent measures to increase economies of scale include closures and fusions of manufacturing and logistics operations in Europe.

Read more on page 19.

3 GROWTH POTENTIAL THROUGH ACQUISITIONS AND NEW SECTORS

- Bulten can see potential for expansion in the automotive industry through new electrified platforms, and in the supply chain for OEMs of light and heavy commercial vehicles (Tiers 1 and 2).
- With the acquisitions of PSM International (PSM) in 2020 and Exim Mfr & Enterprise (Exim) in 2023, both the product portfolio and the customer base have expanded in areas outside of automotive. This lays a good foundation for continued growth in margins. The acquisition of Exim also boosts Bulten's position as a leading distributor of C parts*, particularly in Asia. Some of the sectors Bulten now operates in since the acquisitions are consumer electronics, medical devices, and renewable energy.
- Bulten's goal remains to expand via strategic acquisitions.
- Through majority ownership of TensionCam (measuring and monitoring clamp loads), there is strong potential to offer new peripheral services related to fasteners in the future.

Read more on pages 14 and 24.

4 HIGH YIELD

- Bulten generates a high yield with a dividend target of at least 33% of net earnings.

Read more on page 7.

* C-parts are components with a low unit price that manufacturing companies stock in large quantities.

5 A ROBUST OPERATION BASED ON A REGIONAL STRUCTURE

- Facilities close to customers in Europe, Asia, and North America allow flexibility and short lead times. Being geographically widespread also contributes to a robust structure, which is advantageous in times of protectionism, and also macroeconomic and geopolitical instability.
- Bulten's surface treatment plant in Poland opened during the year, thus strengthening the company's European infrastructure and capacity. In addition, at the end of the year Bulten announced its participation in a joint venture to establish a factory in India that will make micro screws for international customers in the electronics industry.

Read more on pages 27-28.



SHAREHOLDER INFORMATION

Bulten AB (publ) was listed on Nasdaq Stockholm on May 20, 2011. The company is on the Small Cap list under the BULTEN ticker. The trading unit is one share.

The share capital is SEK 10,520,103.50 divided among 21,040,207 shares with a nominal value of SEK 0.50 per share. Each share gives one vote and an equal participation in the company's capital and earnings.

Share performance

During 2023, Nasdaq Stockholm rose by 15.5% (-24.6). Bulten's sector index, Stockholm Automobiles & Parts, fell by -14.6% (-33.2). Bulten's share price increased by 34.5% (-36.0) during the year from SEK 59.50 at the start of the year to SEK 80.00 at the end. The lowest price, SEK 59.50, was noted on January 2, 2023 and the highest, SEK 110.20, on May 17, 2023. The market value of Bulten at the end of 2023 was SEK 1,683 (1,252) million, a change in market value of SEK 431 (-705) million.

Share turnover

Bulten's total share turnover in 2023 was 13.0 (12.7) million shares, corresponding to an average turnover of 51.7 (50.0) thousand shares per day over 251 (253) trading days.

The turnover rate, calculated as the number of traded shares in relation to the total number of shares in the company, was 61.9% (60.1).

FINANCIAL CALENDAR 2024

Annual General Meeting

The Annual General Meeting of Bulten AB (publ) will be held on Thursday April 25 at 17.00 CET at the company's head office at August Barks gata 6A, Västra Frölunda, Sweden.

For further information about the 2024 AGM, visit Bulten's website, www.bulten.com.

Shareholders

As of December 31, 2023, Bulten had 12,742 (9,686) shareholders. The number of registered shares abroad was 22.8% (21.2), of which 5.6% (6.4) were held by shareholders in Finland, 3.8% (2.9) by shareholders in the US, and 2.9% (0.9) by shareholders in Germany.

The five largest shareholders as of December 31, 2023 had a total of 42.9% (45.6) of the capital and votes, with the three largest holding 35.7% (36.4).

Senior management of the Group and elected board members' shareholdings were 0.9% (1.0) at the end of the year.

Dividend policy and dividend

Bulten's target over time is to pay out a dividend of at least one third of net earnings after tax. Consideration will however be given to Bulten's financial position, cash flow and future prospects. The Board intends to propose to the 2024 Annual General Meeting a dividend of SEK 2.50 per share for the 2023 financial year. This corresponds to approximately 51.1% of net earnings after tax and 45.4% of adjusted net earnings after tax. It is proposed that April 29, 2024 be the record day for the dividend.

Financial information

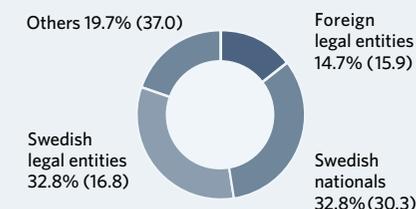
Bulten publishes four interim reports a year and an annual report. These reports are available to read, download or order as a printed copy from the company's website, www.bulten.com.

Financial reporting

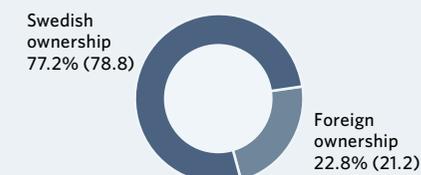
Interim report January-March..... April 25, 2024
Interim report January-June..... July 10, 2024
Interim report January-September..... October 22, 2024
Year-end report..... February 6, 2025

The reports can be found at www.bulten.com on their date of publication.

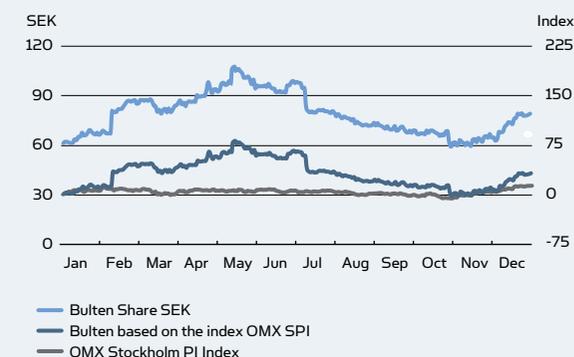
Ownership structure



Swedish and foreign ownership



Share performance 2023



Score: Cision on 31 December 2023

OWNERSHIP STRUCTURE, DECEMBER 31, 2023

SHARE INTERVAL	NO. OF OWNERS	NO. OF SHARES	SHAREHOLDING, %
1–500	10,451	2,833,638	13.4
501–1,000	1,187	975,930	4.6
1,001–5,000	913	2,011,417	9.6
5,001–10,000	108	792,320	3.8
10,001–20,000	33	479,097	2.3
20,001+	50	13,947,805	66.3
Total	12,742	21,040,207	100.0

* Source: Monitor – Modular Finance AB on December 31, 2023.

BULTEN'S LARGEST SHAREHOLDERS, DECEMBER 31, 2023

SHAREHOLDERS	NO. OF SHARES	SHARE OF VOTES AND CAPITAL (%)
Volito AB	5,100,000	24.2
Handelsbankens Fonder	1,243,652	5.9
Nordea Investments Funds	1,160,386	5.5
Unionen	800,000	3.8
Avanza Pension	720,766	3.4
Total five largest owners	9,024,804	42.8
Total other owners	12,015,403	57.2
Total	21,040,207	100.0

* Source: Monitor – Modular Finance AB on December 31, 2023.

NO. OF SHARES

	REGISTRATION DATE	CHANGE IN NO. OF SHARES	NO. OF SHARES AFTER ISSUE
New share issue ¹⁾	May 25, 2011	1,842,777	21,040,207
New share issue ²⁾	May 20, 2011	7,197,430	19,197,430
New share issue	Jan 27, 2010	8,000,000	12,000,000
New share issue	Jan 20, 2009	3,000,000	4,000,000
Decrease	Feb 1, 2006	-321,500	1,000,000
New share issue	Feb 1, 2006	321,500	1,321,500
New share issue	Jan 24, 2005	999,000	1,000,000
Start-up	Oct 12, 2004	1,000	1,000

1) New share issue in kind 2) New share issue through offset of shareholder loan

SHARE DATA

PRICE-RELATED SHARE DATA	2023	2022
Share price at year-end (closing price paid), SEK	80.00	59.50
Highest share price during the year (price paid), SEK	110.20	99.50
Lowest share price during the year (price paid), SEK	59.50	50.00
Market value at year-end, SEK million	1,683	1,252
P/E	16.35	22.49
Yield, %	3.13	4.20
Data per share		
Earnings before depreciation and amortization (EBITDA)	19.98	16.91
Adjusted earnings before depreciation and amortization (EBITDA)	20.59	21.87
Operating earnings (EBIT)	10.98	8.57
Adjusted operating earnings (EBIT)	11.59	13.53
Earnings after net financial items (EAFI)	9.37	7.40
Earnings for the year	4.89	2.65
Adjusted earnings for the year	5.51	7.48
Equity	85.88	85.72
Cash flow from operating activities	16.81	14.21
Cash flow for the year	-4.91	9.47
Proposed dividend	2.50	2.50
Total outstanding ordinary shares, 000		
Weighted total	20,988.0	20,988.0
At year-end	20,988.0	20,988.0

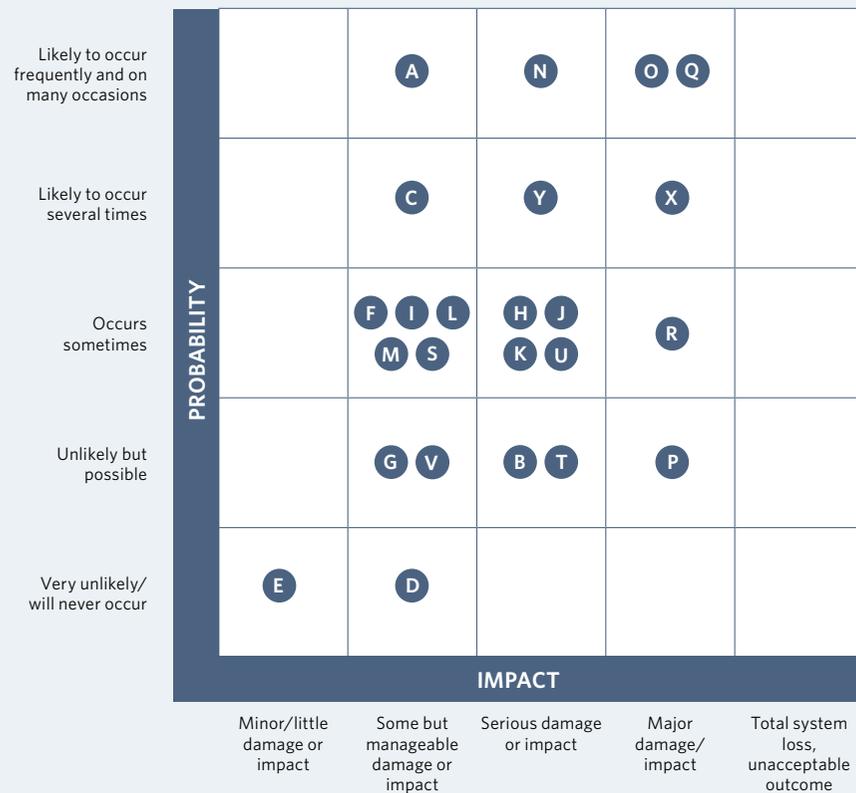
At the end of the year the following analysts were regularly following Bulten's development

COMPANY	ANALYST
Kepler Cheuvreux	Mats Liss

RISK FACTORS

Exposure to risk is a natural part of running a business and this is reflected in Bulten’s approach to risk management. The aim of risk management is to identify risk and prevent risk arising, while also limiting any damage that arises from these risks. Bulten categorizes its risks as financial risks, sustainability risks, business cyclical and external risks, and operational risks. Below is an overall description of how the Group management assesses and manages the main risks in the operation from a time frame of 1–3 years.

The risk assessment covers all parts of the company’s operations and countries and regions where Bulten and its subsidiaries operate. Further information regarding risks and risk management can be found on pages 95-100, Note 5.



FINANCIAL RISKS

- A Currency
- B Liquidity
- C Interest rate
- D Credit
- E Capital

SUSTAINABILITY RISKS

- F Use of fossil energy sources in production processes
- G Greenhouse gas emissions
- H Failure to attract and retain employees
- I Shortcomings in equality, diversity and anti-discrimination
- J Shortcomings in health and safety
- K Violation of human rights
- L Corruption
- M Climate change adaption

BUSINESS CYCLE AND EXTERNAL RISKS

- N Market and competition
- O Legal and political
- P Trends and driving forces
- Q Force majeure
- R Customer dependency

OPERATIONAL RISKS

- S Global supply chain
- T Product liability, warranty and recall
- U Suspension of operations and property damage
- V Environmental regulatory/compliance
- X IT-related
- Y Failure in entering into new processes, markets and/or facilities

RISK AREA	DESCRIPTION	OPPOSING FACTORS	PROBABILITY	IMPACT
FINANCIAL RISKS				
Currency	A Bulten operates internationally and is exposed to currency risk in the form of currency exposure, mostly in EUR, PLN, GBP, USD, TWD, CNY and SGD.	Bulten manages currency risk primarily by trying to change the operational conditions in the business by getting revenues and costs in currencies other than SEK to match each other.	Likely to occur frequently and on many occasions	Some but manageable damage or impact
Liquidity	B The risk that the Group cannot meet payment commitments due to insufficient liquidity or problems in raising credit from external creditors.	Bulten's executive management team continually monitors the Group's liquidity reserves which comprise liquid funds and unutilized credit facilities.	Unlikely but possible	Serious damage or impact
Interest rate	C The Group's interest rate risk arises through short and long-term loans where a sharp rise in interest rates could affect the company's position and earnings.	<ul style="list-style-type: none"> Bulten's interest rate risk is deemed to be low due to the low level of borrowing. As of December 31, 2023, net debt (excluding leasing liabilities) amounted to SEK 834 million. Focus on reducing net working capital. 	Likely to occur several times	Some but manageable damage or impact
Credit	D Credit risk arises with regard to liquid funds and holdings at banks and financial institutions, as well as credit exposure including outstanding receivables and contracted transactions.	<ul style="list-style-type: none"> Bulten's accounts receivable are spread across a large number of customers and historically Bulten's bad debts have been very low. Liquid funds are invested exclusively with credit institutions with high credit ratings. 	Very unlikely or will never occur	Some but manageable damage or impact
Capital	E The risk that the Group does not have the right capital structure to keep costs and capital down.	Bulten has a clear dividend policy and the management team continuously monitors refinancing requirements for operating activities.	Very unlikely or will never occur	Minor/little damage or impact
SUSTAINABILITY RISKS				
Environment (climate): Use of fossil energy sources in production processes	F Increased production and additional operations will lead to greater energy use. The risk is that Bulten does not have access to energy produced from renewable sources to cover its needs and therefore has a negative impact on carbon dioxide emissions.	<ul style="list-style-type: none"> Electrification of natural gas powered production processes, for example heat treatment. Renewable electricity to all sites in the EU and US. Bulten's climate roadmap: For example fossil-free electricity in Tianjin, China, by 2025 and investments/partnerships in renewable electricity infrastructure in Bergkamen, Germany. Bulten continuously measures its energy use in order to streamline and reduce consumption of non-renewable energy. The starting point in the procurement of energy is that it should come from renewable sources. When investing, energy efficiency is a decision parameter. Ensuring fossil-free energy through own production and solar panels. 	Occurs sometimes	Some but manageable damage or impact
Environment (climate): Greenhouse gas emissions	G Negative impact on the climate due to failure in implementing Bulten's climate roadmap.	<p>The vision to become the most innovative and sustainable fastener provider and Bulten's climate roadmap with emissions targets validated by the Science Based Targets initiative (SBTi). Examples:</p> <ul style="list-style-type: none"> - Development and introduction of FSPS. - Development of more energy-efficient products, which also reduce emissions, for example BUFOe. - Optimization of logistics flows and emission requirements are set to at least Euro 5/6 for purchased transport in the EU. - Management of investments towards more sustainable production processes (SROI = Sustainable Return on Investment), for example do not invest in production equipment and facilities that cannot be powered by renewable energy sources. 	Unlikely but possible	Some but manageable damage or impact

RISK AREA	DESCRIPTION	OPPOSING FACTORS	PROBABILITY	IMPACT
Social aspects: Failure to attract and retain employees	<ul style="list-style-type: none"> Bulten depends on being able to attract/recruit and retain the right staff and management to safeguard Bulten's core values, future business and operations. The risk of not being perceived as an attractive employer could affect this adversely. A lack of employee commitment could have a direct negative impact on the company's brand, position and earnings. 	<ul style="list-style-type: none"> Bulten's core values and leadership foundation. The company's clear ambition to be an inclusive employer in order to attract a wider group of potential employees. Implementation of Bulten's global HR and H&S policy, through the company's annual development dialogue, for example. HR system that helps the organization to implement and follow up the HR policy and strategy. Employee surveys with concrete action plans. Internal development and career opportunities. Internal communication and dialogue regarding the company's strategy and objectives. 	Occurs sometimes	Serious damage or impact
Social aspects: Shortcomings in equality, diversity and anti-discrimination	<ul style="list-style-type: none"> Bulten operates in a traditionally male-dominated industry, which in itself can pose a risk of lack of diversity, ie. not succeeding in attracting a wider group of employees to our workplaces. Poor leadership can lead to discrimination on unjustified grounds and discrimination generally. This has a direct negative impact on employees' health and well-being as well as on trust in the company. 	<ul style="list-style-type: none"> To counteract discrimination and harassment and to achieve a more equal company, Bulten works actively with communication about and implementation of HR policy and processes, for example in recruitment and the company's annual development dialogue between manager and employee. Employee survey, measurement, action plans, and follow-up. Transparency of current policies via the intranet, employee handbooks, and reporting of breaches regarding discrimination. Clear internal reporting channels including a whistleblower system for all stakeholders in case of suspected and/or actual violation of the company's policies. 	Occurs sometimes	Some but manageable damage or impact
Social aspects: Shortcomings in health and safety	<p>Working environment, health and safety are strategically important to Bulten. Shortcomings in the working environment and in health and safety entail a higher risk of illness.</p>	<ul style="list-style-type: none"> SROI (Sustainable Return on Investment) where H&S improvement is an aspect for CAPEX investments. ISO 45001 certification of all sites. Global Environment Health Safety (EHS) lead and a global EHS internal network established. Development of Bulten's Health and Safety (H&S) standard. Bulten monitors and follows up on key H&S KPIs and reports out monthly. Accidents that lead to sick leave and corrective actions are shared with all sites in order to learn and prevent similar accidents. Improvement activities are identified, shared, and implemented. Bulten encourages wellness activities for its employees. Bulten has readiness and a plan to deal with a pandemic. 	Occurs sometimes	Serious damage or impact
Social aspects: Violation of human rights	<p>Bulten operates on a global market where insight into/compliance with human rights and labour law may be limited/at risk. This entails a risk that Bulten and its supply chain could contribute to violations of human rights.</p>	<ul style="list-style-type: none"> Bulten is a signatory member of the UN Global Compact. Bulten has formulated an official stance on modern slavery and trafficking. A code of conduct and a comprehensive global HR policy state Bulten's policy on human rights. Bulten also applies a code of conduct for business partners (suppliers, Joint Venture partners, etc.). Supplier strategy including the qualification process, which includes all sustainability aspects. 	Occurs sometimes	Serious damage or impact
Governance: Corruption	<p>Corruption occurs in all countries and sectors, although to varying degrees. Bulten runs the risk of being involved in unethical business. Areas deemed to be at particular risk are the sales and purchasing process, and the exercise of authority.</p>	<ul style="list-style-type: none"> Bulten regularly trains employees in Bulten's code of conduct, anti-corruption policy and other policies. Together with the framework for internal control and follow-up, this forms the basis for a business ethics approach and correct financial reporting. Bulten's application of global and local authorization manuals. Procurement processes that ensure good business ethics. Supplier strategy including the qualification process which includes all sustainability aspects. Bulten's internal reporting routines and whistleblower service are available to all stakeholders, where suspected violations can be reported anonymously. 	Occurs sometimes	Some but manageable damage or impact

RISK AREA		DESCRIPTION	OPPOSING FACTORS	PROBABILITY	IMPACT
Environment: Climate change adaptation	M	Consequences from climate change such as flooding, hurricanes and drought. This can lead to that energy supply is affected negatively, and also disruptions to production and supply chain. This could also have a negative financial effect in terms of production and supply disruptions and extra cost to mitigate e.g. flooding and other weather based risks.	To mitigate physical risks on assets and people arising from climate change Bulten's business contingency planning at each location shall include assessments of these risks.	Occurs sometimes	Some but manageable damage or impact
BUSINESS CYCLE AND EXTERNAL RISKS					
Market and competition	N	Bulten operates in a competitive environment where both old and new competitors seek to win market shares.	<ul style="list-style-type: none"> Bulten works with customers and other external partners to continuously update the understanding of medium- to long-term trends impacting the demand and specifications for its products, as well as to identify risks and opportunities. Bulten actively works to increase market share in growing industry segments, for example in electric vehicles, and consumer electronics and general industries. 	Likely to occur frequently and on many occasions	Serious damage or impact
Legal and political	O	<ul style="list-style-type: none"> Bulten operates in various jurisdictions and is subject to local regulations and laws in each jurisdiction, in addition to general international rules. Changes in local and international rules and laws could impact on the Group's business. Bulten operates in countries where instances of geopolitical risk are deemed higher than in Sweden. Political unpredictability can also entail greater risk in these jurisdictions. 	<ul style="list-style-type: none"> Bulten meets these risks through continual risk assessment and by using external expertise as necessary in each identified area of risk. Bulten's code of conduct, together with internal controls for financial reporting, forms the basis for its business ethics and accurate financial reporting. Political risk can also be limited somewhat through collaboration with locally based businesses. Bulten works to localize production and purchasing to minimize trade between regions. In any case where the risk would be estimated unacceptable, Bulten intends to end its business or trade. 	Likely to occur frequently and on many occasions	Major damage or impact
Trends and driving forces	P	<ul style="list-style-type: none"> Bulten operates in a competitive, cost-conscious market with high demands on environmental issues, quality, delivery precision, technological development, and customer service. Price pressure is a natural aspect of Bulten's industry. Developments in products and materials could change Bulten's competitiveness. The Paris Agreement and the industry's demands on lower greenhouse gas emissions. 	Bulten continuously monitors market trends as well as customer expectations and legal regulations. Bulten strives to be a technical leader in its industry in order to provide the best value adding solutions to the market, and has ambitious sustainability roadmaps to be the supplier of choice as customers increasingly focus on their entire value chain. Bulten has diversified its presence in more market sectors than automotive and will continue to do so.	Unlikely but possible	Major damage or impact
Force majeure	Q	Global just-in-time logistics have made global trade more sensitive to disruptions such as pandemics, natural disasters and strikes.	<ul style="list-style-type: none"> Contingency planning and good relations with customers and suppliers reduce the risk of disruptions in global production and logistics. In major disruptions, impact on Bulten's operation is monitored, and the company enjoys close collaboration with customers and other business partners so as to mitigate the impact as far as possible. Bulten takes measures to protect employees such as travel bans and quarantine, while also following government guidelines and recommendations. 	Likely to occur frequently and on many occasions	Major damage or impact
Customer dependency	R	<ul style="list-style-type: none"> Bulten's customers include many OEMs in Europe, where a number of key customers account for a large share of the Group's sales. Bulten's sales are dependent on customers' success with their ranges of models on the market. 	<ul style="list-style-type: none"> The FSP concept comprises pre-development, product and technological development, production, quality, logistics, and service, and entails close collaboration with customers. Underlying agreements with key customers cover a wide range of products and have varying terms and counterparties. Bulten operates in different markets and segments, such as cars and commercial vehicles, consumer electronics, and home appliances industries. 	Occurs sometimes	Major damage or impact

RISK AREA	DESCRIPTION	OPPOSING FACTORS	PROBABILITY	IMPACT
OPERATIONAL				
Global supply chain	S <ul style="list-style-type: none"> Various risks exist relating to global goods flows, such as reliance on specific suppliers, intermediate goods and logistics, as well as quality risks. Bulten is dependent on raw materials and intermediate goods for delivery to customers. Volatility in prices for raw materials and intermediate goods could affect the Group's earnings. 	<ul style="list-style-type: none"> Bulten balances these risks with active, professional work on purchasing, quality and logistics. The global purchasing strategy is under constant review and updating, the aim being to optimize the purchase of materials and intermediate goods towards greater sustainability and cost-efficiency. Bulten is usually partly compensated by its customers through contracts or negotiations in the event of material volatility. 	Occurs sometimes	Some but manageable damage or impact
Product liability, warranty and recall	T Bulten has product responsibility and can be exposed to warranty claims if products supplied by the Group cause damage to persons or property.	<ul style="list-style-type: none"> Bulten meets this risk through comprehensive testing during the product design and development phases and by implementing quality, management, and control measures throughout production. Bulten has insurance covering a certain amount of damages relating to product responsibility and recall. 	Unlikely but possible	Serious damage or impact
Suspension of operations and property damage	U Damage to production equipment could have a negative impact, both due to direct damage to property and in terms of down time.	Bulten performs routine maintenance on production equipment and has strong internal and external support networks in the industry. Bulten also has full insurance cover for down time caused by damage to property.	Occurs sometimes	Serious damage or impact
Environmental regulatory/compliance	V Negative consequences such as supply problems if Bulten fails to obtain and/or maintain the necessary licenses to carry out its planned activities.	<ul style="list-style-type: none"> Bulten meets these risks by ensuring that the company has all the necessary permits and contracts, and that it meets established security, reporting, and control requirements. ISO 14001 certifications of all sites. Audits conducted by Bulten's insurance company (AON). Local environmental officers/managers. 	Unlikely but possible	Some but manageable damage or impact
IT-related	X <ul style="list-style-type: none"> Bulten is dependent on IT systems and hardware to conduct its business. Interruptions in some of these systems or hardware entail a risk of disruptions in production and the possibility of completing deliveries to the customer on time. Cyber attacks, including the risk of unauthorized intrusion into systems. 	<ul style="list-style-type: none"> Bulten has developed an IT environment that can quickly be replicated in the event of a breakdown. Bulten has well-established routines regarding information security and processes for follow-up and control. 	Likely to occur several times	Major damage or impact
Failure in entering into new processes, markets and/or facilities	Y When entering into new products/markets new risks occur that could lead to capacity or quality issues or non compliance with local regulations.	<ul style="list-style-type: none"> Good feasibility studies for start-ups Use competence and experience within the organization Internal control programs Specific risk assessments Leveraging network experiences Protecting company data and IT Legal expertise Market knowledge and statistics Use of consultants or partners with adequate competence 	Likely to occur several times	Serious damage or impact

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Integrated Sustainability Report

Bulten prepares its Sustainability Report in line with GRI (Global Reporting Initiative) Standards. Parts of the Sustainability Report are integrated throughout the whole Annual and Sustainability Report. Also see the Notes on Sustainability on page 61.

BULTEN'S SUSTAINABLE DEVELOPMENT

Bulten's sustainability work starts from the three perspectives of corporate governance, environmental consideration, and social responsibility. To ensure the company develops sustainably, it is crucial to have a holistic approach, and to integrate these sustainability aspects in everything we do and every decision we make. The focus of our efforts is based on our vision, mission, core values and strategy, the United Nations' Sustainable Development Goals, and our commitment to the UN Global Compact.

2023 was Bulten's 150th birthday, and we celebrated proudly in all our operations in various ways. Also during the year, Bulten further developed its organization. We consolidated our factories in Europe and closed one plant in the UK and a warehouse in Gothenburg, Sweden. At the same time, sales and volumes increased globally and we opened our new surface treatment plant in Poland. Consequently, we recruited more personnel than ever before in 2023.

A main focus area during the year has been skills and leadership development. We kicked off our new global leadership development

program with the first group during the year, and we introduced a global Sales Academy. We reinforced our organization with specialist expertise in sustainability and HR, and in other functions. One particularly pleasing initiative is the scholarship we have established in Romania, whereby we support a number of hearing-impaired students on a technical program at a regular high school.

Work to implement our climate roadmap continued; for instance, solar panels were installed on the roof of our factory in Germany and one of the factories in China.

FIVE FOCUS AREAS FOR SUSTAINABLE DEVELOPMENT

Based on the company's vision "We create and deliver the most innovative and sustainable fastener solutions", the sustainability impact of our value chain and ongoing interaction with our stakeholders, Bulten has structured its key sustainability issues into five focus areas.

These are: Governance and Business Ethics, Sustainable Customer Offer, Sustainable Own Production, Sustainable Supply Chain, and Diversity and Inclusion.

This section presents examples of material topics in each focus area. These can also be found in the company's stakeholder and materiality analysis on page 62 and 63.

Bulten's main stakeholder groups are: employees, customers, suppliers, shareholders, the local community, and government agencies.



“ Employees and managers at Bulten have been working goal-consciously to meet our customers' demands and handle the increase in volume in an exemplary manner. We have had to say goodbye to some colleagues in connection with restructuring, while also welcoming a record number of new recruits in other locations. We will focus on creating the best possible conditions as regards to health and safety, as well as leadership and skills development, so that all our employees feel that Bulten offers an attractive workplace and an attractive future.

Marlene Dybeck, SVP HR and Sustainability



FOCUS AREA

GOVERNANCE AND BUSINESS ETHICS

Bulten has the ambition to develop in a sustainable and responsible manner. Good business ethics and corporate citizenship are assured, for example, by creating insight and understanding among employees and other stakeholders. Support to achieve this comes from the company code of conduct, supplier code of conduct, company policies, manuals, and relevant trainings.

Bulten is subject to regular sustainability audits by independent rating providers like EcoVadis and CDP as a way of assessing the company's sustainable development. Bulten's sustainability reporting and the Sustainability Report itself are also audited by a third party, see page 73.

Examples of material topics in governance and business ethics:

- Responsible business practice/ethics and compliance, such as anti-corruption
- Strategy for sustainable development, for example climate neutrality, business ethics, human rights, transparency, and regulatory compliance
- Monitoring and transparent reporting

Developments in 2023

During 2023, Bulten has begun preparing for the new financial reporting requirements in the EU's Corporate Sustainability Reporting Directive (CSRD). The company also introduced a sustainability-related bonus parameter in its bonus scheme for managers.

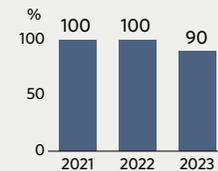
Training in governance and business ethics

Bulten's e-learning on the code of conduct covers areas such as fair employment terms and working conditions, diversity and inclusion, zero tolerance of harassment, forced labor and child labor, anti-corruption, responsible trade, fair competition, conflicts of interest, and more. Bulten's e-learning in anti-corruption and business ethics includes a more in-depth look at anti-corruption, responsible trade, fair competition, conflicts of interest, etc., and is a course that all white-collar employees must complete, including purchasing and sales personnel.

Governance and Business Ethics - goal and outcome 2023

The goal is for all new employees to complete an e-learning in Bulten's code of conduct. Co-workers who handle external business relations should also complete an e-learning in anti-corruption and business ethics.

The overall completion rate for both courses was 90% (99.6). The decrease is mainly due to a high share of new employees, which has resulted in a delay in the degree of implementation.



Bulten aims to achieve the highest level in sustainability audits conducted by external ratings providers. In 2023 Bulten was awarded a Gold Medal by EcoVadis, signifying that Bulten is in the top 5% of companies rated. In addition, Morningstar Sustainalytics designated Bulten the company with the lowest sustainability risk among the many automotive component suppliers assessed globally. See Ratings and Awards on page 50.

Climate roadmap

Bulten's journey toward climate neutrality is summed up in its climate roadmap, see below. It encompasses Scopes 1, 2 and 3. Its constituent parts are described in each focus area, and data is presented in note 6 on page 65. The climate goals for 2030 are validated by the Science Based Targets initiative.

Science Based Targets initiative

The latest climate research shows that we must reduce emissions dramatically to slow the rise in temperature and avoid disastrous effects due to climate change.

The Science Based Targets initiative (SBTi) enables organizations to identify how much and how quickly they need to reduce their GHG emissions according to climate research in order to achieve the goals of the Paris Agreement.

In the 2015 Paris Agreement, the world's governments committed to reducing the rise in global temperature to well below 2°C compared to pre-industrial levels, and to continue efforts to limit the rise to 1.5°C.

SBTi is a collaboration between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI), and the World Wide Fund for Nature (WWF).

2030 GREENHOUSE GAS TARGETS:



BY

OWN OPERATIONS

- Reduced energy consumption
- Fossil-free electricity in Asia 2030
- Investment in fossil-free energy infrastructure

SUPPLY CHAIN

- Raw materials, e.g. scrap based steel
- Plating
- Transportation, e.g. intermodal and electrified
- Collaboration with suppliers

CUSTOMER OFFER

Offering products and solutions that support our customers' sustainability targets



FOCUS AREA

SUSTAINABLE CUSTOMER OFFER

Bulten's ambition is that customers should rank the company's offering as the most sustainable in the industry.

Examples of material topics in sustainable customer offer:

- Lower GHG emissions along product life cycles
- Increasing the use of recycled material/higher circularity
- Sustainable supply chain, see page 48
- Energy-efficient processes
- Minimizing material consumption and waste

Bulten's value chain is constantly evolving to increase the sustainability in our customer offer. The point of departure is the three sustainability aspects: corporate governance, environmental consideration, and social responsibility. Of course, Bulten strives to be a partner that helps its customers achieve their sustainability goals. One means is the Full Service Provider Sustainability (FSPS) concept, where we work with the customer to set sustainability goals and then monitor the results.

In order to reduce Bulten's negative impact on the climate and environment, product design and the production process are being optimized with a focus on using recycled materials, fossil-free energy and energy efficiency. The BUFOe product family is an example of fasteners designed to minimize GHG emissions and reduce energy use in the production process. This is achieved using specially adapted materials and a cold forging process that renders heat treatment redundant, thus helping to reduce energy use.


Developments in 2023

During the year, Bulten has seen a strong increase in interest in our efforts to develop a sustainable customer offer, from existing and prospective customers alike, both in automotive and other segments. Key suppliers to Bulten have also shown greater interest.

Collaboration with Polestar

In 2022, Bulten was made an official partner to electric vehicle manufacturer Polestar in a project running up to 2030. The aim of the groundbreaking project, Polestar 0, is to build the world's first climate-neutral electric car. During the year, Bulten has continued the process of developing fasteners that are climate neutral throughout the value chain. This means zero GHG emissions in all stages of the fasteners' production, including the supply chain.

"The project is in line with Bulten's strategy and is a unique opportunity to work alongside other companies in the project, and develop innovative new solutions for climate-neutral fasteners - and to do so faster than we could have done on our own," says Emma Ringström, VP Environment, Health and Safety.

Sustainable Customer Offer - goal and outcome 2023:

- The goal in 2023 was to establish strategic alliances in important technologies.
- The company has several development projects and partnerships underway involving critical climate-impacting technologies.

Read more about FSPS on pages 12-13.

Read more about technology and innovation on pages 23-25.



FOCUS AREA

SUSTAINABLE OWN PRODUCTION



Bulten’s ambition is to be a world leader in our industry for sustainable production, which also includes that no one should become ill from or be injured in the workplace.

At Bulten, we have long been committed to developing our company in a sustainable way. With 150 years’ experience, we have amassed unique expertise in processing steel and developing world-leading fasteners. This puts us in an excellent position when it comes to developing both our own production processes and products with less negative impact on the climate and environment.

Examples of material topics in sustainable own production:

- Emission of greenhouse gases (GHGs)
- Energy-efficient processes
- Use of fossil-free energy
- Increasing the use of recycled material/higher circularity
- Minimizing material consumption and waste
- Sustainable supply chain, see page 48
- Water consumption and emissions to water
- Health and safety

Developments in 2023

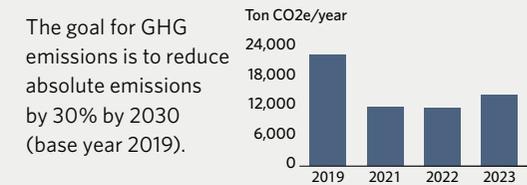
Work continued in 2023 to implement Bulten’s climate strategy; for example, solar panels were installed at the plant in Germany and one of the plants in China. In addition the company has worked on energy efficiencies in production processes.

A production unit in the UK was closed, and a brand new surface treatment plant opened in Poland. The strong focus on energy efficiency and water recycling in the new factory in Poland has resulted in that it has a very low environmental impact.

Unfortunately, there were more accidents compared to the previous year. One of the contributing factors identified is the large number of new employees in certain parts of the operation, combined with very high production volumes.

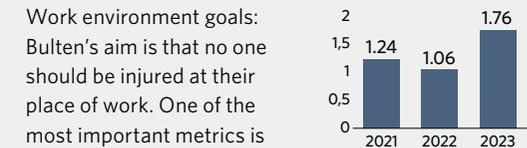
Sustainable Own Production – goal and outcome 2023

Emission of greenhouse gases, Scope 1* and 2*:



* Direct emissions of GHGs from Bulten’s operations, and indirect emissions from production of electricity and district heating used in the operation.

The increase in Scopes 1 and 2 in 2023 are primarily attributable to electricity use at Bulten’s new factory in Poland as the supply of renewable electricity did not begin until early 2024.



The vision is an LTIR of 0. The outcome has risen to 1.76 compared to 1.06 the previous year. Contributing factors are a very high production volume combined with a high number of new employees. Corrective actions are being implemented; read more about Bulten’s occupational health and safety agenda on pages 57-58.

The vision is an LTIR of 0. The outcome has risen to 1.76 compared to 1.06 the previous year. Contributing factors are a very high production volume combined with a high number of new employees. Corrective actions are being implemented; read more about Bulten’s occupational health and safety agenda on pages 57-58.

For other goals and outcomes regarding energy, water, waste, health and safety, see the individual notes on sustainability.



FOCUS AREA

SUSTAINABLE SUPPLY CHAIN

To ensure that the supply chain lives up to Bulten's requirements, a code of conduct for business partners are used, evaluation of suppliers are performed and a close dialogue with them are maintained.

The evaluation of suppliers are done through an initial screening, a self-assessment, and on-site visits. In addition to commercial requirements, there are also demands on quality and logistics, environmental aspects, human rights, social responsibility, and good governance and business ethics.

A sustainable supply chain is measured by the suppliers accepting the supplier code and also completing the Drive Sustainability's Self Assessment Questionnaire (SAQ).

Examples of material topics in sustainable supply chain:

- Responsible business practice/ethics and compliance, such as anti-corruption
- Transparent reporting
- Emission of greenhouse gases (GHGs)
- Increasing the use of recycled material/higher circularity
- Health and safety
- Decent working conditions
- Human rights throughout the supply chain

Developments in 2023

In 2023, Bulten introduced 10 new suppliers of direct materials. Five of these were referred by our customers. Referred suppliers will be assessed, partly to evaluate consolidation potential in Bulten's own production, and partly to ensure full compliance with Bulten's requirements.

One high priority area in 2023 has been supporting suppliers with a low score in the SAQ for sustainability. This is to ensure that they meet all of Bulten's demands in the future.

* Suppliers of direct material, finished products , services and transports.

Sustainable Supply Chain - goal and outcome

Acceptance of the supplier code:

The goal during 2023 has been for Bulten's suppliers* to accept the updated code of conduct. Outcome: 99.3%

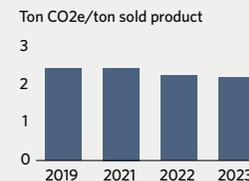
* Suppliers of direct material, finished products , services and transports.

Development of suppliers:

During 2023, a total of 65 out of 77 suppliers of primarily direct materials, surface treatment and finished components achieved at least 3 stars in their sustainability rating. This equates to around 91.6% of the total purchased volume for these goods. Five suppliers have not yet completed the assessment. Bulten is also continuing to work with 10 suppliers (in Europe and Asia) to raise the results to the higher level of ambition we expect from all our suppliers.

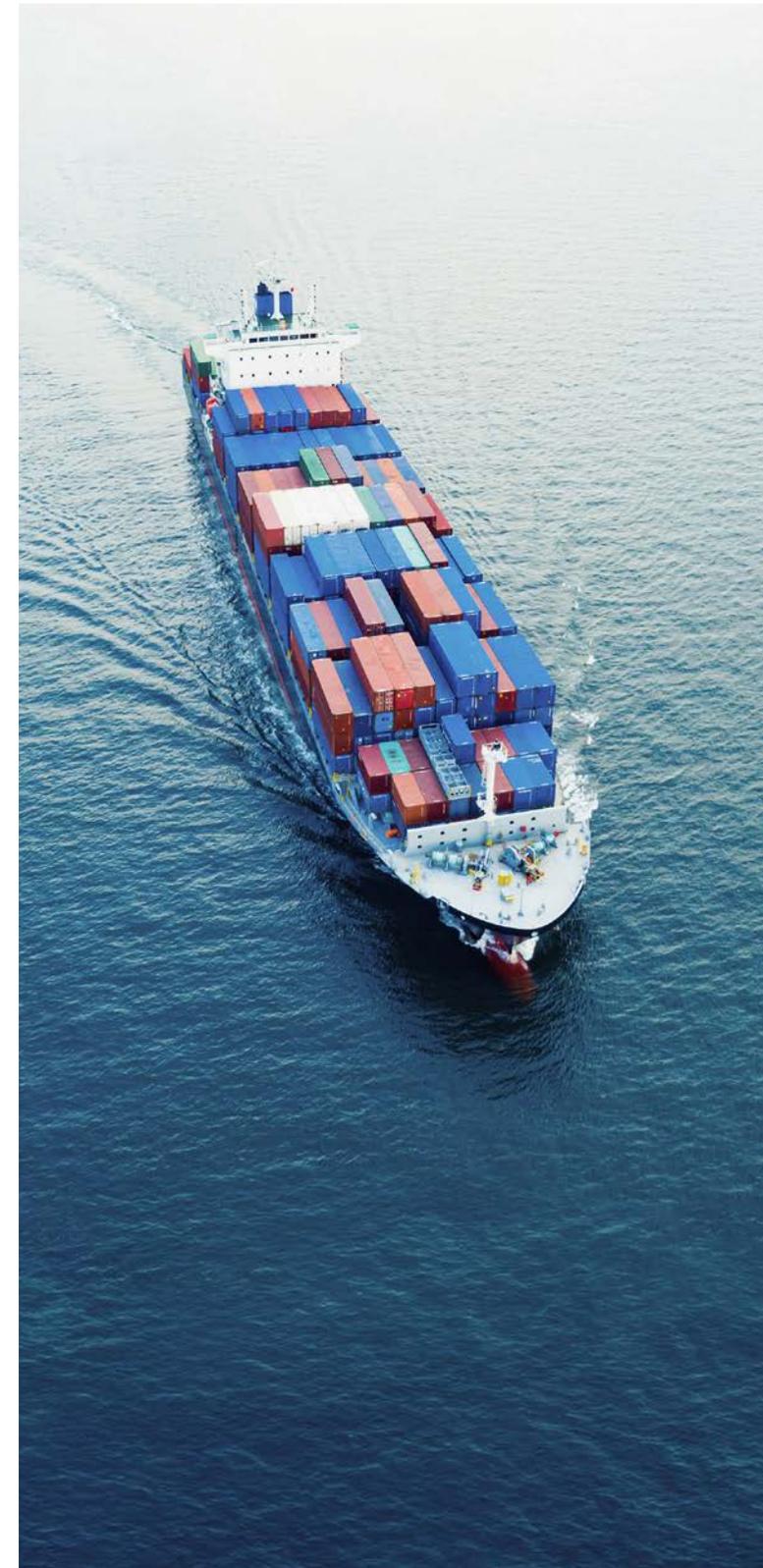
Emission of GHGs, Scope 3:

Bulten's goal is to reduce Scope 3* GHG emissions by 25% per ton of sold product by 2030, with 2019 as the base year.



Comment: The reduction in Scope 3 GHG emissions compared to 2022 is primarily due to a higher share of recycled steel and lower emissions in the supply chain from producing the steel wire Bulten uses in the production of fasteners.

* Scope 3 encompasses indirect emissions of GHGs in Bulten's value chain, which is to say upstream or downstream from the operation. Reported Scope 3 emissions comprise emissions from: extraction and production of raw materials, production of purchased finished screws, surface treatment services, incoming material transports (excluding raw materials), and other purchased transports (primarily internal transports), in accordance with Bulten's Science Based Targets for Scope 3. These equate to approximately 75% of the total Scope 3 emissions.





FOCUS AREA

DIVERSITY AND INCLUSION

At Bulten, the diversity of our personnel’s knowledge, experience and perspectives lays the foundation for continuous development. Bulten wants to be characterized by an open climate and an inclusive way of working, where all employees have opportunities to develop and make a contribution.

The personal annual development dialogue promotes inclusion, as well as development both of the individual and the company. Analyzing metrics such as the proportion of women to men, hours of training, and personnel turnover provides us with further data for our ongoing efforts. See page 67.

Examples of material topics in diversity and inclusion:

- Competence supply
- Job security
- Inclusive working methods
- Decent working conditions
- Ongoing career development
- Human rights
- Promoting diversity and gender equality

Developments in 2023

Bulten focuses on the annual development dialogue, and the completion rate in 2023 was 99.8%.

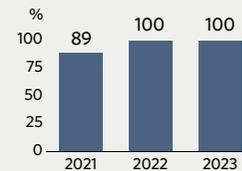
The company conducted its Employee Engagement Survey toward the end of the year. The previous survey was conducted in late 2021.

The Employee Engagement Index totaled 63 (65), and the result indicates that we need to continue working on areas like work environment, health and safety, as well as leadership development.

Diversity and inclusion – goal and outcome

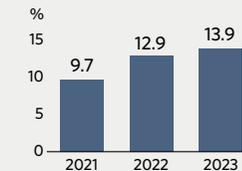
The annual development dialogue (ADD):
The aim has been for all employees to have an ADD with their manager. This dialogue is recorded in Bulten’s global HR system.

Comment: During the year, 99.8% of employees completed an ADD (rounded up to 100% in the graph).



Employee turnover:

The goal is that the turnover of permanently employed personnel should be less than 8%.

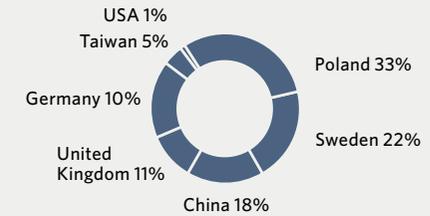


Comment: Employee turnover increased to 13.9% compared to 12.9% in 2022, mainly due to restructuring and extensive recruitment following high volumes in production.

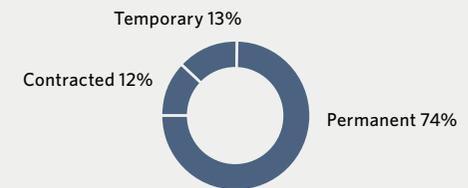
Disregarding dismissals/involuntary employee turnover, the turnover figure for permanently employed personnel totals 10.2%.

Read more about employees on page 57 and in the notes on sustainability, where other goals and outcomes relating to diversity and employees are presented.

Geographic distribution



Employment form (rounded)



Gender distribution



Distribution managers



Distribution Executive management



THE UN'S GLOBAL SUSTAINABLE DEVELOPMENT GOALS

Through internal management discussions and on the Sustainability Committee, Bulten has analyzed how the company contributes to achieving the UN's 17 global Sustainable Development Goals (SDGs). A company can have both a positive and a negative impact (see for instance our risk analysis as regards sustainability on pages 38–42). Bulten deems that the company can primarily contribute positively to the following Goals and Targets for sustainable development in the world.



7.2 Increase substantially the share of renewable energy in the global energy mix, & 7.3 Double the global rate of improvement in energy efficiency

- Invest in renewable energy at our own plants. The first solar panels at a production unit were installed in 2019.
- Investments in energy efficiency in Bulten's production plants.
- The plant in Germany is ISO 50001 certified (management system for energy efficiency).



8.4 Improve resource efficiency in consumption and production, & 8.8 Protect labor rights and promote safe and secure working environments for all workers

- Code of conduct internally and for business partners.
- Bulten's global HR policy and guidelines.
- Vision Zero for work-related illness and accidents. Company-wide coordination and monitoring of health and safety at the workplace.
- ISO 45001 certifications.
- Long-term employments (low percentage of contracted staff).



9.4 Upgrade all industry and infrastructure for greater sustainability

- Investments in new and existing factories, such as investment in new Taiwan factory 2020, new build of surface treatment plant in Poland and construction of a logistics center at the Germany factory.
- Support suppliers in their development, contributing to global trade.
- In-house development and collaboration with external partners in sustainable technology.



12.2 Sustainable management and efficient use of natural resources, & 12.5 Substantially reduce waste generation

- All of Bulten's sites have environmental certification.
- Responsible consumption of transportation services.
- Treatment and reuse of water.
- Recycling through high proportion of raw materials from circular flows.



13. A Implement the UN Framework Convention on Climate Change

- Develop more eco-friendly products and services, such as BUFOe.
- Focus on raw materials with low GHG emissions.
- Investments in fossil-free production process.
- Communication, as well as training of employees and suppliers, that helps to raise awareness.
- Recycling and treatment of water.
- Increased assessment of the supply chain from an environmental perspective.
- See also Target 7.2 - renewable electricity at plants in EU and US, and goals for this at plants in Asia.

RATINGS AND AWARDS

GOLD RATING FROM ECOVADIS

During the year, Bulten was rated Gold in an EcoVadis sustainability assessment. This puts the company among a rare 5% of all assessed companies.

FIRST PLACE IN THE MORNINGSTAR SUSTAINALYTICS ESG RISK RATING FOR INVESTORS

Morningstar Sustainalytics conducts sustainability risk ratings for investors. The ratings are conducted by industry and are based on companies' published information. According to their assessment of automotive component suppliers in late 2023, Bulten's ESG risk is rated 7.4, which is to say negligible. This is 0.1 points lower than the 7.5 in 2022. This puts the company in first place (for the second year in a row) among 242 assessed automotive component suppliers. Bulten is now in 75th place of all 15,841 companies assessed (January 2nd, 2024).

CDP (CARBON DISCLOSURE PROJECT)

In 2023, Bulten achieved a score of B in its CDP assessment, compared to an average of C in the manufacturing sector for metal products.

Transparent reporting of climate impact through CDP contributes to continuous improvement in our efforts to minimize the climate impact of Bulten's operations and products.

* The Carbon Disclosure Project, a global not-for-profit charity that runs the world's leading platform for environmental disclosure.

MANAGEMENT OF SUSTAINABILITY ISSUES

To ensure that sustainability efforts at Bulten are realized, they are an integral aspect of the company's business strategy and operational management, with a clear division of responsibility. Overall responsibility for the company's sustainability work rests with the Board of Directors, and are prepared in the audit committee, while the CEO has the operational responsibility. The work is managed and coordinated by the SVP HR and Sustainability, who is also a member of the executive management team. A sustainability committee, comprising representatives from the Group's various functions, drafts, develops and proposes activities. Each focus area has a clearly defined organization and resources at its disposal, and the work is led by the relevant department head in the executive management team.

Clear sustainability goals, which are integrated into the business strategy and into regular operations, help to ensure that the Board and the executive management have the right knowledge and greater experience in the field of sustainability.

The sustainability work is governed and monitored using a management system with action plans and measurable goals; the system also includes standardized policies and guidelines. Goal achievement and action plans are followed up and reported regularly to the executive management, who in turn report development and results back to the Board of Directors.

Bulten also conducts what is known as a management review, which means that the strategy is followed up regularly. Any gaps identified are discussed and given different priorities, depending on the situation. Activities, process improvements, etc. are incorporated into action plans. Work is carried out in accordance with the PDCA method (Plan, Do, Check, Act).

The Group Board continuously assesses the sustainability work by reporting at Board meetings. The Board's audit committee monitors the company's sustainability reporting. See page 75-76 for more information on the audit committee's work.

All employees have a responsibility for sustainability efforts in their areas of responsibility, and each manager is responsible for driving the work and monitoring compliance.

Investments are assessed from a sustainability perspective

To ensure that the company's investments support Bulten's sustainability strategy, we assess investment requests on the basis of Sustainable Return on Investment (SROI). Assessed areas include, for instance, the working environment and machine safety, as well as environmental factors such as water and energy use, emissions, waste, and noise levels.

Assessment and reporting

The company's progress in sustainability is also assessed in connection with the Group's continuous strategy work based on market intelligence, stakeholder analysis, and risk and opportunity analyses.

The sustainability reporting and the accompanying Sustainability Report encompass all Group operations in which Bulten holds an operational responsibility. If any part of the operation is not included in a particular task, this is clearly shown in the relevant disclosure. Also see the GRI Index and the Corporate Governance Report.

Codes and policies

Bulten's operations involves business relations on a global level, and its policies describe how the operations should be governed based on commercial, financial, and sustainability aspects.

The purpose is to create clarity around regulations, Bulten's standpoint, as well as roles, responsibilities and procedures. It shall be easy to do the right thing. All policies are revised and updated on the basis of new legal requirements, and changes and developments in processes and procedures.

Code of conduct

All personnel shall be aware of and follow Bulten's code of conduct. It outlines Bulten's standpoint and principles in the following areas, among others:

- Respect and zero tolerance of harassment
- Diversity and inclusion, (non-discrimination)
- Fair working conditions
- Health and safety
- Freedom of association
- Product quality
- Responsible trade, and anti-corruption
- Fair and healthy competition
- Environmental responsibility
- Transparent accounting and reporting
- Protection of personal data
- Reporting of problems and errors

The code of conduct is also supplemented with other policies and codes. The policies are implemented via directives, procedures such as the finance manual and authorization rules, and through training of Bulten's managers.

Policies for responsible business relations

In addition to the code of conduct, there is also a code for suppliers as well as an anti-corruption policy, which provide guidance in our relations with customers, suppliers, government agencies, and so on. Bulten also has a policy to counteract anti-competitive activities. No cases or legal actions relating to anti-competitive behavior, anti-trust, or monopoly practice occurred or were reported during the year.

Other policies

Examples of other policies are: health and safety, environment, conflict minerals, HR, communication, IT security, and so on.

Reporting of critical sustainability-related issues

Critical sustainability-related issues are reported to the persons ultimately responsible for the company's sustainability management, as follows:

All employees and Board members in the Group have a responsibility to report conflicts of interest, and breaches and infringements of the code of conduct. Any reports should be made to the immediate manager or their superior, or to HR or another designated management function. All stakeholders, both internal and external, can report suspected infringements anonymously via Bulten's whistleblower service.

An IT-based reporting system is available for all internal and external stakeholders, via the company's website www.bulten.com, and on the intranet. It is also addressed in our policies.

Any questions on reporting violations should primarily be directed to the person at the company who is responsible for sustainability issues, as described in all policy documents. Bulten as a company is very clear in its communication that the company does not accept anyone being subjected to reprisals for reports made in good faith.

See further information in the notes on sustainability regarding Anti-corruption, and Diversity and Inclusion.

Disclosures in line with the EU taxonomy

During 2020, the EU adopted the Taxonomy Regulation as part of its action plan for financing sustainable growth. For the 2023 financial year, which is reported in 2024, Bulten reports turnover, investments and operating costs relating to all six of the environmental objectives in the taxonomy.

Bulten has analyzed the company's economic activities based on the Taxonomy Regulation (EU 2020/852) and delegated acts, referred to below as the taxonomy. Bulten's main economic activities – the manufacture and sale of fasteners – are not included in the current version of the taxonomy. No other economic activities

that generate external income reported in the consolidated income statement have been identified. With this in mind, Bulten recognizes SEK 0 (zero) in earnings from taxonomy-eligible activities.

The taxonomy also includes investments (capital expenditures, CAPEX) and operating expenses (OPEX). The investments made by Bulten in 2023 that are encompassed by the taxonomy' climate change mitigation are mainly in new leasing contracts for buildings and vehicles, renovation of buildings (roofs, water pipes etc.), and equipment for energy efficiency and recycling (new gate, ventilation equipment, and air compressors). In addition a few investments in switchgear for electricity and pavements of roads and sidewalks which is encompassed in the circular economy part of the Taxonomy were made. In total these investments equate to a rounded 16% (15,8) of total capital expenditures. The figures have been obtained from the organization's internal investment monitoring.

As regards the taxonomy's requirement on sustainable investments relating to equipment and services from suppliers, Bulten has not been able to establish whether these suppliers are sustain-

able in line with the taxonomy. This is because the relevant details are not available from the suppliers. With this in mind, Bulten is only reporting the share of capital expenditures that are taxonomy eligible.

Bulten reports OPEX in the same way as CAPEX, which is to say it reports taxonomy-eligible expenditures. Bulten's share of OPEX according to the taxonomy definition is recognized as 2% (2.4%) and constitutes of maintenance of roads, LED lighting and maintenance/repair of electrical and electronic equipment. Also see pages 139-141.

Bulten's total turnover are equal to the net sales shown in the consolidated income statement on page 88. CAPEX comprise the year's investments in intangible assets (excluding goodwill), and property, plant and equipment, as well as right-of-use assets, that can be matched with the line acquisitions during the year in notes 17, 18 and 19, on pages 109-112. OPEX comprise maintenance and repair costs for equipment and buildings.



THE GROUP'S ENVIRONMENTAL WORK

In order to reduce Bulten's environmental impact, Bulten carries out continuous assessment and systematic improvement work in all areas of the operations.

Environmental policy

Bulten's environmental policy aims to reduce climate and environmental impact from its own operations and its products, along the entire value chain. The policy applies for all subsidiaries, see page 61.

The policy covers, for example:

- Reducing GHG emissions along the entire value chain.
- Reducing the use of fossil-based energy and transitioning to renewable energy.
- Developing and offering products and solutions with less negative environmental and/or climate impact.
- Improving energy efficiency and raw materials efficiency in our operation.
- Increasing circularity.
- Reducing emissions that impact on air, water, and land quality.
- Reducing waste and assuring responsible waste management.
- Reducing water consumption.
- Responsible handling of chemicals.

The work is managed and coordinated by the Group VP Environment, Health and Safety, who also oversees, develops and ensures continuous improvement in environmental efforts. In all of the Group's sites, environmental management and quality management are integrated into the management system.

All decisions relating to the environment (Bulten's impact on environmental aspects) are based on an investigation and impact assessment of consequences as well as regulations, such as the Swedish Environmental Code and permit processes. Bulten collaborates with external specialists and advisors in connection with, for example, new establishments, and inspections are conducted regularly by authorities and other certification bodies. Bulten guarantees that all operations have the required permits and certificates through its management function.

The environmental aspect is integrated into the value chain, from development, through purchasing, to assembly and use.

Climate impact, energy use, water use, and waste are material topics

Bulten believes that using materials and energy efficiently reduces the environmental burden while also being economically beneficial. The focus for Bulten is on increasing the use of recycled materials, switching to fossil-free energy, increasing energy recovery in the factories, minimizing waste, securing sustainable water supplies, and reusing water as far as possible.

Climate-impacting emissions

Bulten has mapped GHG emissions along the entire value chain in line with the Greenhouse Gas Protocol standard. This process showed that the vast majority of GHG emissions from Bulten's own operations come from the combustion of natural gas to heat the heat treatment furnaces used in the production process. The proportion of electricity the company purchases in Asia, which is still fossil-based, also generates high GHG emissions. The main GHG emissions linked to Bulten's production, however, are in the supply chain when producing the materials and services that the company purchases.

Bulten has set targets in line with the Paris Agreement, and these have been verified and approved by the Science Based Target initiative (SBTi). Bulten has also prepared an action plan for these.

Goals

Bulten has set the following climate goals for 2030 compared to the base year 2019:

1. Reduce absolute Scope 1 and 2 emissions of GHGs by 30%.
2. Reduce Scope 3 emissions of GHGs by 25% per ton of sold product.

Comment on outcomes

For further information on the goals and outcomes for 2023, see pages 47 and 48, and also note 6 on page 65.

Responsibility and measures

Local goals and action plans are formulated by the local sites in line with overall goals in Scope 1 and 2. Each unit reports the outcome quarterly, and this is aggregated at Group level and followed up in the company's management team.

The goal of reducing Scope 3 emissions is led by Bulten's various functions such as Purchasing, Operations, Sales, and Technology and innovation.

Activities to reduce climate-impacting emissions

Bulten takes ongoing measures to reduce climate-impacting emissions. These encompass switching from fossil-derived to fossil-free energy supply in own production, more energy-efficient production methods, requirements on lower emissions from transport, and reducing indirect emissions in purchased direct materials.



Examples of activities in 2023

- Start-up of the solar panels at the facility in Germany.
- Start-up of power supply from solar panels at the plant in Tianjin, China.
- Increased share of scrap-based steel in the manufacture of products.

The closure of the UK factory also led to a slight reduction in emissions.

See note 6 on page 65 for further information including emission sources, GHG emission intensity, and emission factors.

ENERGY

In-house production uses electricity and natural gas, and at one of the plants a small amount of district heating is purchased for heating the premises. Bulten also requires its suppliers to strive for lower energy use and to increase the share of renewable energy via the company's code of conduct for business partners.

Goal

Bulten's goal is for 100% of the electricity purchased for its plants in Europe and the US to come from renewable sources by 2025, and for its other plants by 2030.

Bulten also has the goal of reducing energy use by 15% per ton of produced goods, compared to 2019, by 2024.

In 2023, 93% of the electricity for its plants in Europe and the US were from renewable sources, and the forecast for 2024 is that we will reach 100%. Also in 2023, one of Bulten's plants in China began sourcing electricity from solar panels.

Energy intensity has fallen by 3% per ton of produced product compared to 2019. Insourcing of operations to Bulten's new surface treatment plant has led to an increase in energy consumption, and adjusted for this the decrease is 7% vs 2019.

See also note 7 on page 65 for the outcome in 2023.

Responsibility and measures

Local goals and action plans are formulated by the local sites in line with overall goals.

Each unit reports the outcome quarterly, and this is aggregated at Group level and followed up in the company's management team.

Reduced energy use

Many activities have been carried out during 2023 to reduce energy use.

- Shorter opening of gates in the loading/unloading bays.
- More efficient compressed air production.
- Replacement of fans.
- Continued change of illumination to LED.

In addition, more equipment for measuring energy use in different operations processes has been installed at several sites, to provide data for continued energy-saving measures.

WATER CONSUMPTION

Water for production and hygiene comes mainly from the municipal water supply. Water polluted in the production process is treated and reused to the extent possible at the company's various sites. Contaminated water, including concentrate, is collected by contracted specialist companies. Other water goes for municipal wastewater treatment. Each production unit follows the regulations and permits issued by the local authorities, where applicable.

Goals

Bulten has a goal to reduce water intensity per produced tonnage* by 10% up to 2024 compared to 2019.

During 2023, water consumption was on the same level as 2022, even though Bulten has opened its new surface treatment plant and insourced certain operations there. Adjusted for this, the improvement is 9% on 2022. Yet the water intensity is still higher than in 2019 due to expanded surface treatment operations in China from 2020. See also note 8 on page 66.

*Cold forged or machined tons of steel.

The local sites link in to this target and have varying impact on the Group's results, depending on the type of operation and the machinery at each unit. Bulten also requires that its suppliers strive to reduce their water use through its code of conduct for business partners.

Water recycling at Bulten's new surface treatment plant in Poland

When designing the new surface treatment plant, there was a strong focus on minimizing water consumption. This is done by treating and recycling water internally at the plant.

Contaminated water from production is neutralized in the treatment plant, after which contaminants and water are separated in a sedimentation process. The waste is sent for incineration and the water is further treated using reverse osmosis, evaporation and crystallization, after which it can be reused in production.

Through this design about 75% of the water is recycled and reused enabling the intake of water to be minimize.



Responsibility and measures

Bulten's sites identify their own water impact and conduct related risk assessments based on the local conditions. The sites interact with local authorities in accordance with their environmental permits. The primary interest for the supervisory authorities is water consumption and the results of samples that are taken. If specific consideration for the receiving body of water is applicable, this is reflected in each unit's environmental permit.

WASTE

Waste primarily comprises metal scrap, which is produced when processing raw materials into products. This is sent for metal recycling. Otherwise, waste is mainly produced in the washing facilities, where oil and contaminated water are separated and sent for energy recovery and destruction respectively.

Goal

Bulten's goal is to reduce the volume of waste by 10% per ton of produced goods, up to 2024 (base year 2019).

Waste intensity increased in 2023 due to insourcing of certain operations at Bulten's new surface treatment plant in Poland. Adjusted for this, intensity fell by 3% on 2022, and by 2% since 2019.

Read about hazardous/non-hazardous waste on page 66.

Responsibility and measures

The local sites link in to this target and have varying impact on the Group's results, depending on the type of operation and the machinery at each unit. Each unit reports the outcome quarterly, and this is aggregated at Group level and followed up in the company's management team.

THE GROUP'S WORK ON SOCIAL ISSUES

Bulten's code of conduct, supplier code, and related policies such as the HR policy, describe Bulten's standpoint and guidelines relating to social sustainability. These encompass, for example, human rights, working conditions, health and safety, development and learning, diversity and inclusion, along with requirements on subcontractors' social responsibility.

Scholarship

During 2023, Bulten has set up a scholarship for hearing-impaired students in Romania who study a technical program at a regular high school.

"With monthly scholarships for students in the academic year that started in September 2023, we want to help more students gain their qualifications despite reduced ability and other challenges. We know that people with functional impairments encounter barriers when they enter the job market, and it makes a lot of difference to have a fully passed education," says Emma Ringström, Vice President Environment, Health and Safety at Bulten.



Bulten's Claudia Tudorica (centre), who led the process with establishing the scholarships, visited the students at the school prom in December



Respect for human rights

Bulten supports the international conventions on human rights, and works actively to ensure that they are respected throughout our value chain. This includes efforts related to zero tolerance of child labor.

Policy on forced labor and trafficking

As a further step in Bulten's strategy to support human rights, a separate Statement Against Modern Slavery and Human Trafficking has been formulated. It describes how Bulten's companies work to ensure that modern slavery (forced labor) and trafficking do not occur in the value chain. Each employee has the right to terminate their employment after a period of notice, in line with prevailing laws and agreements. Bulten never requires any form of deposit nor do Bulten ever confiscate ID documents from its employees. We always check the ID and, where required, relevant work permits of all new employees or contracted personnel.



SOCIAL MATTERS IN BULTEN'S SUPPLY CHAIN

Bulten imposes demands on business partners, suppliers and service providers with regard to working conditions, the environment, business ethics and human rights, etc. in its code of conduct for suppliers. It is included in contract terms and is communicated in the qualification process for new suppliers, and must be signed by them.

The onboarding process for new suppliers also includes an assessment of the supplier's sustainability performance using a self-assessment questionnaire (Drive Sustainability SAQ), which covers human rights including child labor and trafficking, employment and working conditions, health and safety, environment, responsible purchasing, business ethics, and corporate governance. The results of these assessments are ranked according to an internal system.

The decision to enter into a new supplier relationship is made jointly by VP Purchasing, VP Quality, and VP Material Planning and Logistics.

OUR EMPLOYEES

Our employees competence and engagement

The expertise and great dedication of our employees enable Bulten's sustainable development. The ambition is to create a workplace where everyone can thrive, and has the right opportunities to grow and develop. Bulten should be a workplace for all, where all personnel feel included and involved. The foundation for this is good relations and open dialogue, along with teamwork.

Bulten provides more than 2,000 jobs

Total number of employees 2023: 1,761 (1,642), of whom 443 (25%) are women and 1,318 (75%) men.
Total number of contractors: 250 (244).

See page 66 for employee statistics.

Competence development/employee development

The employee's job description forms the basis for prioritizing the training and development of the employees. Each manager is responsible for ensuring that there are clear roles and that the employee has what they need to do a good job, and for regularly monitoring performance and development.

Leadership and competence development is a priority to help us transition to the more sustainable working methods and technologies of the future.

In 2023, Bulten launched a basic training in sustainability as part of the onboarding process for all employees, in order to enhance skills and thus boost initiatives for evolving processes and products toward greater sustainability.

Bulten Fastener Academy is a general training program comprising a comprehensive e-learning series in fastener technology and the company's products. The training is aimed at anyone who wants to learn more about fasteners. Courses cover everything from design, manufacturing and assembly, to the best way to make use of a fastener.

In 2023 Bulten also launched its Sales Academy, which provides online training for all sales roles in the global organization. In addition, Bulten's global leadership development program also took place for the first time. See page 59.

Training is followed up in the annual development dialogue (ADD), and in the employee engagement survey. See page 67 for the total number of training hours.

Diversity and inclusion lead to success

Bulten considers it important to be an inclusive employer. The code of conduct, health and safety and HR policies provide support in the ongoing work on equal treatment, and in efforts against all types of harassment and discrimination, in all contexts.

Everyone working at the company has a responsibility to combat discrimination and harassment, and to strive for greater equality and inclusion. Leadership is pivotal in this process, and the code of conduct and training of managers and personnel are important tools. Diversity and inclusion matters are monitored in the employee engagement survey, as well as in the ADD between employees and their managers.

In the latest employee engagement survey 81% (84) answered positively to questions on how they perceive gender equality and efforts against discrimination, and 76% (79) answered positively to questions on inclusion.

See page 66-67 for further information and statistics on diversity.

Responsibility and governance

A Group-wide HR strategy and policy aim to ensure a long-term sustainable employee experience and competence supply. The HR policy is also a communication tool that guides the organization in its implementation and in the company's evolution.

Health and well-being are assured through a global health and safety policy, a code of conduct, and the global HR policy. Goals are adopted every year to drive the work for good health and well-being at the workplace. Each site works to fulfill set goals in accordance with locally adapted plans, which are reported to the Group on an annual basis.

Outcomes, including sickness absence, are followed up monthly at Group level and the outcomes are reported to the Board.

Contract models

The majority of employees at Bulten's European factories are covered by collective bargaining agreements. In all, around 71% (rounded off) of Bulten's employees are covered by collective bargaining agreements. This means that employees have, to roughly the same extent, formally voted for and elected their employee representatives. In countries where workers are not organized, or where independent unions are banned or opposed, Bulten tries to create forums for dialogue. This is to ensure a sustainable cooperation between the employer and employees.

Employee feedback

To give employees an opportunity to convey their views, the company conducts an employee engagement survey every two years or so. The previous one was conducted in late 2021/early 2022, and the latest one in November-December 2023. The results for 2021/2022 were presented in the 2021 Annual Report.

Development dialogue

One of Bulten's most important HR processes is the annual development dialogue, ADD, between the manager and the employee. The purpose is to discuss the current situation and the future, as well as the prerequisites for doing a good job and developing, and also implementing the company's strategy.

See page 68 for details of the number of employees who have completed an ADD.

HEALTH AND SAFETY

Work environment and management system

Bulten's zero accidents vision acts as a guiding principle for work on health, safety and the work environment.

The Group's health and safety work is systematized continuously, and encompasses the physical, social and organizational working environment for all employees, contracted workers, and others who carry out jobs at the company's workplaces.

A global health and safety policy was implemented in 2021, and the majority of Bulten's wholly owned subsidiaries have been certified to the occupational health and safety management standard, ISO 45001, since 2022. This equates to around 92% of the total number of employees. The new surface treatment plant in Poland which opened in 2023 will be certified during 2024.

Bulten works continuously to promote well-being, and to prevent accidents and ill health. During 2023, development of a common health and safety standard for all Bulten sites continued.

Group-wide goals are set annually, and each workplace formulates action plans based on these. By evaluating the effect on the working environment in investment requests, the company can make sure that investments lead to an improved working environment.

Hazard identification, risk assessment, and incident investigation

In addition to the global health and safety policy, each site has local directives and working environment instructions. These local directives should clearly set out responsibilities, roles, procedures, and goals. Preventive efforts to achieve a good working environment include systematically identifying risk sources, performing risk assessments, and preparing action plans for the improvement measures that need to be taken to eliminate or minimize the risk (in accordance with the control hierarchy). This work should include the physical, organizational and social working environment. Safety walks are regularly carried out at all sites. The organizational and social working environment is primarily followed

up in the annual development dialogue between employees and managers, and in the employee engagement survey.

To ensure that personnel know that risks and incidents must be reported, and that reporting must never lead to acts of reprisal, regular training sessions are held for employees. These sessions include the company's policies, procedures, roles, and responsibilities.

The greatest risks to health in production relate to noise and stress. Typical areas with a heightened risk of accidents with serious consequences include hand injury in the cold forging operation, and in heat and surface treatment. Risk assessments have been conducted and measures identified and implemented to minimize the risks, for instance using instructions and personal protective equipment.

Employees' participation, consultation, and communication about health and safety

It is Bulten's ambition that all workplaces should have some form of health and safety committee or similar, depending on local conditions and regulations. This is also a requirement of the ISO 45001 standard and is governed by legal requirements in certain countries. Health, safety and well-being are also important aspects covered in the manager-employee ADD and the Group's employee engagement survey.

Worker training on occupational health and safety

All employees must undergo health and safety training that is relevant for them. This takes place in the form of training by the line manager, classroom training with an internal teacher and/or external training organizer, or e-learning. All training programs are registered in the company's HR system. Training takes place in all relevant areas, such as the physical and organizational work environment, hazardous substances, machine safety, forklift truck safety, and so on.

Prevention and limitation of health and safety risks directly associated with business relationships

During the year, Bulten has not identified or received reports of any significant general risk based on health and safety in relation to the company's business partners.

Group-wide H&S targets, results, action plans, and the outcomes of local and Group-wide occupational health and safety goals are monitored regularly. At Group level, Bulten follows up the outcomes, including sick leave, monthly. All accidents must be reported to Bulten's President and CEO, the SVP HR and Sustainability, and the VP Environment, Health and Safety. Reporting must take place within 24 hours and be documented in the Group's monitoring system for accidents. The outcomes are reported to the Board of Directors monthly.

During 2023 the number of accidents unfortunately increased. Measures have been identified to turn this around, for example securing knowledge about occupational health and safety among new employees, and the compliance with safety regulations of all employees.

Occupational healthcare and promoting employee health

Bulten's sites have agreements with occupational health providers or equivalent who provide expertise in health and safety-related areas, for example ergonomics, medical check-ups, treatment of mild injuries and so on. In some countries there are agreements with local healthcare institutions and/or working environment experts on a consultancy basis.

Bulten operates primarily in countries where employees are covered by a public healthcare service. In addition, Bulten's sites can offer their employees various opportunities for fitness initiatives, such as gym passes, based on local conditions and legislation.

See page 68 for statistics on work-related accidents and ill health.

NEW LEADERSHIP PROGRAM MAKES BULTEN STRONGER TOGETHER

Bulten launched its first global leadership program during 2023. Investing in the development of strong leaders is an investment in Bulten's future. This has been deemed a key factor for achieving the company's long-term targets. The participants represented the most senior managers from various parts of the organization globally. The name of the program - Stronger Together - was chosen by the participants themselves during their first session together, and it reflects their commitment to working together to implement Bulten's strategy.

The program was launched with a kick-off event in Hallstahammar, Sweden in June 2023, where the participants met over two days for the first training module. The module focused on personal leadership, with participants reflecting on their strengths and also discovering their own authentic leadership style. In total the leadership program consisted of three modules which covered Leading self, strategic decision-making, and Leading others.

Two of the participants in the first global leadership program were Edith Wang, Managing Director of Bulten Tianjin, China, and Chad Squires, Vice President Region North America. Edith explains that she has enjoyed getting to know colleagues from various parts of the organization. She also appreciated the strategy session with Bulten's management, where they addressed how managers can provide support in terms of making the company stronger, as well as promoting a strong company culture. "It was truly great meeting everyone in person, and I felt that the discussions about the strategy were very productive. I felt that we could share our insights and influence our roadmap ahead, and I look forward seeing this being transformed into action plans."

Chad comments on the opportunities to share experiences and learn from each other: "Every day, the group grew stronger as all team members opened up and shared personal experiences.



We also worked together in different teams. This process built trust among all of us, which will help us continue to grow and support each other as we execute the plan to achieve the goals in our strategy."

The two also mention that participating in the leadership program allows them to bring back learnings to their teams and their everyday work life. Edith explains: "You can share insights from the leadership program with your managers and direct reports. My experience so far is that this creates involvement in a much better way." With this approach, the leadership loop is completed in three steps. The first involves initial training, discussions, and reflections among the leaders. The second entails bringing back insights which are adapted to the local context, and in the third step new improvements and ways of working are implemented in the everyday work. All in all, this contributes to Bulten becoming stronger together.



NOTES ON SUSTAINABILITY

SUSTAINABILITY REPORT AND REPORTING

The aim of the report is to provide an overview of our sustainability work. It is an integral part of the Annual Report and is prepared in line with GRI Standards, see the GRI content index on page 69.

The Sustainability Report encompasses the Group and all subsidiaries where Bulten has employees in the legal entity, and where ownership amounts to at least 50% over the past two years, unless otherwise stated in the respective note or GRI index, as below:

Bulten AB

Bulten Fasteners AB

Bulten Hallstahammar AB

Bulten Sweden AB

Bulten GmbH

Bulten Invest Sp.z.o.o.

Bulten Ltd

Bulten Polska S.A.

Bulten North America LLC

Bulten Fasteners (Tianjin) Co., Ltd

Bulten Fasteners (Wuxi) Co., Ltd with related Joint Venture, PSM-PSM-ZJK Fasteners (Shenzhen) Co., Ltd.

Bulten Fasteners (Hong Kong) Limited

Bulten Taiwan Fasteners Ltd.

Bulten Fasteners (Singapore) Pte. Ltd.

P.S.M. International Fasteners Ltd

PSM Fasteners Corporation

On August 31, 2023, Exim & Mfr Holdings Pte Ltd of Singapore, a distribution company, was acquired. Exim is not included in the 2023 Sustainability Report.

Other legal changes in 2023:

- Bulten Radium Industries Private Limited (joint venture India) was registered on August 16, 2023. Not included in the 2023 Sustainability Report.
- Bulten Industrifastighet AB merged with Bulten Hallstahammar AB on November 17, 2023. No impact for the sustainability report.
- P.S.M. Fasteners Corporation merged with Bulten North America LLC on December 31, 2023. No impact for the sustainability report.

Bulten's Sustainability Report and the reporting found on page 43-72 and 139-141, are audited in form of a limited assurance audit by a third party, PricewaterhouseCoopers; see page 73.

For the statutory Sustainability Report, please refer to the following pages: business model; 10-13, 21, risks; 38-42, 98, environment; 47-48, 53-55, 64-66, social matters; 48-49, 56-59, 66-68, employees; 49, 56-59, 63, 66-68, human rights; 28, 48-49, 51-52, anti-corruption; 45, 51-52, 64, taxonomy; 52, 139-141. The company's business model is reported continuously in the various sections and financial details of the annual report, and administration disclosures can be found in the various sections.

In 2023 we published our sixth Communication on Progress (CoP) on the UN Global Compact website. The UN Global Compact is a voluntary initiative which aims to guide companies to implement and assure compliance with internationally accepted sustainability principles.

NOTE 1 STAKEHOLDER ANALYSIS

Bulten's principal stakeholders are defined as follows:

- Parties with which the company has ongoing interaction
- Parties extensively impacted by Bulten's operations
- Parties that extensively impact upon Bulten's operations

There have been no changes among the principal stakeholders in 2023.

Having an insight into what issues are relevant to Bulten's stakeholders is crucial in prioritizing the right activities. Assessment and analysis take place regularly in management teams involving all departments including the company management, and also in the ongoing work on strategy. The sustainability committee regularly reviews the results of surveys, self-assessment forms and feedback from stakeholders.

STAKEHOLDER	CHANNEL FOR DIALOGUE	EXPECTATION/MAIN ISSUE
Customers	From initial sales contact to ongoing contact. Bulten presents its vision and strategy for sustainable development and sustainable customer offerings in meetings with customers, in sustainability assessments and at customer sustainability seminars.	Life cycle emissions of greenhouse gases (GHGs). Contribute to making customers' products and processes more sustainable, for example through FSPS. Sustainable in-house production by using fossil-free energy. Customers also expect their sustainability requirements, such as respect for human rights, to be passed down through Bulten's supply chain.
Employees and their representatives	Through questions in Bulten's global employee engagement survey and work on the results, regular dialogue with union representatives, and Bulten's annual development dialogue (ADD).	Attractive long-term employer: health and safety, working conditions, fair pay, employee-manager dialogue, internal collaboration, and career development.
Suppliers	Bulten's process for choosing suppliers, supplier meetings and on-site audits. During 2023, more in-depth meetings have been held with suppliers regarding Bulten's expectations on suppliers' sustainability work, and on CO2 emissions relating to raw materials.	Bulten's business partners request clarity around demands and future direction, responsible business practice/business ethics, and compliance, long-term strategic relations.
Owners, investors, analysts	Owners represented on the Board with whom regular dialogue, reporting and follow-up are conducted. 18 Board meetings were held in 2023. Investor meetings and interviews take place continuously. Bulten reports on its work in interim reports, the Annual Report and at the Annual General Meeting of shareholders. Bulten also reports its sustainability work in the Nasdaq ESG database.	Low sustainability risk, transparent information regarding Bulten's strategy for sustainable development, demands on good business ethics and regulatory compliance, and expectations on areas such as climate neutrality.
Local community (residents, municipal council)	Dialogue and exchange primarily take place through cooperation groups locally with other companies, collaboration with the academic sphere, ongoing dialogue with local authorities, and in connection with the establishment of new operations and licensing processes, and so on.	Expectation of responsible enterprise from an environmental (e.g. noise, the natural environment) and social (responsible and attractive employer) perspective.
Governments, legislators, authorities	New EU directives, also laws via e.g. legal texts and legal monitoring. There is direct contact for instance in connection with establishment and licensing processes, as well as through information from stakeholder and industry organizations. Information and discussions with auditors.	Demands on compliance, transparency and reporting.

NOTE 2 MATERIALITY ANALYSIS

Bulten regularly assesses its stakeholders' input, see note 1. Bulten's supply chain has an impact on various environmental, social and ethical areas, and this is balanced against stakeholders' expectations. This input is incorporated into Bulten's risk assessment and strategy work, and forms the basis for considerations and decisions, and for prioritization of topics. The sustainability committee, Board, management and organization all take part in this iterative process.

Material topics

The following topics (see table below) have been prioritized as being the most material in the outlined materiality analysis. Information on each material topic's positive and negative impact and their management can be found in the page references to our focus areas in the table below. There have been no changes in priority between this year's most material topics and the previous year's.

Bulten has during 2023 begun preparation for the future reporting of the so called 'double materiality analysis'. This means that the company assesses risks and opportunities based partly on the impact the company and its value chain have on the environment and society, and partly on the financial impact sustainability aspects in the value chain and external factors can have on Bulten and our stakeholders. During the autumn, Bulten has developed a method for the double materiality analysis in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD), and has held workshops with various functions such as purchasing, sales, operations, technology and innovation, and HR in order to identify risks and opportunities along the entire value chain. The functions have represented the company's various stakeholders in this process. The work with the double materiality analysis will continue during 2024. The table below presents Bulten's materiality assessment according to the requirements in GRI.

AREA	MATERIAL TOPIC	REFERENCE
Management and governance	Responsible business practice/ethics and compliance, such as anti-corruption	Page 45, GRI 205
	Strategy for sustainable development Demands on climate neutrality, business ethics, transparency, and regulatory compliance, for example.	Page 43-44, GRI 2-22
	Monitoring and transparent reporting	Page 45, GRI 2-5
Environment	GHG emissions along product life cycles	Page 46-48
	Energy-efficient processes	Page 47, GRI 302
	Use of fossil-free energy in in-house production and supply chain	Page 47, GRI 305
	Increasing the use of recycled material/greater circularity	Page 48
	Minimizing material consumption and waste	Page 47, GRI 306
	Water consumption and emissions to water	Page 47, GRI 303
Social aspects	Health and safety	Page 47, GRI 403
	Competence supply	Page 49, GRI 404
	Job security	Page 49, GRI 2-7, GRI 401
	Inclusive working methods	Page 49, GRI 405, 406
	Decent working conditions	Page 49, GRI 2-27, 2-30
	Ongoing career development	Page 49, GRI 404
	Human rights in-house and in the supply chain	Pages 48-49, GRI 408, 409, 414
	Promoting diversity and gender equality	Page 49, GRI 405, 406

NOTE 3 INFORMATION ON THE ORGANIZATION AND ANY CHANGES IN THE ORGANIZATION AND SUPPLY CHAIN

The company supplies fasteners mainly under the Bulten brand, primarily to the automotive industry. Bulten does not offer any services or products that are banned on any market.

Bulten reports the number of employees financially in accordance with the definition for average number of employees (FTE), including contracted personnel. The number of FTEs at the end of 2023 was: 1,668 (1,575). An increase of 5.9% on 2022.

For disclosures about the organization, Bulten has chosen to use another definition, Headcount (HC), which encompasses the actual number of employees, including absent employees and temporary employees, regardless of working hours.

The status reflects December 31, 2023: Total number of employees, Headcount (HC): 1,761 (1,642), of whom permanent: 1,494 (1478) and temporary: 267 (164).

The figures include all employees of Bulten including PSM International and subsidiaries, acquired by Bulten in 2020.

In addition to the employed employees there were 250 (244) contractors. Total Headcount including contractors: 2,011 (1,886), divided into, rounded, permanent 74%, temporary 13% and contractors 12%.

Changes to the organization and supply chain

Financial position and profit/loss during the reporting period; a detailed report of the Group's financial position and profit as well as events after the balance sheet date, can be found in the Board of Directors' Report.

Bulten's joint venture PSM-ZJK Fasteners (Shenzhen) Co., Ltd. is included in the 2023 Sustainability Report, with exception of environmental data.

On August 31, 2023, Exim & Mfr Holdings Pte Ltd of Singapore, a distribution company, was acquired. Exim is not included in the 2023 Sustainability Report.

Membership in organizations

Bulten is a member of the EIFI - European Industrial Fasteners Institute, and has active membership in research projects in the Rise IVF AB interest association. In SAMS - Swedish Association for Material Sourcing, Bulten is represented through a trade association in the field of material supply.

NOTE 4 ACCOUNTING PRACTICES

Entities included in the consolidated financial statements

Entities included in the consolidated financial statements are shown on page 76. During 2023, Bulten closed a production site in the UK, P.S.M. International Fasteners Ltd, and a warehouse in Gothenburg, Sweden. These units are included in the environmental and health and safety data but not in the employee statistics.

NOTE 5 ANTI-CORRUPTION

Based on its value chain, Bulten has conducted analyses of which sustainability factors/areas the company is affected by and/or has an impact on, and thereby identified five so-called focus areas: Governance & Business Ethics, Sustainable Supply Chain, Sustainable Own Production, Sustainable Customer Offer, Diversity & Inclusion.

Corruption is a global problem that has a very negative impact on business and society. Bulten has therefore identified this as a material topic on which to focus.

The areas that have undergone risk assessment for anti-corruption are Bulten's own operation, and the supply chain. Bulten conducts a Group-wide risk assessment (see pages 38–42) which includes all of the company's operations, which is to say all countries where Bulten has its own manufacturing.

Communication and training in anti-corruption policies and procedures

The company has clear policies for preventing corruption, such as its code of conduct, finance manual, anti-corruption policy, authorization rules, anti-competition policy, and guidelines. All Board members have signed Bulten's code of conduct. They have also been involved and specified requirements in its production.

Board members did not undergo any specific anti-corruption training organized by Bulten during 2023. All new employees and contractors sign the code of conduct in connection with their appointment/onboarding process.

All new employees and contractors must complete training in the code of conduct, and employees who deal with external relations in their job must also complete an e-learning in business ethics. During 2023, 90% (99.6%) of new and contracted employees completed these trainings. Gender- or region-based data is not available pertaining to this training information.

When a Group-wide policy is updated or altered, or a new one is added, this is communicated through the company's policy deployment process. This means that all local managing directors confirm that they have received and accept the policy, and commit to complying with it in their particular operation.

During the year 99.4% of Bulten's strategic, prioritized and approved suppliers approved and signed Bulten's code of conduct for suppliers.

Confirmed incidents of corruption and actions taken 2023

In 2023, 14 incidents were reported via the whistleblower service. One incident related to an employee in China suspected of receiving a bribe. The incident has been investigated and it was not possible to ascertain that a bribe had been received. The company has, however, taken measures to educate and inform personnel. There were also two empty reports (i.e. with no content), and the remaining eleven reports related to complaints; for instance regarding certain goals set by local management, as well as complaints about leadership, the work environment and workload. The company engages an external lawyer to assess and, where appropriate, investigate these incidents. The Board is continuously updated on received reports, how they are assessed, any investigations initiated, and their results.

NOTE 6 EMISSIONS OF GREENHOUSE GASES (GHGS)

Bulten reports emissions of greenhouse gases from own production, purchased energy as well as from the supply chain. The base year is set to 2019 since this is the base year for the science based targets the company has set.

Direct and indirect emissions from purchased energy (Scope 1 and 2)

The figures include direct emissions from fuel consumption, and indirect emissions from purchased electricity and heating from all the company's sites. Emissions have been calculated based on consumption figures reported from each site and emission factors for each type of energy; also see the section on Emission factors.

Other indirect emission of GHGs (Scope 3)

The figures include the following categories:

Purchased goods and services: This category includes emissions from the production of purchased raw material (steel wire, brass, aluminum) and the proportion of finished products consisting of

screws, as well as emissions from purchased surface treatment services. The emissions have been calculated based on purchased volumes taken from Bulten's business system and emission factors for each material. Also see the section on Emission factors.

Transport and distribution upstream: This category includes emissions from purchased road, sea and air transportation, and transport of incoming materials for which Bulten's suppliers are responsible, excluding metal raw materials. Emissions are based on purchased volumes and transport services from Bulten's business system.

Emission intensity

Emission intensity for Scope 1 and 2 is calculated per ton of produced goods. The volume of produced goods is defined as the volume of cold forged goods, as well as the volume of machined goods. The figures include direct emissions from fuel consumption, and indirect emissions from purchased electricity and heating from all the company's sites. Emission intensity for Scope 3 is calculated per ton of sold product (own production and purchased finished products). Bulten reports the Scope 3 categories that is included in its Science Based Targets goals, and these comprise about 75% of the company's Scope 3 emissions according to the mapping conducted in 2019.

Emission factors

Fuels, electricity, and district heating: The emission factors come primarily from Bulten's energy providers. Where this is not possible, other sources are used, such as IINAS GEMIS 4.95 and UK Government GHG conversion factors for Company reporting. For the 'location-based' Scope 2 emissions, emission factors are used from www.carbonfootprint.com and reports published in 2019, 2020, January 2022, and September 2023.

Scope 3, raw material: Emission factors from suppliers of steel wire have been used (calculated according to ISO 14064 and ISO 14025 (Environmental product declarations) respectively). Where no data was available from a supplier, average figures from the other suppliers have been used. For aluminum and copper, industry average data has been used.

Upstream transport: For air and sea transport, emission factors from the transport companies have been used. For road transportation, emission factors for a European truck full to 70% capacity and emissions of 57 grams CO₂e per ton-kilometer (well-to-wheel) have been used.

Previously reported emissions for Scope 3

The Russian unit that was divested in 2022 has been excluded from Scope 1, 2 and 3 figures for all years, in line with GHG Protocol standard requirements.

EMISSIONS (TONS CO2E/TON PRODUCED PRODUCT):	2023	2022	2019* (BASE YEAR)
Scope 1: Gross emissions of direct greenhouse gases**	6,441	6,153	7,138
Scope 1: Direct CO2 emissions from biogenic sources	23	22	0
Scope 2: Gross emissions of indirect greenhouse gases* *(location-based)	17,796	15,224	17,562
Scope 2: Gross emissions of indirect greenhouse gases* *(market-based) (Scope 2)	7,947	5,520	15,337
Scope 3: Gross GHG emissions***	137,984	120,761	145,468
Of which purchased material and services	132,926	116,683	139,194
Of which upstream and internal transportation****	5,058	4,078	6,275
CO2 emissions from biogenic sources	unknown	unknown	unknown
GHG emission intensity Scope 1 and 2	0.34	0.33	0.56
GHG emission intensity Scope 3 per ton of sold product	2.20	2.24	2.42

* Corrected for Russia and raw material volumes at PSM International (2022)

** CO2e stands for carbon dioxide equivalents, whereby the contribution of various GHGs to global warming has been converted into a single standard unit.

*** Greenhouse gases included: cat 1) Not known. Cat 4) CO2e as reported from transport suppliers.

**** Figure does not include transportation of purchased steel (wire), copper, or aluminum.

Overall emissions increased during 2023 compared to last year, mainly due to a higher production volume. Scope 2 also increased temporarily during 2023 as the contract for renewable electricity for the new surface treatment plant in Poland does not start until first in January 2024. Emissions from transports have increased more than the production volume, since extra transports were required during 2023 as a result of reorganization combined with the high order book.

The emissions intensity for scope 3 decreased in 2023, primarily because more recycled steel was used in the raw material and also there were emission reductions in the supply chain.

NOTE 7 ENERGY USE WITHIN THE ORGANIZATION

ENERGY USE WITHIN THE ORGANIZATION:	2023	2022
Fuel consumption from non-renewable sources, kWh*	30,199,662	26,292,601
Fuel consumption from renewable sources, kWh**	88,386	85,092
Electricity, kWh	57,525,056	51,785,008
Heating, kWh	110,501	177,308
Cooling, kWh	0	0
Steam, kWh	0	0
Total energy consumption, kWh	87,923,605	78,340,010
Sold energy	Not applicable; Bulten does not sell electricity, heating, or steam.	Not applicable; Bulten does not sell electricity, heating, cooling, or steam.
Average energy intensity, kWh/kg cold forged/processed goods	2.08	2.20

* Mainly natural gas for direct consumption in the production processes.

** Mainly HVO for direct consumption in fork-lift trucks.

The figures for 2023 include all energy use (fuel, purchased electricity and heating) for all the company's sites. Energy use outside of Bulten's sites is not included.

The consumption data (kWh) comes from Bulten's energy providers. The conversion factors to kWh also come from Bulten's energy providers.

The increase in energy use in 2023 compared to 2022 is the result of higher production volumes. The decrease in heating is the result of closing the warehouse operation in Gothenburg, Sweden, which used district heating.

Energy intensity

Intensity is calculated per kilogram of produced goods. Produced goods are defined as the total of cold forged and machined steel, brass, and aluminum.

The improvement in energy intensity is a result of specific improvement projects, as well as higher production volumes.

Share of renewable energy

The percentage of renewable energy is measured as the sum of purchased fuel, electricity and heating produced from renewable sources in kWh, divided by total purchased energy (fuel, electricity, and heating) in kWh, regardless of origin. The figures for consumption and type of energy are reported quarterly by each site, which in turn obtains this information from the energy providers.

	2023	2022
Total energy use, kWh	87,923,605	78,340,010
Of which renewable energy sources, kWh	43,698,334	41,532,304
Renewable energy sources, %	49.7%	53%

The renewable energy mainly comes from purchased electricity, primarily via 'green' contracts for Bulten's sites in Europe and the US. Renewable fuel, HVO, is used in various forklifts for on-site transport.

The decrease in the percentage of renewable energy in 2023 is due to the fact that the new production plant in Poland will not have renewable electricity until January 2024.

NOTE 8 WATER CONSUMPTION

WATER CONSUMPTION	2023	2022
Total water consumption* (megaliters)	58.9	49.7
Total water extracted from areas with water shortage (megaliters)	0	0
Water intensity (liter/kilo produced product)	1.39	1.40

* All from municipal water supply.

Information on consumption was collected via own water meters or suppliers' water meters. The figures include water consumption at all sites. The rainwater used in the fire-fighting pond at Bulten's plant in Bergkamen, Germany, is not included in the figures, nor is the river water used as cooling water at the Hallstahammar facility in Sweden, as this is returned to the same receiving body of water from which it was taken.

The increase in water use in 2023 is a result of higher production volumes, and also the start-up of the new surface treatment plant in Poland.

NOTE 9 HAZARDOUS/ NON-HAZARDOUS WASTE

HAZARDOUS WASTE, TON	2023	2022
Reuse	11	3
Recycling	1,018	524
Composting	0	0
Reuse for other use incl. energy recovery	60	32
Incineration	446	323
Injection into underground storage	0	0
Landfill	127	138
Local storage	0	0
Other	298	56

NON-HAZARDOUS WASTE, KG	2023	2022
Reuse	22	0
Recycling	5,134	4,970
Composting	0	0
Reuse for other use incl. energy recovery	1,284	163
Incineration	172	85
Injection into underground storage	0	0
Landfill	25	26
Local storage	0	0
Other	0	3

The figures for 2023 include all sites. The absolute majority of data regarding volumes has been provided by a contracted waste management party.

WASTE/KG PRODUCED PRODUCT	2023	2022
Waste intensity	0.203	0.177

Waste intensity: Calculated as hazardous waste plus non-hazardous waste per ton of produced product.

The total waste volume and waste intensity increased in 2023 compared to 2022 due to the insourcing of surface treatment to the new plant in Poland and new waste management requirements at one of Bulten's facilities.

NOTE 10 EMPLOYEE STATISTICS

Information on employees and other workers in the organization

Bulten has no traditional seasonal variation as regards employees. The year reflects the customers' production days, which vary between quarters. Bulten gathers data on the number of employees (Headcount) via the local HR organization in each country.

NUMBER BY EMPLOYMENT FORM, GENDER, REGION, %	PERMANENT EMPLOYEES		TEMPORARY		TOTAL
	FULL-TIME	PART-TIME	FULL-TIME	PART-TIME	
EU					
Total	60	2	14	1	77
Women	13	2	3	0	18
Men	47	1	12	0	60
Outside of EU					
Total	23	0	0	0	23
Women	7	0	0	0	7
Men	15	0	0	0	15
All regions					
Total	83	2	15	1	100
Women	20	2	3	0	25
Men	62	1	12	0	75

Some figures are rounded, which means that the totals may not always match when added up. Total number of contractors: 250 (244), of whom in EU: 76 (63), and outside of EU: 174 (181).

Contracted employees comprise 12% rounded (13) of the total number of employees. Contracted employees work primarily in production and logistics.

Bulten does not report figures on specific under-represented groups as this data is not available, and in several countries it is not legal.

NOTE 11 TOTAL NUMBER OF TRAINING HOURS

Total number of training hours in 2023: 22,641 rounded (21,601). Training hours for temporary employees include trainee courses.

AVERAGE NO. OF TRAINING HOURS	2023			2022		
	PERMANENT	TEMPORARY	TOTAL	PERMANENT	TEMPORARY	TOTAL
Men	13.5	8.5	12.7	13.3	11.3	13.1
Women	14.3	7.1	13.4	13.5	10.7	13.3
Total	13.4	8.2	12.6	13.4	11.2	13.1

NOTE 12 RECRUITMENT AND EMPLOYEE TURNOVER STATISTICS

Total number of permanent employees and temporary employees recruited in 2023: 491 (292), of whom 128 (78) women equating to 26% (27) rounded, and 363 (214) men equating to 74% (73) rounded. This equates to a recruitment level of 28.9% (15.5). Recruitment by age group and by gender within the age group per region 2023 (note, with rounding):

PERCENTAGE	<30 YRS			30-50 YRS			>50 YRS		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	80	20	29	71	29	57	75	25	14
Of whom EU	68	17	85	65	24	89	66	24	90
Outside of EU	11	4	15	6	5	11	9	1	10

Employee turnover. A total of 320 (242) people left in 2023, of whom 94 women (29%) and 226 men (71%). Of the total employee turnover, 207 (65%) were permanent employees and 113 (35%) were temporary employees (figures rounded). This equates to an employee turnover rate of 18.8% (14.3), of whom 13.9% (12.9) were permanent and 6.6% (1.3) temporary. The number of retirements equates to 8%, and the percentage of involuntary employee turnover to approximately 10%. Employee turnover by age group and by gender within the age group per region 2023 (note, with rounding):

PERCENTAGE	<30 YRS			30-50 YRS			>50 YRS		
	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL	MEN	WOMEN	TOTAL
Total	81	19	17	68	32	61	70	30	22
Of whom EU	74	13	87	54	23	76	58	27	85
Outside of EU	7	6	13	14	10	24	13	3	15

NOTE 13 DIVERSITY STATISTICS FOR GOVERNANCE BODIES AND EMPLOYEES

Diversity of governance bodies and employees

Employees: Women 25% (25%), Men 75% (75%). Note that the figures have been rounded off.

DISTRIBUTION BY AGE GROUP 2023	2023			2022		
	<30 YRS	30-50 YEARS	>50 YRS	<30 YRS	30-50 YEARS	>50 YRS
% Men	78	73	76	77	72	78
% Women	22	27	24	23	28	22
Age group as % of total employees	15	58	27	14	58	28

Bulten does not report gender by age group for different personnel categories, and no data per personnel category is thus available.

The Bulten AB (publ) Board and executive management:

BOARD OF DIRECTORS	NO. AGM ELECTED	% AGM ELECTED	TOTAL, INCL. EMPLOYEE REPS	TOTAL, %
Men	4	67	7	78
Women	2	33	2	22
Total	6	100	9	

EXECUTIVE MANAGEMENT	NUMBER	PERCENTAGE
Men	4	50
Women	4	50
Total	8	

AGE DISTRIBUTION	30-50 YEARS	>50 YEARS
Board of Directors	1	8
Executive management	3	5

Incidents of discrimination and corrective actions taken

No cases of discrimination were reported via Bulten's whistleblower system during 2023. See page 64 note 5 for the total cases reported via the whistleblower system during 2023.

NOTE 14 PERCENTAGE OF EMPLOYEES WHO REGULARLY HAVE PERFORMANCE AND PROFESSIONAL DEVELOPMENT INTERVIEWS

Bulten's process for performance and professional development interviews is called 'the annual development dialogue' (ADD). Every year, the company starts a campaign in the global HR system. Managers and employees carry out the dialogue and document completed dialogues in the system. In 2023, 99.8% of all planned dialogues took place (1,438), distributed as shown below.

TOTAL % DIALOGUES COMPLETED (ADD)	OF WHOM WOMEN		
	% WOMEN OF TOTAL ADDS COMPLETED	OF WHOM PERMANENTLY EMPLOYED WOMEN, %	OF WHOM TEMPORARILY EMPLOYED WOMEN, %
99.8	24	94	6
	OF WHOM MEN		
	% MEN OF TOTAL ADDS COMPLETED	OF WHOM PERMANENTLY EMPLOYED MEN, %	OF WHOM TEMPORARILY EMPLOYED MEN, %
	76	90	11

NOTE 15 WORK-RELATED ACCIDENTS AND ILL HEALTH

All sites are included in the summary below. Overall, the accident frequency has increased compared to previously.

FOR ALL EMPLOYEES, WORK-RELATED ACCIDENTS AND ILL HEALTH (NOT INCL. TO/FROM WORK)	2023	2022
Number of deaths resulting from work-related injuries	0	0
Number of work-related accidents leading to absence	31	14
Number of work-related accidents not leading to absence, excluding first aid	25	34
Number of work-related first aid accidents	32	29
Total number of accidents	88	77
Accident frequency incl. first aid*	5.16	5.11
Accident frequency leading to absence*	1.76	1.06
Number of deaths resulting from work-related ill health (not reported)	0	0
No. of cases of work-related ill health	4	1
Ill health frequency	0.23	0.06
Number of hours worked	3,529,350	3,209,636

* Bulten uses 200,000 hours as a basis for calculating frequency.
Note that the accident frequency rate includes both own employees and non-employees.

No employees have been excluded from monitoring, although Exim & Mfr Holdings Pte Ltd is not counted in the figures for 2023.

FOR NON-EMPLOYED PEOPLE, WORK-RELATED ACCIDENTS AND ILL HEALTH (NOT INCL. TO/FROM WORK)	2023	2022
Number of deaths resulting from work-related injuries	0	0
Number of work-related accidents leading to sick leave	0	3
Number of work-related accidents not leading to absence excl. first aid	1	0
Number of work-related first aid accidents	2	2
Total number of accidents	3	5
Accident frequency*	Not reported separately	Not reported separately
Accident frequency leading to absence*	Not reported separately	Not reported separately
Number of deaths resulting from work-related ill health	0	0
No. of cases of work-related ill health	1	0
Number of hours worked*	Not reported separately	Not reported separately

* Not reported separately. Included in employee data.

Bulten does not monitor/report work-related illnesses and accidents by sex or region.

The most common accidents occur in the cold forging operation and involve cuts, bruises and occasional fractures. Work-related ill health is related to stress, ergonomic strain, and noise. There were no high-consequence injuries in 2023.

Total number of accidents:

All sites are included in the summary below. The number includes everybody, which is to say employees and contractors:

NUMBER OF WORK-RELATED ACCIDENTS	OUTCOME 2023	OUTCOME 2022
Total number of registered accidents	91	82
Total number of registered accidents that led to sick leave of more than one (1) day	31	17
IR, Incident Rate (number of accidents * 200,000/total number of hours worked)	5.16	5.11
LDR, Lost Work Day Rate (number of days absent due to accidents * 200,000/total number of hours worked)	49.2	14.9
LTIR, Lost Time Injury Rate (number of accidents that led to absence * 200,000/total number of hours worked)	1.76	1.06
SR, Severity Rate (number of days absent due to accidents/number of accidents with at least one day of absence)	28.03	14.1
FAR, Fatal Accident Rate (number of fatalities * 200,000/total number of hours worked)	0	0
NM, Near Misses (number of near misses * 200,000/total number of hours worked)	8.8	8.8
Total amount of time worked per year	3,529,350	3,209,636
Sick Leave Rate Total, SLT (total sick leave during the year (permanent and temporary)/planned working hours)	3.62	4.16

Deviations: Bulten does not monitor minorities or particularly vulnerable groups. This is because there is different legislation in different countries.

GRI INDEX

Application of GRI (Global Reporting Initiative)	Bulten AB has reported in line with GRI standards for the period January 1 to December 31, 2023.
GRI 1 version	GRI 1: Version 2021
Applicable GRI sector standard	None

DISCLOSURE	DESCRIPTION	PAGE OR URL	DEVIATION DESCRIPTION AND REASON
GRI 2: General Disclosures 2021			
2-1	Organizational details	Pages 74, 92 note 1	
2-2	Entities included in the organization's sustainability reporting	Pages 61, 92 note 3	
2-3	Reporting period, frequency and contact point	Page 92 note 1, 80-81	
2-4	Restatements of information	Pages 63 note 3, 64 note 4, 92 note 2	PSM-ZJK Fasteners (Shenzhen) Co., Ltd is not included in environmental reporting due to absens of data
2-5	External assurance	Page 73	
2-6	Activities, value chain and other business relationships	Pages 3, 10-11, 12-13, 21, 23-24, 26, 28, 31, 48, 63 note 3, 92 note 2	
2-7	Employees	Pages 49, 57-58, 62 note 1, 63 notes 2-3, 66-68	
2-8	Workers who are not employees	Pages 63 note 3, 66 note 10	
2-9	Governance structure and composition	Pages 66 note 10, 74-76, 80-81	Legal obstacles regarding underrepresented groups, page 66.
2-10	Nomination and selection of the highest governance body	Pages 74-76, 80	
2-11	Chair of the highest governance body	Page 80	
2-12	Role of the highest governance body in overseeing the management of impact from the organization	Pages 51-52, 75, 38-43	
2-13	Delegation of responsibility for managing impacts	Pages 51-52, 75-76	
2-14	Role of the highest governance body in sustainability reporting	Pages 51-52, 75-76	
2-15	Conflicts of interest	Pages 74, 75, 80	
2-16	Communication of critical concerns	Pages 52, 64 note 5, https://report.whistleb.com/en/bulten	
2-17	Collective knowledge of the highest governance body	Page 74-76	
2-18	Evaluation of the performance of the highest governance body	Page 74-76	
2-19	Remuneration policies	Pages 77, 87, 103 note 8	
2-20	Process to determine remuneration	Pages 77, 87, 103 note 8	
2-21	Annual total remuneration ratio	Page 103 note 8. See the remuneration report at https://www.bulten.com/en/IR/Corporate-Governance/Annual-General-Meeting/	Deviations due to certain disclosures being non-applicable, page 77.
2-22	Statement on sustainable development strategy	Pages 3, 4-5, 43-44	

DISCLOSURE	DESCRIPTION	PAGE OR URL	DEVIATION DESCRIPTION AND REASON
2-23	Policy commitments	Pages 86, 45, 51-52, 53-56, https://www.bulten.com/en/Sustainability/Code-of-conduct-and-other-policies The precautionary principle is applied.	
2-24	Embedding of policy commitments	Pages 45, 48, 51-52, 64 note 5	
2-25	Processes to remediate negative impacts	Pages 38-42, 51-52, 64 note 5	
2-26	Mechanisms for seeking advice and raising concerns	https://report.whistleb.com/sv/bulten	
2-27	Compliance with laws and regulations	Pages 86, 100	
2-28	Membership associations	Page 63 note 3	
2-29	Approach to stakeholder engagement	Page 62 note 1	
2-30	Collective bargaining agreements	Page 57	

MATERIAL TOPICS

GRI 3: MATERIAL TOPICS 2021

3-1	Process to determine material topics	Pages 44, 63 note 2	
3-2	Material topics	Pages 45-49, 63 note 2	
3-3	Management of material topics	Page 51-52	

ECONOMIC STANDARDS

GRI 205: ANTI-CORRUPTION 2016

3-3	Management of the topic	Pages 38-42, 51-52, 64 note 5, 98 www.bulten.com/en/Sustainability/Code-of-conduct-and-other-policies	
205-1	Operations assessed for risks relating to corruption	Pages 38-42, 64 note 5	
205-2	Communication and training in anti-corruption policies and procedures	Page 64 note 5	Information not available by gender/region
205-3	Confirmed incidents of corruption and actions taken	Page 64 note 5	

GRI 206: ANTI-COMPETITIVE BEHAVIOR 2016

3-3	Management of the topic	Pages 38-42, 51-52, 64 note 5, 98 www.bulten.com/en/Sustainability/Code-of-conduct-and-other-policies	
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practice	Page 51-52	

ENVIRONMENTAL STANDARDS

GRI 302: Energy 2016

3-3	Management of the topic	Pages 38-42, 51-54 www.bulten.com/en/Sustainability/Code-of-conduct-and-other-policies	
302-1	Energy consumption within the organization	Pages 54, 65 note 7	Bulten does not sell energy and do therefore not report sales of energy
302-3	Energy intensity	Page 65 note 7	
Bulten's own disclosure	Percentage of renewable energy	Page 65 note 7	

DISCLOSURE	DESCRIPTION	PAGE OR URL	DEVIATION DESCRIPTION AND REASON
GRI 303: Water and Effluents 2018			
3-3	Management of the topic	Pages 38–42, 51–52, 55	
303-1	Interactions with water as a shared resource	Page 55	
303-2	Management of water discharge-related impacts	Page 55	
303-5	Water consumption	Pages 55, 66 note 8	Cooling water from surface water in Sweden and water to fire-fighting pond in Germany not included
GRI 305: Emissions 2016			
3-3	Management of the topic	Pages 38–42, 47–48, 51–54	
305-1	Direct (Scope 1) GHG emissions	Pages 47, 65 note 6	
305-2	Energy indirect (Scope 2) GHG emissions	Pages 47, 65 note 6	
305-3	Other indirect (Scope 3) GHG emissions	Pages 48, 65 note 6	
305-4	GHG emissions intensity	Page 65 note 6	Biogenic CO2 emissions are not reported for scope 3 since this is not available
GRI 306: Waste 2016			
3-3	Management of the topic	Pages 55, 66 note 9	
306-3	Waste	Pages 55, 66 note 9	
GRI 308: Supplier Environmental Assessment			
3-3	Management of the topic	Pages 28, 38–42, 48, 51–52, www.bulten.com/en/Sustainability/Code-of-conduct-and-other-policies	
308-1	New suppliers that were screened using environmental criteria	Page 48	PSM International is not included in the figures
SOCIAL STANDARDS			
GRI 401: Employment 2016			
3-3	Management of the topic	Pages 38–42, 49, 51–52, 56–59	
401-1	New employee hires and employee turnover	Page 66 note 10, 67 note 12	PSM International Fasteners Ltd is not included.
GRI 403: Occupational Health and Safety 2018			
3-3	Management of the topic	Pages 38–42, 47, 51–52, 58 www.bulten.com/en/Sustainability/Code-of-conduct-and-other-policies	
403-1	Occupational health and safety management system	Page 58	Bulten Invest Sp.z.o.o and PSM ZJK Fasteners (Shenzhen) Co., Ltd is not certified in ISO 45001
403-2	Hazard identification, risk assessment, and incident investigation	Page 58	
403-3	Occupational health services	Page 58	
403-4	Employees' participation, consultation and communication about health and safety	Page 58	

DISCLOSURE	DESCRIPTION	PAGE OR URL	DEVIATION DESCRIPTION AND REASON
403-5	Worker training on occupational health and safety	Page 58	
403-6	Promoting of worker health	Page 58	
403-7	Prevention and limitation of health and safety risks directly associated with business relationships	Page 58	
403-8	Workers covered by an occupational health and safety management system	Page 58	
403-9	Work-related injuries	Page 58, 68 note 15	
GRI 404: Training and education 2016			
3-3	Management of the topic	Pages 38-42, 51-52, 49, 57, 59	
404-1	Average hours of training per year per employee	Page 67 note 11	P.S.M International Fasteners Ltd is not included
404-2	Programs for upgrading employee skills and transition assistance programs	Page 43, 57, 59	Bulten does not have its own program for upgrading the employee's knowledge in connection with termination of employment and/or retirement.
404-3	Percentage of employees who regularly have performance and professional development interviews	Page 68 note 14	
GRI 405: Diversity and Equal Opportunity 2016			
3-3	Management of the topic	Pages 38-42, 49, 51-52, 56-57 www.bulten.com/en/Sustainability/Code-of-conduct-and-other-policies	
405-1	Diversity of governance bodies and employees	Page 66 note 10, 67 note 12 and 13	P.S.M International Fasteners Ltd is not included
GRI 406: Non-discrimination 2016			
3-3	Management of the topic	Pages 38-42, 49, 51-52, 56, www.bulten.com/en/Sustainability/Code-of-conduct-and-other-policies	
406-1	Incidents of discrimination and corrective actions taken	Page 67 note 13	
GRI 408: Child Labor 2016			
3-3	Management of the topic	Pages 28, 40, 45, 48, 51-52, 56, www.bulten.com/en/Sustainability/Code-of-conduct-and-other-policies	PSM International is not included in the figures
408-1	Operations and suppliers at significant risk for incidents of child labor	Pages 40, 48, 64 note 5	PSM International is not included in the figures
GRI 409: Forced or Compulsory Labor 2016			
3-3	Management of the topic	Pages 28, 40, 45, 48, 51-52, 56, www.bulten.com/en/Sustainability/Code-of-conduct-and-other-policies	PSM International is not included in the figures
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Pages 40, 48, 64 note 5	PSM International is not included in the figures
GRI 414: Supplier Social Assessment			
3-3	Management of the topic	Pages 28, 38-42, 48, 51-52, 56, www.bulten.com/en/Sustainability/Code-of-conduct-and-other-policies	PSM International is not included in the figures
414-1	New suppliers that were screened using social criteria	Pages 38-42, 48	PSM International is not included in the figures

AUDITOR'S LIMITED ASSURANCE REPORT ON BULTEN AB'S (PUBL) SUSTAINABILITY REPORT AND STATEMENT ON THE STATUTORY SUSTAINABILITY REPORT

To the Annual General Meeting of the shareholders of Bulten AB (publ), organization registration number 556668-2141

Introduction

We have been engaged by the Board of Directors and Group Management of Bulten AB (publ) to undertake a limited assurance engagement of Bulten AB's Sustainability Report for the year 2023. The company has defined the scope of its sustainability report on page 61 of this document. The statutory sustainability report is defined on page 61.

Responsibilities of the Board and Group Management

The Board of Directors and Group Management are responsible for the preparation of the Sustainability Report, including the statutory sustainability report, in accordance with the applicable criteria and the Annual Accounts Act. The criteria are described on page 69 of the Sustainability Report and consist of the parts of the GRI Sustainability Reporting Standards which are applicable to the Sustainability Report, as well as the accounting and calculation principles that Bulten AB (publ) has developed. This responsibility also includes the internal control which is deemed necessary to establish a Sustainability Report that does not contain material misstatement, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to provide a statement on the statutory sustainability report. Our assignment is limited to the historical information that is presented and thus does not include future-oriented statements.

We conducted our limited assurance engagement in accordance with ISAE 3000 Assurance Engagements other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. We have conducted our examination regarding the statutory sustainability report in accordance with FAR's recommendation RevR 12 the Auditor's Opinion on the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 have a different focus and a considerably smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The audit firm applies ISQM 1 (International Standard on Quality Management) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent in relation to Bulten AB (publ) according to generally accepted auditing standards in Sweden and have fulfilled our professional ethics responsibility according to these requirements.

The procedures performed in a limited assurance engagement and an examination according to RevR 12 do not allow us to obtain such assurance that we become aware of all significant matters that could have been identified if an audit was performed. The conclusion based on a limited assurance engagement and an examination in accordance with RevR 12, therefore, does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Group Management as described above. We consider these criteria as suitable for the preparation of the Sustainability Report.

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

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Group Management.

A Statutory Sustainability Report has been prepared.

Gothenburg, March 26, 2024
PricewaterhouseCoopers AB

Johan Palmgren
Authorized Public Accountant

CORPORATE GOVERNANCE REPORT

Bulten AB (publ) is a Swedish public limited company with its registered office in Gothenburg, Sweden. Bulten has been listed on Nasdaq Stockholm since May, 20 2011. The company conforms with Nasdaq Stockholm's regulatory framework for issuers and applies the Swedish Code of Corporate Governance (the 'Code'). The Code is available on the website of the Swedish Corporate Governance Board at www.bolagsstyrning.se. The Code applies to all Swedish companies whose shares are listed on a regulated market in Sweden and is to be adhered to in full in connection with the first AGM held in the year following listing. Bulten started adapting to the Code in connection with its 2011 AGM and has since implemented it. The company does not need to observe all rules in the Code but has options for selecting alternative solutions which it may deem better suit its circumstances, provided that any non-compliance and alternative solutions are described and the reasons explained in the corporate governance report.

This corporate governance report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Code of Corporate Governance. It has been checked by the company's auditors.

Composition of the Board in 2023

The tables below provide an overview of the composition of the Board in 2023. Additional information about Board members can be found on page 80.

NAME	BOARD ROLE	ELECTED/ APPOINTED	RESIGNED	AUDIT COMMITTEE	REMUNERATION COMMITTEE	INDEPENDENT OF THE COMPANY AND CORPORATE MANAGEMENT	INDEPENDENT OF THE COMPANY'S MAJOR SHAREHOLDERS
Board members							
Ulf Liljedahl	Chair	2015	-	Chair	Member	Yes	No
Karin Gunnarsson	Member	2020	-	Member	-	Yes	Yes
Hans Gustavsson	Member	2005	-	-	Chair	Yes	Yes
Christina Hallin	Member	2020	-	-	Member	No	Yes
Hans Peter Havdal	Member	2013	-	Member	-	Yes	Yes
Jonas Hård	Member	2023	-	-	-	Yes	Yes
Peter Karlsten	Member	2015	2023	-	-	Yes	Yes
Joakim Stenberg	Employee representative	2020	-	-	-	-	-
Harri Aman	Employee representative	2020	-	-	-	-	-
Niklas Malmberg*	Employee representative	2020	-	-	-	-	-

*) Deputy

ANNUAL GENERAL MEETING

Under the Swedish Companies Act, the Annual General Meeting (AGM) is the company's highest decision-making body. At the AGM, shareholders exercise their voting rights over key issues, such as the adoption of income statements and balance sheets, the appropriation of the company's profits, the authorization to discharge the members of the Board of Directors and the President and CEO from liability for the financial year, the election of Board members and auditors and the remuneration for the Board of Directors and the auditors. The 2023 Annual General Meeting resolved to authorize the Board of Directors to acquire the company's own shares up to 10% of all outstanding shares and to authorize new share issues of up to 10% dilution of all shares in the company.

Besides the AGM, additional general meetings may be convened. In accordance with the Articles of Association, all general meetings of shareholders shall be convened through announcements in Post- och Inrikes Tidningar and by posting the convening notice on the company's website. It shall be advertised simultaneously in Swedish business daily Dagens Industri that the notice to attend has been issued.

Right to attend AGMs

All shareholders who are directly registered in the register of shareholders held by Euroclear Sweden AB five working days before the AGM and who have notified the company of their intention to attend (with any assistants) the AGM by the date stated in the notice of the AGM have the right to attend the meeting and vote in accordance with the number of shares they hold. Shareholders may attend the AGM in person or through a proxy and may also be accompanied by at most two people.

Initiatives from shareholders

Shareholders who wish to have a question addressed at the AGM must submit a written request to the Board. The request must be received by the Board at least seven weeks prior to the AGM.

Major shareholders

At the end of 2023 the company had a total of 12,742 (9,686) shareholders. The five largest shareholders controlled 42.9% (45.6) of capital and votes at the end of the year. The single largest shareholder, and the only shareholder to represent more than 10% of the shares, Volito AB, controlled 24.2% (24.2) of the capital and votes.

Annual General Meeting 2024

Bulten AB (publ) will hold its Annual General Meeting on Thursday April 25, 2023 at 5 pm CEST in Gothenburg, Sweden.

NOMINATION COMMITTEE

The nomination committee shall comprise four members: one representative for each of the three largest shareholders on the final banking day in September who wish to appoint a member to the committee and the Chair of the Board. The three largest shareholders are considered to be the three largest shareholders as registered with Euroclear Sweden AB on the final banking day in September. In the event of a major change in ownership a new major shareholder is entitled, if it so requests, to appoint a representative to the nomination committee.

The instructions for the nominations committee were adopted at the AGM held on April 25, 2023. The nominations committee shall, among other activities, submit proposals for the Chair of the AGM, the number of Board members elected by the AGM, the names of the Chair of the Board and other Board members elected by the AGM, the members of the Board's committees, the appointment of auditors and the remuneration to auditors. Frank Larsson was appointed Chair of the nominations committee.

NOMINATION COMMITTEE	COMPANY
Frank Larsson	Handelsbankens Fonder
Maria Rengefors	Nordea Fonder
Viktor Henriksson	Carnegie Fonder
Ulf Liljedahl, Chair of the Board of Directors, Bulten AB	Volito AB

With regard to the composition of the Board, the provisions of paragraph 4.1 of the Code on Diversity Policy apply. The aim is for the Board of Directors as a whole to possess the requisite breadth in terms of both background and knowledge, taking into account the importance of even gender distribution.

The result of the nomination committee's application of the diversity policy is a Board of Directors that represents a breadth of both professional experience and knowledge as well as geographical and cultural background. Women elected by the AGM comprise 25% of the Board.

BOARD OF DIRECTORS

The Board of Directors is the highest decision-making body after the general meeting. Under the Swedish Companies Act, the Board of Directors is responsible for the company's management and organization, which means the Board of Directors is responsible for setting goals and strategies, for providing procedures and systems for the evaluation of established goals, for the systematic assessment of the company's financial position and profits, progress of sustainability work and for evaluating the operational management.

In addition, the Board of Directors is responsible for preparing and issuing the annual report and sustainability report including the consolidated financial statements and ensuring that the interim reports are prepared on time. Furthermore, the Board of Directors appoints the President and CEO.

Members of the Board of Directors are appointed annually by the AGM for the period until the end of the next AGM. According to the company's Articles of Association, the portion of the Board of Directors elected by the general meeting shall consist of a minimum of three and a maximum of ten members without deputies. In addition, employee representatives have been appointed.

Chair of the Board

The Chair of the Board is elected by the AGM. The Chair of the Board has special responsibility for leading the work of the Board of Directors and for ensuring that the Board of Directors' work is well-organized and carried out efficiently.

Board's procedures

The Board of Directors follows written rules of procedure, which are revised annually and are adopted by the constituting board meeting each year. Among other things, the rules of procedure regulate functions and the division of work between the members of the Board and the President and CEO. At the time of the constituting Board meeting, the Board of Directors also establishes instructions for financial and sustainability reporting and instructions for the President and CEO, in addition to rules of procedure for the Board's audit and remuneration committees.

The Board of Directors meets at least five times a year in addition to the constituting Board meeting in accordance with a predetermined annual schedule. Besides these meetings, additional meetings can be arranged to discuss issues which cannot be postponed until the next ordinary meeting. Besides the meetings of the Board, the Chair of the Board and the President and CEO regularly discuss the management of the company.

At present, the company's Board of Directors consists of six ordinary elected members and two ordinary employee representatives. Board members are presented in more detail in the section 'Board of Directors, senior executives and auditors' on pages 80-81.

Board meetings in 2023

Attendance of Board members at Board meetings in 2023.

NAMES OF THE BOARD MEMBERS	ATTENDANCE/TOTAL NUMBER OF MEETINGS
Ulf Liljedahl	18/18
Karin Gunnarsson	17/18
Hans Gustavsson	18/18
Christina Hallin	18/18
Hans Peter Havdal	13/18
Jonas Hård (elected April 25, 2023)	12/18
Peter Karlsten (resigned April 25, 2023)	6/18
Joacim Stenberg	14/18
Harri Aman	17/18
Niklas Malmberg *	2/18

* Deputy

Evaluation of Board activities in 2023

Each year the Board of Directors evaluates its work and this evaluation is presented and discussed at a Board meeting. The purpose of this evaluation is to develop work procedures and enhance efficiency. The evaluation is carried out with the support of external advisers and is based on a survey. The results and an analysis of the survey are reported to the Board of Directors and this is followed by a discussion and then an identification of focus areas for future work. The survey will be supplemented with an evaluation of the Board of Directors' work and competence linked to the company's sustainability work.

The nominations committee receives the report and the conclusions and outcomes of the Board of Directors in their entirety.

The Board of Directors' work on sustainability matters in 2023

The Board of Directors carries out an annual evaluation of the sustainability work being carried out within the Group. Reporting and accounting take place and are discussed at one of the year's Board meetings. The purpose of the evaluation is to allow the Board of Directors to gain more detailed knowledge of interested parties' expectations and requirements regarding the working methods and efficiency measures developed during the year. Results and analyses are followed by discussion and identification of focus areas for future work. The Board of Directors' assessment is that the processes and working methods established and that are being further developed on a regular basis are relevant and effective.

The Board of Directors undergoes regular training in sustainability, and in 2023 there was a course on the CSRD, the new EU directive on sustainability reporting.

THE AUDIT COMMITTEE

Bulten has an audit committee consisting of three members: Ulf Liljedahl (Chair), Karin Gunnarsson, Hans Peter Havdal (elected April 25, 2023) and Peter Karlsten (resigned April 25, 2023). The members of the committee may not be employed by the company. At least one member must have accounting or auditing skills. The committee shall appoint one of its members as its Chair. The audit committee shall, without it affecting the responsibilities and tasks of the Board of Directors, for example: monitor the company's financial and sustainability reporting; monitor the efficiency of the company's internal controls, internal auditing and risk management; inform itself of the auditing of the annual and sustainability reports and the consolidated financial statements; scrutinize and monitor the impartiality and independence of the auditors and pay close attention to whether the auditors are providing other services besides audit services for the company; and assist in drawing up proposals for the general meeting's decision on the appointment of auditors. The audit committee shall meet regularly with the company's auditors. The audit committee has no decision-making powers.

NAMES OF THE BOARD MEMBERS	ATTENDANCE/TOTAL NUMBER OF MEETINGS
Ulf Liljedahl	5/5
Karin Gunnarsson	5/5
Hans Peter Havdal (elected April 25, 2023)	2/5
Peter Karlsten (resigned April 25, 2023)	3/5

THE REMUNERATION COMMITTEE

Bulten has a remuneration committee consisting of three members: Hans Gustavsson (Chair), Ulf Liljedahl, Christina Hallin (elected April 25, 2023), Hans Peter Havdal (resigned April 25, 2023). The remuneration committee shall prepare matters concerning remuneration policies, remuneration and other employment terms for the President and CEO and all members of the company's management. In addition, the remuneration committee shall monitor and evaluate programs for variable remuneration to the company management that are ongoing and that are terminated during the year, and follow and evaluate the application of guidelines for remuneration to senior executives as adopted by the AGM, as well as applicable remuneration structures and levels in the company. The Chair of the Board may be Chair of the committee. Other members of the committee shall be independent of the company and the company management. The members of the committee must together possess the requisite knowledge and experience in matters relating to the remuneration of senior executives. The remuneration committee has no decision-making powers.

NAMES OF THE BOARD MEMBERS	ATTENDANCE/TOTAL NUMBER OF MEETINGS
Hans Gustavsson	8/8
Ulf Liljedahl	8/8
Christina Hallin (elected April 25, 2023)	6/8
Hans Peter Havdal (resigned April 25, 2023)	2/8

THE PRESIDENT AND CEO AND OTHER SENIOR EXECUTIVES

The President and CEO reports to the Board of Directors and is primarily responsible for the company's day-to-day administration and operations. The division of responsibilities between the Board of Directors and the President and CEO is set out in the rules of procedure for the Board and the instructions for the President and CEO. The President and CEO is also responsible for drafting reports and compiling information from the management ahead of Board meetings and for presenting the material at the meetings. Under the instructions for financial reporting, the President and CEO is responsible for financial and other reporting in the company and is thus required to ensure that the Board obtains sufficient information to enable it to continuously evaluate Bulten's profit and financial position and sustainable development. The President and CEO is therefore required to inform the Board of the company's development, sales volume, profit and financial position, liquidity and credit situation, important business events and other events or circumstances, knowledge of which cannot be assumed to be unimportant to the company's shareholders and directors. The President and CEO and other senior executives are presented in more detail in the section headed 'Board of Directors, senior executives and auditors' on pages 80-81.

REMUNERATION TO THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

Remuneration to the Board

Fees and other remuneration to elected members of the Board, including the Chair, are determined by the AGM. The AGM on April 25, 2023 resolved that a total fixed remuneration of SEK 2,375,000 shall be paid to the Board of Directors for the period until the next AGM, of which SEK 485,000 shall be paid to the Chair and SEK 325,000 to each of the other Board members who are elected at a shareholder meeting and not employed by the company. A condition of payment is that the Board member is elected at the AGM and not employed by the company. In addition to the above, the AGM also decided that a fixed remuneration of SEK 100,000 should be paid to the Chair of the audit committee and SEK 45,000 to the other members of the committee. Remuneration of SEK 65,000 shall be paid to the Chair of the remuneration committee and SEK 10,000 to the other members of the committee.

The members of the company's Board shall not be entitled to any benefits once they cease to be members of the Board.

For further information about remuneration to Board members, see Note 8 to this annual report.

Remuneration for senior executives

Pursuant to the decision of the AGM on April 23, 2020, which is valid for up to four years if no new guidelines are adopted, the following guidelines shall generally apply to remuneration and other terms of employment for the President and CEO and other senior executives. Salaries and other terms and conditions of employment shall be such that Bulten can constantly attract and retain competent senior executives at a reasonable cost to the company. Remuneration at Bulten shall be based on the nature of the role, performance, competitiveness and fairness. Bulten uses what is referred to as a post evaluation system under license via an independent, external globally represented company and thereby receives relevant market data that enables it to evaluate the total remuneration of senior executives. The evaluation of senior executives' performance and total compensation does not include any

interested parties other than the Board of Directors. That includes employee representatives and general meetings.

Remuneration for senior executives comprises an annual salary, variable remuneration, pension and other benefits. Every senior executive shall be offered an annual salary in line with market conditions and based on their responsibility, expertise and performance. The Annual General Meeting may also, if a resolution has been made to this effect, submit an offer of a long-term incentive program such as a share or share price related incentive program. These incentive programs are intended to contribute to long-term value growth and provide a joint interest in share value growth for shareholders and employees.

All senior executives may, from time to time, be offered cash bonuses. For the President and CEO and other senior executives, remuneration is proposed by the remuneration committee and adopted by the Board. For the President and CEO, variable short-term remuneration (STI) is capped at 60% of annual salary and variable long-term remuneration (LTI) is capped at 30% of annual salary. For other senior executives, variable remuneration (STI) is capped at 40% of annual salary and variable long-term remuneration (LTI) is capped at 25% of annual salary. Variable remuneration is based on performance in relation to established targets. During 2023, the STI included a sustainability target.

For further information on remuneration of senior executives, see Note 8 in this Annual Report, as well as the remuneration report to the Annual General Meeting at <https://www.bulten.com/en/IR/Corporate%20Governance/Annual%20General%20Meeting/AGM%202024?>

Bulten does not report comparative data, such as the CEO's salary increase in relation to the average salary increase for all employees, since those details are not considered to provide relevant information due to market differences and different total compensation systems in different countries.

EXECUTIVE MANAGEMENT

In 2023, the executive management consisted of eight members: the President and CEO, Chief Financial Officer (CFO), Chief Commercial Officer, Chief Operating Officer, Senior Vice President HR and Sustainability, Senior Vice President Purchasing and Quality, Senior Vice President Corporate Communications and IR, Senior Vice President Technology and Innovation. The executive management team meets monthly to follow up business and financial results. Great importance is attached to maintaining close contact with the operational business. See page 81.

INTERNAL AUDIT

A special function for internal audits has not been established within Bulten. The Board makes an assessment each year whether to establish a special function for internal auditing. In 2023 the Board decided that this was not necessary. In reaching this decision the Board decided that internal controls are primarily exercised through the following:

- operations managers at various levels
- local and central finance functions
- the executive management team's supervising controllers

In light of the above points together and considering the size of the company, the Board believes that it is not economically viable to set up an additional administrative function.

INTERNAL CONTROL

This section contains the Board's annual report on how internal control in relation to financial reporting is organized. The basis for this description is the Swedish Code of Corporate Governance's rules and guidelines prepared by task forces within the Confederation of Swedish Enterprise and FAR SRS.

The Board's responsibility for internal control is established in the Swedish Companies Act and internal control regarding financial reporting is covered by the Board's reporting instructions for the President and CEO. Bulten's financial reporting complies with the laws and rules for companies listed on the Stockholm stock exchange and the local rules that apply in all of the countries where business is carried out.

In addition to external rules and recommendations there are internal instructions, guidelines and systems as well as the internal delegation of responsibility and authority with the overall aim of providing good control over financial reporting.

Control environment

The control environment forms the basis for internal control. Bulten's control environment comprises, among other things, an organizational structure, instructions, policies, guidelines, reporting and defined areas of responsibility. The Board has overall responsibility for internal control in relation to financial reporting. The Board has established written procedures outlining the Board's responsibility and regulating the Board's and its committees' division of responsibilities. The Board has appointed an audit committee with the main task of safeguarding established policies for financial reporting and compliance with internal control. This committee is also responsible for maintaining appropriate relations with the company's auditors. The Board has also prepared instructions for the President and CEO and has agreed how economic reporting shall be submitted to the Board of Bulten AB (publ). The Group's Chief Financial Officer (CFO) reports the results of his or her efforts relating to internal control to the audit committee. The results of the audit committee's work in the form of observations, recommendations and proposals for decisions and measures are reported regularly to the Board. Bulten AB's significant steering documents in the form of policies, guidelines and manuals, to the extent they relate to financial reporting, are kept up to date and communicated through relevant channels to the companies in the Group. Systems and procedures have been established to supply the management with the necessary reports about business results in relation to established targets. Information systems have been established as necessary to ensure that reliable and up-to-date information is provided so that the management can perform its duties correctly and efficiently.

Risk assessment

Bulten's risk assessment regarding financial reporting aims to identify and evaluate the most significant risks that affect internal control relating to financial reporting of the Group's companies, business areas and processes.

The most significant risks relating to financial reporting that are identified in the Group's internal control activities are handled through control structures based on the reporting of non-compliance with established targets or norms for, for example, the valuation of inventories and other significant assets.

Internal control in relation to financial reporting

Financial reports are generated monthly, quarterly and annually for the Group and subsidiaries. In connection with reporting, comprehensive analyses and associated comments are prepared along with up-to-date forecasts aimed at ensuring, among other things, that financial reporting is accurate. Finance staff and controllers with functional responsibility for accounts, reports and the analysis of financial development work at the Group and unit levels.

Bulten's internal control activities aim to ensure that the Group meets its objectives for financial reporting.

Financial reporting shall:

- be correct and complete, and meet all applicable laws, rules and recommendations;
- provide a fair description of the company's business; and
- support a rational and informed valuation of the business.

In addition to these three objectives, internal financial reporting shall support proper business decision-making at all levels of the Group.

Information and communication

Internal information and communication aim to create awareness among the Group's employees of internal and external control instruments as well as of authorities and responsibilities. Information and communication about internal control instruments for financial reporting are accessible to all affected employees. The key tools for this are Bulten's manuals, policies, intranet and training activities.

Control activities

The Group's Chief Financial Officer (CFO) plays a key role in analyzing and monitoring the Group's financial reporting and results. The Parent Company has additional functions for the systematic analysis and follow-up of the financial reporting of the Group and subsidiaries.

A Group-wide internal control program for key processes at the subsidiary and Group levels has been implemented. The internal control program covers essential processes and aims to ensure that appropriate controls are designed and implemented to prevent errors in financial reporting.

The Group's reporting units also conduct regular self-assessments regarding the effectiveness of internal control in relation to financial reporting. The assessments are reported to the executive management, which summarizes the results for the audit committee to discuss measures and ongoing monitoring.

Follow-up of financial information

The Board publishes, and has responsibility for, the company's financial reporting. The audit committee supports the Board by preparing activities that assure the quality of the company's financial reporting. This is partly achieved by the audit committee checking the financial information and the company's financial controls.

The Board is informed monthly about business development, profit, financial position and cash flow. Outcomes and internal forecasts are assessed and monitored.

All of the Group's companies report financial information in accordance with an established format and established accounting policies. In connection with this reporting, an analysis and risk assessment of the financial situation are carried out.

AUDITORS

Bulten's auditors are PricewaterhouseCoopers AB (PwC), with Johan Palmgren being the certified public accountant in charge of the audit. PwC audits Bulten AB (publ) and all major subsidiaries. Each year the audit includes a statutory audit of Bulten AB's annual accounts, a statutory audit of the Parent Company and all significant subsidiaries, an audit of internal report packages, an audit of the year-end closing and a general review of one interim report. Reviews of internal control are included as part of the work.

During the second quarter a meeting was held with the executive management to determine an audit plan and to analyze the organization, operations, business processes and balance sheet items for the purpose of identifying areas with an elevated risk of errors in financial reporting.

In addition, a meeting was held with the audit committee for the reconciliation of strategy and aims. The auditor also attends at least one Board meeting each year pursuant to the rules of procedure of the audit committee meeting.

A general review of the year-end closing is performed for the period January to September. In October an early warning review is performed of the nine-month accounts, followed by an early warning meeting with the executive management where important questions for the annual closing are raised. A review and audit of the annual closing and annual accounts are performed between January and February.

During 2023, in addition to the audit engagement, Bulten mainly consulted PwC on taxes, transfer price matters and accounting matters. The expensed remuneration to PwC in 2023 is shown in Note 9 on page 105.

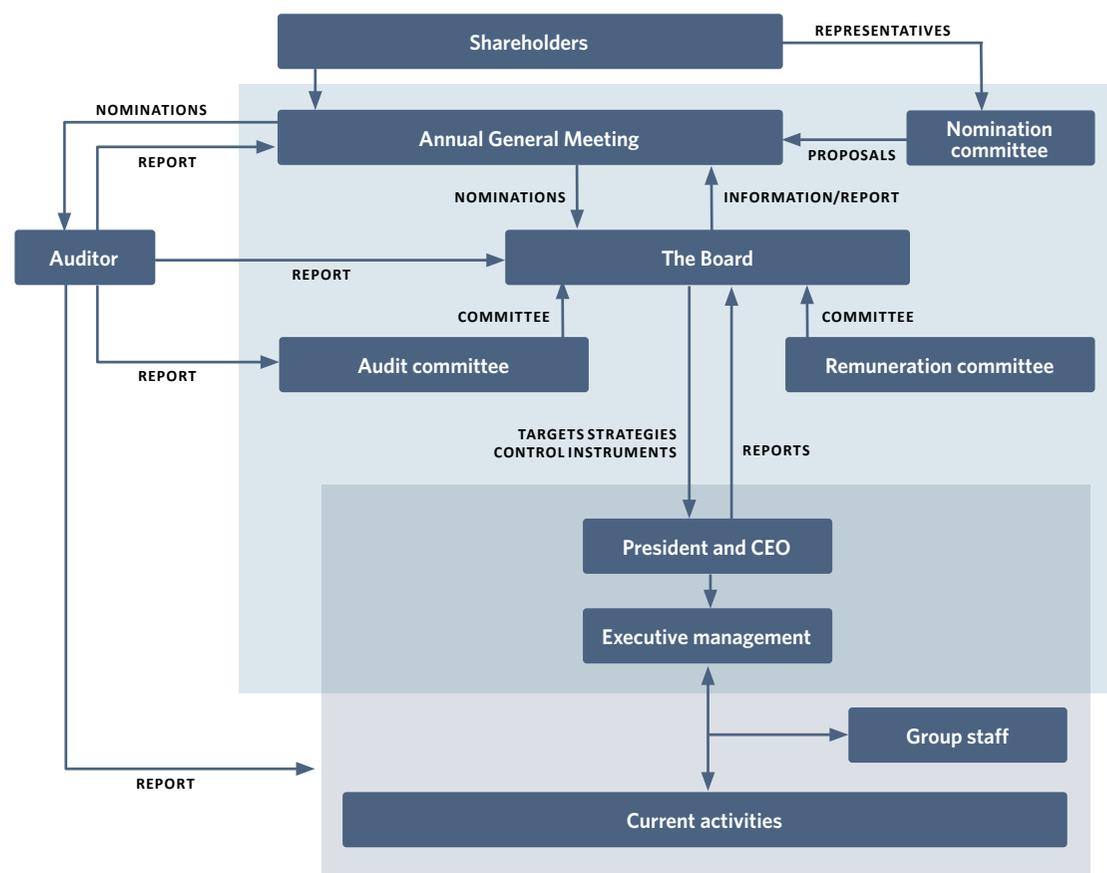
PwC has an obligation to examine its independence prior to decisions to provide independent advice to Bulten in addition to its auditing assignments.

In accordance with the company's articles of association, the company shall have at least one, and at most two, auditors, and at most two deputy auditors. In accordance with the articles of association, the mandate period for the auditors shall be one year.

COMMUNICATION

The company's information to shareholders and other stakeholders is supplied via the annual report, interim reports and press releases. All external information is published on the company's website at www.bulten.se.

OVERVIEW OF CORPORATE GOVERNANCE



THE BOARD

									
	ULF LJLJEDAHL	KARIN GUNNARSSON	HANS GUSTAVSSON	CHRISTINA HALLIN	HANS PETER HAVDAL	JONAS HÅRD	HARRI ÅMAN	JOACIM STENBERG	NIKLAS MALMBERG
	Chair of the Board and Chair of the remuneration committee	Board member	Board member and Chair of the remuneration committee	Board member	Board member	Board member	Employee representative for Unionen	Employee representative for IF Metall	Employee representative for IF Metall (deputy)
Year elected	2015	2020	2005	2020	2013	2023	2020	2020	2020
Current employment	President and CEO of Volito AB	Own business focused on corporate governance and consulting	Own business in leadership and organizational development	Acting President and CEO of Bulten AB	COO of Hexagon Composites	Own business focusing on industrial consultation	Production planner at Bulten's Hallstahammar facility	Surface treatment operative at Bulten's Hallstahammar facility	Tool maker at Bulten's Hallstahammar facility
Born	1965	1962	1946	1960	1964	1971	1968	1969	1974
Education	MBA	MBA	Engineer and training in finance and management	Master of Engineering	Master of Engineering	Master of Business Administration (MBA)	Worked at Bulten since 1986	Worked at Bulten 1987-1991 and since 1994	Worked at Bulten since 2018
Nationality	Swedish	Swedish	Swedish	Swedish	Norwegian	Swedish	Swedish	Swedish	Swedish
Other duties	Several board assignments for companies in the Volito Group and board member of Konecranes Plc	Board member of Ependion AB, Concentric AB, and others	None	Board member of SEM AB and Norbit ASA	None	Board member of Ependion AB and in various start-ups	None	None	None
Independent of the company and corporate management	Yes	Yes	Yes	No	Yes	Yes	-	-	-
Independent of the company's major shareholders	No	Yes	Yes	Yes	Yes	Yes	-	-	-
Previous experience	Executive positions at the Husqvarna Group and Cardo Group, also various finance roles at Alfa Laval	Senior positions at Hexpol AB and several roles, mainly within accounting, at Telelogic AB and Trelleborg AB	Executive positions at Volvo Cars and Jaguar Land Rover	Senior positions at AB Volvo and CEO of SEM AB	Executive positions at Kongsberg Automotive and Semcon	Executive positions at Autoliv, Nobia Group and Electrolux	-	-	-
Shareholding at February 29, 2024	-	5,000	127,768	1,500	2,650	2,500	-	458	-

EXECUTIVE MANAGEMENT AND AUDITORS

								
	CHRISTINA HALLIN	ANNA ÅKERBLAD	MARKUS BAUM	MICHAEL RICHARDS	EMMY PAVLOVIC	MARLENE DYBECK	ULRIKA HULTGREN	CLAES LINDROTH
Current position	Acting President and CEO (since Feb 9)	Chief Financial Officer	President Region Europe	President Region Asia (employed since April 1)	Chief Technology Officer	Senior Vice President HR and Sustainability	Senior Vice President Corporate Communications and IR	Senior Vice President Purchasing and Quality
Employed in company	2024	2021	2020	2024	2020	2016	2021	2017
Education	MSc Electrical Engineering	MBA	Doctor of Business Administration	Master of Science in Industrial Administration (MBA)	Doctor of Engineering Materials Science, MSc Chemical Engineering with Physics	Executive MBA and university studies in behavioral science	BA in Communication	Mechanical engineer
Previous experience	Extensive experience from the automotive industry with several senior positions at AB Volvo and as CEO of SEM AB	Extensive experience from companies in the manufacturing sector, such as Group CFO of Absolent Group and Axel Christiernsson International. Also experience from Deloitte as a consultant and auditor	Extensive experience of the supply chain in the automotive industry from Nedschroef, Benteler, TMD Friction and Visteon	Extensive experience in manufacturing and sales in various industries including gardening equipment. Extensive work experience in Asia. Previous positions in Husqvarna, Positec, Arc International, Modine Manufacturing and Engineered Machine Products	Previous positions with Nedschroef, Aston Harald, Arcam and Volvo	Previous positions at Volvo Cars, Hultafors Group and Gunnebo, among others	Previous positions at NEVS, Castellum, SKF, Astra Zeneca and Tamro, among others	Previous positions at Shiloh, Volvo Cars, Norsk Hydro and Raufoss
Born	1960	1975	1978	1968	1980	1966	1971	1962
Nationality	Swedish	Swedish	German	American	Swedish	Swedish	Swedish	Swedish
Other duties	Board member of SEM AB, Norbit ASA, and Bulten AB	None	None	None	None	None	None	Chair of the Board of SAMS (Swedish Association for Material Sourcing)
Shareholding at February 29, 2024	1,500	3,977	9,154	-	2,402	8,657	1,811	12,175

JOHAN PALMGREN

PricewaterhouseCoopers AB,
Chief Auditor.

In current position: Auditor of the company since 2020

Education: Certified Public Accountant. **Born:** 1974 **Nationality:** Swedish.

Other duties: Chief auditor for HMS Networks AB (publ) and Troax Group AB (publ), among others.

SIGNATURES

Gothenburg, March 26, 2024

Ulf Liljedahl
Chair of the Board

Karin Gunnarsson
Board member

Hans Gustavsson
Board member

Christina Hallin
Board member

Hans Peter Havdal
Board member

Jonas Hård
Board member

Joakim Stenberg
Employee representative

Harri Åman
Employee representative

Christina Hallin
Acting President and CEO

THE AUDITOR'S OPINION ON THE CORPORATE GOVERNANCE REPORT

To the Annual General Meeting of the shareholders of Bulten AB (publ), corporate identity number 556668-2141

Assignments and division of responsibility

It is the Board of Directors that is responsible for the Corporate Governance Report for the year 2023 presented on pages 74 to 82 and its preparation in accordance with the Annual Accounts Act.

Focus and scope of the audit

Our review has been conducted in accordance with FAR's statement RevU 16 'Auditor's review of the corporate governance report'. This means that our review of the corporate governance report has a different focus and is substantially smaller in scope than the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides a sufficient basis for our opinion.

Statement

A corporate governance report has been prepared. Information in accordance with Chapter 6, section 6, second paragraph, points 2 to 6 of the Annual Accounts Act and Chapter 7, section 31, second paragraph of the same Act are consistent with the annual report and the consolidated accounts and are in accordance with the Annual Accounts Act.

Gothenburg, March 26, 2024
PricewaterhouseCoopers AB

Johan Palmgren
Authorized Public Accountant

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BOARD OF DIRECTORS' REPORT

The Board and the President and CEO hereby submit the annual report and consolidated financial statements for Bulten AB (publ), corporate registration number 556668-2141, for the 2023 financial year.

Ownership structure

Bulten (publ) is listed on Nasdaq Stockholm. The largest shareholders at year-end were Volito AB, which owned 24.2% (24.2), Handelsbankens Fonder with 5.9% (5.4), and Nordea Funds with 5.5% (6.6).

THE GROUP'S BUSINESS

Bulten develops and manufactures fasteners and supplies products, and technology, servicing and system solutions mainly for the automotive industry. The Group acts as a partner to international customers, primarily in the automotive industry but also in sectors outside this industry. Customers are mostly based in Europe, Asia and North America.

Bulten is one of the few companies that offer a full-service provider concept throughout the value chain for fasteners, from development of the product to final delivery to the customer's production line.

Production takes place mostly in Europe, although the Group also operates production plants for fasteners in China, Taiwan and the USA.

In 2023, Bulten had eight wholly owned production plants in six countries and one partly owned production plant in China. The average number of employees (FTE) was 1,668 (1,575), which is an increase of 5.9% from the end of 2022. The Group's sales for 2023 amounted to SEK 5,757 (4,474) million, a rise of 28.7% compared with the previous year and Bulten's highest ever sales figure.

The year in brief

In 2023, Bulten exceeded its growth target, thereby achieving its strategic goal of SEK 5 billion in sales by 2024.

The financial results for the first quarter of the year built on the momentum from the end of the previous year, with high sales and strong margins. The operating margin for the first quarter of the year was 8.4%, which was above the company's financial target. This was a result of streamlining, but also the fact that prices had been adjusted to the prevailing cost situation, particularly for raw materials.

However, demand from the company's primary customer group – the automotive industry – which had risen very sharply following the component shortage throughout 2022, exceeded the company's production capacity. This meant extraordinary measures had to be taken in the second quarter of 2023 to keep up the supply to customers. The company was forced to use air freight, take on new personnel, acquire new production equipment, and also make frequent adaptations to production processes. These measures, along with high overtime costs, resulted in a far lower operating margin for the remaining quarters, which averaged out at 4.0% for the year as a whole (adjusted 4.2%).

This occurred against the backdrop of a sharper than predicted rise in demand from European automotive customers following the component shortage and high punitive duties introduced by the EU on screws imported from China. This maxed out the capacity of the company's fastener suppliers in Europe, which made it difficult for Bulten to meet demand in its own production in the short term. The European fastener industry also invested heavily in new equipment to meet the sharp rise in demand. As a result, lead times for purchases of machinery used to make fasteners remained very long, which also had a detrimental effect on supply.

The company has taken action to ensure that this situation will not continue into the years ahead, including by hiring and training new personnel. Furthermore, additional machine capacity has been installed and Bulten's new surface treatment plant in Poland has been phased in. The combination of in-house and external production offers greater flexibility than before, which will help the company to respond better to future fluctuations in demand, whether positive or negative.

Key financial indicators

	2023	2022	2021	2020	2019
Net sales, SEK million	5,757	4,474	3,730	3,195	3,093
EBITDA margin, %	7.3	7.9	10.7	8.7	7.7
EBIT margin (operating margin), %	4.0	4.0	6.2	3.6	3.2
Adjusted EBIT margin (operating margin), % *	4.2	6.3	6.2	3.5	4.8
Capital turnover rate, times	1.4	1.5	1.6	1.5	1.6
Return on capital employed, %	8.1	6.3	9.7	5.4	5.5
Return on equity, %	5.7	3.2	9.1	3.7	3.5
Debt/equity ratio, times	-0.7	-0.5	-0.4	-0.3	-0.4
Interest coverage ratio, times	3.6	6.8	10.1	3.9	7.6
Equity/assets ratio, %	37.9	41.9	49.3	49.4	55.2
Average no. of employees	1,668	1,575	1,673	1,616	1,425

*) Adjusted EBIT margin. Operating profit adjusted for non-recurring costs as a percentage of net sales for the year.

Celebrating Bulten's 150th anniversary was one of the highlights of the year. Bulten was very much part of Sweden's industrial revolution in the late 19th century. It is one of the companies from that time that have adapted well as the world has changed and is continuing to grow and develop. This has given the company a number of strengths that are still relevant today and will be in the future too. Bulten is unique in that it is still faithful to the place where it was founded in 1873, Hallstahammar, which remains a key production site to this day.

The opening and start-up of Bulten's new surface treatment plant in Radziechowy-Wieprz (RAD), Poland, was also a high point. The aim of this major investment was to optimize the company's cost-effectiveness, quality and capital tied up, and also to reduce greenhouse gas emissions.

During the summer, Bulten also took an important strategic step with regard to the distribution chain. The company has long wanted to diversify its customer base and grow in the general industry sector, and a key prerequisite for this is to operate as a distributor in the markets where its targeted customers are. The acquisition of Exim & Mfr Enterprise (Exim) has provided Bulten with an excellent platform for further growth outside the automotive industry. Exim is a well-run company based in Singapore and operating in Southeast Asia, providing products and services for international customers in various sectors in the region. The company has well-developed distribution and vendor-managed inventory (VMI) processes, adapted to completely different purchasing patterns to those found among Bulten's other existing customers. This also offers good opportunities to expand Exim's business model to other regions.

Bulten's success in manufacturing and delivering micro screws to the electronics industry in China was a major factor in its decision to establish a similar operation in India during the year under review. Given the strong growth that the electronics sector in India is seeing right now, there is market potential for locally produced micro screws that the company is keen to exploit. Customers want reliable supply chains, and 'Made in India' is a high priority at a political level. This new establishment is therefore strategically important to Bulten.

It's also worth mentioning the organizational restructuring that began in late 2023. Having previously been working within a global, function-based structure, the decision was made to regionalize operations. This means that Bulten has three regional managers with overall responsibility for their regions: Europe, Asia, and North America. This adjustment takes into account not only how Bulten's customers actually operate, but also the company's dramatic growth in recent years and the need to shift decision-making power toward operations.

Net sales

Net sales for the full year totaled SEK 5,757 (4,474) million, which is an increase of 28.7%. Adjusted for foreign exchange effects, growth came to 19.6% for the same period.

79.4% of Bulten's net sales in 2023 were attributable to light vehicles, 9.8% to commercial vehicles, and 10.8% to other. 72.0% of total sales were attributable to direct deliveries to vehicle manufacturers (OEMs) and the remaining 28.0% to their suppliers and others.

Earnings and profitability

The Group's gross profit was SEK 968 (826) million, corresponding to a gross margin of 16.8% (18.5).

Earnings before depreciation and amortization (EBITDA) amounted to SEK 419 (355) million, corresponding to an EBITDA margin of 7.3% (7.9).

Operating earnings (EBIT) totaled SEK 230 (180) million, equating to an operating margin of 4.0% (4.0). Adjusted operating earnings (EBIT) were recorded at SEK 243 (284) million, equating to an adjusted operating margin of 4.2% (6.3). The operating profit has been adjusted to account for transaction costs of SEK -13 million attributable to the acquisition of Exim. The corresponding period of the previous year was burdened by approximately SEK -104 million, SEK -93 million of which were related to costs for closing down Bulten's operations in Russia.

Operating earnings were affected by exchange rate fluctuations of SEK -11 (-1) million when converting working capital at the closing day rate.

The Group's net financial items were SEK -33 (-25) million. Financial income amounted to SEK 41 (2) million and comprises interest income of SEK 13 (2) million and currency gains of SEK 28 (-) million. Financial expenses amounted to SEK -74 (-27) million and include interest expenses of SEK -68 (-19) million, of which interest expenses for lease liabilities total SEK -12 (-11) million. Foreign exchange losses amounted to SEK - (-2) million. Other financial expenses amounted to SEK -6 (-6) million.

The Group's profit before tax stood at SEK 197 (155) million and profit after tax was SEK 127 (74) million. Adjusted profit before tax amounted to SEK 210 (260) million, and adjusted profit after tax was SEK 140 (176) million.

Earnings per share were SEK 4.89 (2.65). Adjusted earnings per share were SEK 5.51 (7.48).

The return on capital employed (ROCE) amounted to 8.1% (6.3). The adjusted return on capital employed amounted to 8.5% (9.9). The capital turnover rate amounted to 1.4 (1.5) times.

Cash flow, working capital, investments, and financial position

Cash flow from operating activities before changes in working capital totaled SEK 244 (381) million, which equates to 4.2% (8.5) of net sales. The effect on cash flow of the change in working capital amounted to SEK 109 (-83) million. Inventories increased by SEK 93 (84) million, the majority of which related to Exim's inventory. Current receivables increased by SEK 35 (321) million and current liabilities increased by SEK 194 (287) million.

Accounts receivable during the past year averaged SEK 974 (860) million, which equates to 16.9% (19.2) of net sales. Inventories averaged SEK 1,006 (917) million, equating to an inventory turnover of 4.8 (4.0) times. Cash flow from operating activities totaled SEK 353 (298) million.

Investments in intangible assets and property, plant and equipment amounted to SEK 150 (267) million. Investments of SEK 148 (267) million relate to property, plant and equipment. The corresponding amount for intangible assets was SEK 2 (0) million. Depreciation/amortization amounted to SEK -189 (-175) million. The rate of investment in 2023 amounted to 2.6% (6.0) of sales.

Consolidated cash and cash equivalents came to SEK 340 (451) million at year-end. In addition to cash and cash equivalents, the Group also had approved but unused overdraft facilities of SEK 579 (615) million, which means that the Group's liquidity amounted to SEK 919 (1,066) million. Consequently, disposable cash and cash equivalents amounted to 16.0% (23.8) of net sales.

Consolidated total assets at year-end were SEK 4,852 (4,356) million. Equity in the Group was SEK 1,838 (1,825) million at the end of the financial year. Net profit for the year of SEK 127 (74) million, other comprehensive income totaling SEK -49 (131) million and transactions with shareholders totaling SEK -65 (-67) million have had an impact on equity.

On the closing date, net debt amounted to SEK 1,340 (925) million. Net debt adjusted for lease liabilities came to SEK 834 (411) million.

The equity/assets ratio was 37.9% (41.9). Group goodwill at the end of the financial year was SEK 568 (218) million, or 9.9% (4.9) of total assets.

Risks and risk management

Exposure to risk is a natural part of a business and this is reflected in Bulten's approach to risk management. This aims to identify risks and prevent risks from occurring or to limit any damage resulting from these risks.

Risks to the business can be categorized as financial risks, sustainability risks, business cycle and external risks and operational risks. For a description of how the Group manages these risks in its activities, see Note 5.

Permits and the environment

Over the course of the year, Bulten ran manufacturing operations at eight wholly owned production plants in Sweden, Germany, Poland, China, Taiwan and the US, in addition to one partly owned production plant in China.

At the end of 2023, the Swedish plant in Hallstahammar was subject to permit requirements under the Swedish Environmental Code. The permit requirements stem from the nature of the activities. These principally comprise activities involving cold work processing, and heat and surface treatment. The primary environmental impact derives from the manufacturing processes in the form of emissions to water and air, waste generation, resource consumption, noise and transport.

Manufacturing units outside Sweden adapt their operations, apply for the necessary permits and report to the authorities as required by local legislation.

Bulten has an explicit strategy for reducing the environmental impact of, among other things, its process water, energy consumption, transport, chemicals and waste.

The outlook for 2024

There is still strong demand for fasteners. The electrification of vehicles and higher sales of consumer electronics are trends that work in Bulten's favor by generating new business.

The top priority is to secure stability at the European plants and thereby restore the company's profits. Profitability is the priority over growth in 2024.

Completing the establishment in India in collaboration with Bulten's business partners is high up the agenda.

Exim has huge potential to grow in its existing markets in Southeast Asia, with excellent margins, and there are also plans for Exim to expand into new markets.

The company's operations in North America are relatively small as yet, but production will be increasing there during the year as new business gets under way. The intention remains to make acquisitions in North America in order to create economies of scale and establish a broader customer portfolio. This may take time, however, as there are highly specific requirements for these acquisitions.

In addition, there is a continued heavy emphasis on innovation, primarily in sustainability. Productive collaborations with suppliers and customers are under way for this purpose and Bulten's leading position in the sector will prove a great competitive advantage over time.

Significant events after the end of the financial year

On January 22, Bulten's president and CEO of five years, Anders Nyström, announced that he was leaving the company. Board member Christina Hallin took office on February 9 as acting president and CEO until a new president and CEO has been recruited and assumed his position.

There are no other significant events to report after the closing day.

PARENT COMPANY

Bulten AB (publ) owns, directly or indirectly, all the companies in the Group. The Parent Company handles the Group-wide administration, stock exchange matters and management functions for the other companies in the Group.

The equity/assets ratio was 65.4% (70.3). Equity amounted to SEK 963 (1,043) million.

There were no (SEK 0 million) cash or cash equivalents on the balance sheet date. The company had seven employees on the balance sheet date.

Total number of shares

The total number of shares is 21,040,207. The total number of outstanding shares as of December 31, 2023 was 20,987,992. As of December 31, 2023, Bulten AB has 52,215 shares in its own custody. See also Note 26.

Board activities

The Board has adopted a set of working procedures and a number of policies that define the allocation of responsibilities between the Board, the President and CEO, and Group management. The Board has the ultimate responsibility for the Group's operations and organization, and ensures that the President and CEO's duties and the financial operations are carried out in compliance with established principles. The Board held 18 minuted meetings during the year, plus one strategy and business-planning meeting.

From its membership, the Board has appointed an audit committee and a remuneration committee. The Audit Committee held five meetings and the Remuneration Committee held eight meetings during the year.

Guidelines for remuneration for senior executives

The 2023 Annual General Meeting adopted a resolution on the following guidelines for remuneration to senior executives. The guidelines cover remuneration and other employment terms and conditions for Bulten's President and CEO and other senior executives.

Salaries and other terms and conditions of employment shall be such that the Group can constantly attract and retain competent senior managers at a reasonable cost to the company. Remuneration within Bulten shall be based on the nature of the position, principles of performance, competitiveness, and fairness. Remuneration for senior executives comprises a fixed salary, variable

remuneration, pension, and other benefits. Each senior executive shall be offered a fixed salary in line with market conditions and based on the senior manager's responsibilities, expertise and performance. The Annual General Meeting may also, if a resolution has been made to this effect, submit an offer of a long-term incentive program such as a share or share price related incentive program.

Incentive programs are intended to contribute to long-term value growth and to ensure that shareholders and employees have a common interest in the share's value growth.

Senior executives may be offered variable remuneration. Variable remuneration shall be based primarily on developments in the Group as a whole or developments in the unit for which the person in question is responsible. For further information about remuneration to the executive management, see Note 8 to these annual financial statements.

Prior to the 2024 AGM, the Board proposes that the previous year's guidelines for remuneration for senior executives, adapted according to the rules in the Swedish Companies Act, sustainability, and the Code of Corporate Governance, be established for 2024 as well.

Appropriation of earnings

Bulten's target over time is to pay out a dividend of at least one third of net earnings after tax. Consideration is given, however, to the company's financial position, cash flow and outlook.

The following profit in the Parent Company (SEK) is at the disposal of the Annual General Meeting:

Stock premium reserve	1,132,950,039
Retained earnings	-280,048,848
	<u>852,901,191</u>

The Board of Directors proposes that these earnings be appropriated as follows (SEK):

The Board of Directors' proposal for a dividend (SEK 2.50 per share)	52,469,980
Carried forward to new accounts	<u>800,431,211</u>
Total	852,901,191

It is proposed that April 29, 2024 be the record day for the dividend. If the meeting resolves in accordance with the proposal,

the dividend is expected to be distributed to the shareholders by Euroclear Sweden AB on May 3, 2024. As of March 26, 2024, there were a total of 21,040,204 shares in the company, of which 52,215 are held by the company. The dividend amount of SEK 52,469,980 shall therefore be divided among the 20,987,992 shares that are entitled to receive the dividend.

Statement of the Board concerning the proposed dividend

The equity/assets ratio as of December 31, 2023 was 65.4% for the Parent Company and 37.9% for the Group. No part of the Parent Company's or the Group's equity relates to market values of financial instruments. The currently proposed dividend of SEK 52,469,980 means that the Parent Company's equity/assets ratio will fall to 64.2% and the Group's equity/assets ratio will fall to 37.2%.

It is the Board's assessment that the long-term earnings capability of the Parent Company and the Group is secure and that from this perspective the dividend is appropriate. It is further judged that the liquidity of the Parent Company and Group can be maintained at secure levels.

The Board considers that the proposed dividend is appropriate in relation to the demands that the type, scope and risks of the business place upon the amount of equity in the Parent Company and Group, and with regard to the consolidation requirements, liquidity and general financial position of the Parent Company and Group. The Board's statement in accordance with chapter 18, section 4, of the Swedish Companies Act has been published in a separate document.

Corporate Governance Report

Bulten is submitting a separate corporate governance report, in accordance with the Annual Accounts Act, section 6:8, which is included in this annual report on pages 74–82.

Sustainability report

Bulten is providing a separate sustainability report in accordance with the Annual Accounts Act, section 6:11, which is included in this annual report, see page 43 for more information.

CONSOLIDATED INCOME STATEMENT

SEK MILLION	NOTE	2023	2022
Net sales	6	5,757	4,474
Cost of goods sold	7	-4,789	-3,648
Gross profit		968	826
Other operating income	11	9	12
Selling expenses	7	-396	-320
Administrative expenses	7	-339	-253
Other operating expenses	11	-14	-97
Share of profit in joint ventures and associated companies	35	2	12
Operating profit	8, 9, 10, 12	230	180
Financial income	13	41	2
Financial expenses	13	-74	-27
Profit before tax	14	197	155
Tax on profit for the year	15	-70	-81
Profit after tax		127	74
Attributable to			
Parent Company shareholders		103	55
Non-controlling interests		24	19
Profit after tax		127	74
Earnings per share (SEK) attributable to Parent Company shareholders			
Earnings per share (SEK) before and after dilution	16	4.89	2.65
Adjusted earnings per share (SEK) before and after dilution	16	5.51	7.48

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK MILLION	NOTE	2023	2022
Earnings for the year		127	74
Other comprehensive income			
Items not to be reversed in the income statement			
Revaluation of defined-benefit pension plans, net after tax		-2	3
Items that may later be reversed in the income statement			
Exchange differences		-45	122
Other comprehensive income attributable to joint venture	35	-2	6
Total other comprehensive income		-49	131
Total comprehensive income for the year		78	205
Attributable to			
Parent Company shareholders		56	186
Non-controlling interests	28	22	19
Total comprehensive income for the year		78	205

Comments on the consolidated income statement

Net sales for the full year totaled SEK 5,757 (4,474) million, which is an increase of 28.7%. The Group's gross profit was SEK 968 (826) million, corresponding to a gross margin of 16.8% (18.5).

Earnings before depreciation and amortization (EBITDA) amounted to SEK 419 (355) million, corresponding to an EBITDA margin of 7.3% (7.9).

Operating earnings (EBIT) totaled SEK 230 (180) million, equating to an operating margin of 4.0% (4.0). Adjusted operating earnings (EBIT) totaled SEK 243 (284) million, equating to an adjusted operating margin of 4.2% (6.3). The operating profit has been adjusted to account for transaction costs of SEK -13 million attributable to the acquisition of Exim. The corresponding period of the previous year was burdened by SEK -104 million, SEK -93 million of which related to costs for closing down Bulten's operations in Russia. Operating earnings were affected by exchange rate fluctuations of SEK -11 (-1) million net when converting working capital at the closing day rate.

The Group's net financial items were SEK -33 (-25) million. Financial income amounted to SEK 41 (2) million and comprises interest income of SEK 13 (2) million and currency gains of SEK 28 (-) million. Financial expenses were SEK -74 (-27) million, mainly comprising interest expenses of SEK -68 (-19) million, of which interest expenses for lease liabilities totaled SEK -12 (-11) million and foreign exchange losses amounted to SEK 0 (2) million. Other financial expenses amount to SEK -6 (-6) million. The Group's profit before tax amounted to SEK 197 (155) million and profit after tax was SEK 127 (74) million. Adjusted profit before tax amounted to SEK 210 (260) million and adjusted profit after tax was SEK 140 (176) million.

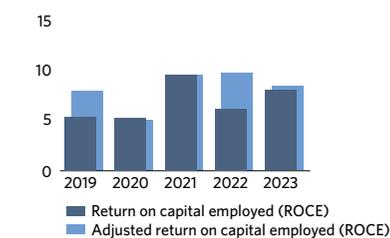
Operating earnings, SEK M



Operating profit amounted to SEK 230 million, which is SEK 50 million higher than the previous year. Adjusted operating profit totaled SEK 243 million.

The operating margin was 4.0% (4.0) for 2023. The adjusted operating margin was 4.2% (6.3) for 2023.

Return on capital employed (ROCE), %



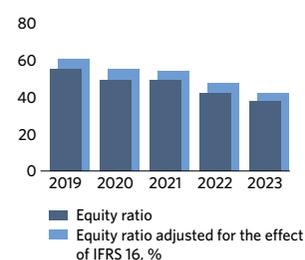
The return on capital employed (ROCE) amounted to 8.1% (6.3). The adjusted return on capital employed (ROCE) came to 8.5% (9.9).

CONSOLIDATED BALANCE SHEET

SEK MILLION	NOTE	12/31/2023	12/31/2022
ASSETS			
Fixed assets			
Intangible fixed assets			
Goodwill	17	568	218
Other intangible fixed assets	17	46	2
Total intangible fixed assets		614	220
Property, plant and equipment			
Land and buildings	18	390	187
Plant and machinery	18	452	378
Equipment, tools, fixtures and fittings	18	89	69
Construction in progress and advances relating to property, plant and equipment	18	116	339
Total property, plant and equipment		1,047	973
Right-of-use assets			
Buildings	19	462	468
Equipment	19	20	18
Total right-of-use assets		482	486
Financial fixed assets			
Investments in joint ventures and associated companies	35	53	65
Other long-term receivables	20, 25	3	2
Total financial fixed assets		56	67
Deferred tax assets	15	37	22
Total fixed assets		2,236	1,768
Current assets			
Inventories	21	1,053	959
Current receivables			
Accounts receivable	22, 25	973	975
Current tax assets		12	1
Other receivables	23	113	76
Prepaid expenses and accrued income	24	125	126
Total current receivables		1,223	1,178
Cash and cash equivalents	25, 36	340	451
Total current assets		2,616	2,588
Total assets		4,852	4,356

SEK MILLION	NOTE	12/31/2023	12/31/2022
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	26	11	11
Other contributed capital	26	1,263	1,263
Other reserves	27	115	160
Profit/loss brought forward		414	365
Equity attributable to Parent Company shareholders		1,803	1,799
Non-controlling interests	28	35	26
Total equity		1,838	1,825
Liabilities			
Non-current liabilities			
Deferred tax liabilities	15	13	14
Provisions for pensions and similar obligations	29	15	16
Interest-bearing lease liabilities	19	442	449
Other interest-bearing liabilities	25, 30, 31	762	400
Total non-current liabilities		1,232	880
Current liabilities			
Interest-bearing lease liabilities	19	64	65
Other interest-bearing liabilities	25, 29, 30, 31	398	447
Accounts payable	25	918	827
Current tax liabilities		46	59
Other liabilities		103	81
Accrued expenses and deferred income	32	251	161
Other provisions	33	2	11
Total current liabilities		1,782	1,651
Total equity and liabilities		4,852	4,356

Equity/assets ratio, %



Comments to the balance sheet

Average working capital amounted to SEK 976 (956) million, which corresponds to 17.0% (21.4) of net sales.

The balance sheet total at year-end was SEK 4,852 (4,356) million. Equity in the Group was SEK 1,838 (1,825) million at the end of the financial year. The equity/assets ratio was 37.9% (41.9). The equity/assets ratio excluding lease liabilities (IFRS 16) amounted to SEK 42.2% (47.5).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

SEK MILLION	NOTE	ATTRIBUTABLE TO PARENT COMPANY SHAREHOLDERS				TOTAL	NON-CONTROLLING INTERESTS	TOTAL EQUITY
		SHARE CONTRIBUTED CAPITAL	OTHER CONTRIBUTED CAPITAL	OTHER RESERVES ¹⁾	PROFIT/LOSS BROUGHT FORWARD			
Opening balance, 1 January 2022		11	1,263	32	354	1,660	27	1,687
Comprehensive income								
Earnings for the year		–	–	–	55	55	19	74
Other comprehensive income								
Items not to be reversed in the income statement								
Revaluation of defined-benefit pension plans, net after tax ²⁾		–	–	–	3	3	–	3
Items that may later be reversed in the income statement								
Exchange differences		–	–	122	–	122	0	122
Other comprehensive income attributable to joint ventures and associated companies	35	–	–	6	–	6	–	6
Total comprehensive income		–	–	128	58	186	19	205
Transactions with shareholders								
Transactions with non-controlling interests		–	–	–	–	–	-20	-20
Dividend to Parent Company shareholders (SEK 2.25 per share)		–	–	–	-47	-47	–	-47
Total transactions with shareholders		–	–	–	-47	-47	-20	-67
Closing balance as of 31 December 2022		11	1,263	160	365	1,799	26	1,825
Comprehensive income								
Earnings for the year		–	–	–	103	103	24	127
Other comprehensive income								
Items not to be reversed in the income statement								
Revaluation of defined-benefit pension plans, net after tax ²⁾		–	–	–	-2	-2	–	-2
Items that may later be reversed in the income statement								
Exchange differences		–	–	-43	–	-43	-2	-45
Other comprehensive income attributable to joint ventures and associated companies	35	–	–	-2	–	-2	–	-2
Total comprehensive income		–	–	-45	101	56	22	78
Transactions with shareholders								
Transactions with non-controlling interests		–	–	–	–	–	-13	-13
Dividend to Parent Company shareholders (SEK 2.50 per share)		–	–	–	-52	-52	–	-52
Total transactions with shareholders		–	–	–	-52	-52	-13	-65
Closing balance as of December 31, 2023		11	1,263	115	414	1,803	35	1,838

1) A specification of Other reserves can be found in Note 27.

2) Tax effects are explained in Note 15.

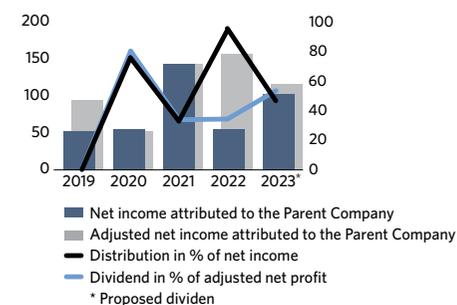
Comments on changes in equity

Net profit for the year of SEK 127 (74) million, other comprehensive income totaling SEK -49 (131) million and transactions with shareholders totaling SEK -65 (-67) million have had an impact on equity.

Dividends to Parent Company shareholders during the year amounted to SEK 52 (47) million, which corresponds to 94.5% (32.9) of the previous year's profit.

Other reserves consist entirely of a translation reserve. The translation reserve covers currency differences that arise as a result of translating the income statements and balance sheets of all Group companies into the Group's reporting currency. During the year, currency translation impacted equity by SEK -47 (128) million.

Dividend as a percentage of net income



CONSOLIDATED CASH FLOW STATEMENT

SEK MILLION	NOTE	2023	2022
Operating activities			
Profit after financial items		197	155
Adjustments for items not included in cash flow	36	154	270
Taxes paid		-107	-44
Cash flow from operating activities before changes in working capital		244	381
Cash flow from changes in working capital			
Increase(-)/Decrease(+) in inventories		-44	-75
Increase(-)/Decrease(+) in operating receivables		7	-297
Increase(+)/Decrease(-) in operating liabilities		146	289
Cash flow from operating activities		353	298
Investing activities			
Acquisition of intangible fixed assets		-2	-0
Acquisition of property, plant and equipment		-148	-267
Divestment of property, plant and equipment		3	1
Acquisition of shares in subsidiaries		-512	-
Cash flow from investing activities		-659	-266
Financing activities			
Change in overdraft facilities and pension liabilities	36	17	12
Borrowing	36	550	283
Repayment of borrowings	36	-214	-
Repayment of lease liabilities	36	-78	-72
Dividend to Parent Company shareholders		-52	-47
Transactions with non-controlling interests		-20	-9
Cash flow from financing activities		203	167
Cash flow for the year		-103	199
Reconciliation of cash and cash equivalents			
Cash and cash equivalents as of beginning of the financial year		451	242
Cash flow for the year		-103	199
Exchange rate difference in cash and cash equivalents		-8	10
Cash and cash equivalents at year-end	36	340	451

CONSOLIDATED NET DEBT COMPOSITION

SEK MILLION	NOTE	12/31/2023	12/31/2022
Long-term interest-bearing liabilities		-1,204	-849
Provision for pensions		-15	-16
Current interest-bearing liabilities		-462	-512
Financial interest-bearing receivables		1	1
Cash and cash equivalents		340	451
Net debt (-)	36	-1,340	-925
Less interest-bearing liabilities attributable to finance leases		506	514
Adjusted net debt (-)		-834	-411

Comments on the cash flow statement

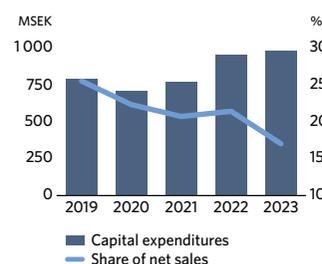
Cash flow from operating activities before changes in working capital totaled SEK 244 (381) million, which equates to 4.2% (8.5) of net sales. The effect on cash flow of the change in working capital amounted to SEK 109 (-83) million. Inventories increased by SEK 93 (84) million, and current receivables increased by SEK 35 (321) million. Current liabilities increased by SEK 194 (287) million. Average working capital corresponds to 17.0% (21.4) of net sales.

Investments in intangible assets and property, plant and equipment amounted to SEK 150 (267) million. Investments of SEK 148 (267) million relate to property, plant and equipment. The corresponding amount for intangible assets is SEK 2 (0) million. Depreciation/amortization amounted to SEK -189 (-175) million. Investment expenses correspond to 2.6% (6.0) of sales.

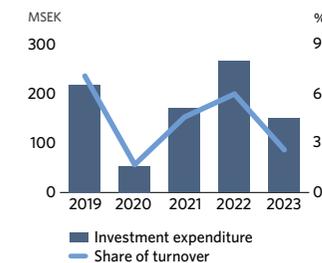
Consolidated cash and cash equivalents amounted to SEK 340 (451) million at year-end. In addition to cash and cash equivalents, the Group also had approved but unused overdraft facilities of SEK 579 (615) million, which means that the Group's liquidity amounted to SEK 919 (1,066) million. Consequently, disposable cash and cash equivalents amounted to 16.0% (23.8) of net sales.

Net debt amounted to SEK -1,340 (-925) million, which is a change of SEK -415 million compared with the previous year. Net debt (excluding lease liabilities) totaled SEK -834 (-411) million, a change of SEK -423 million.

Working capital as a percentage of net sales



Investment expenses as a percentage of net sales



NOTES FOR THE GROUP

All amounts in SEK million unless otherwise stated. Figures in parentheses refer to the previous year. Some figures are rounded, so amounts might not always appear to match when added up.

NOTE 1 GENERAL INFORMATION

Bulten AB (publ) (the Parent Company) with corporate identity number 556668-2141 and its subsidiaries (jointly the Group) manufacture and distribute fasteners.

The Parent Company conducts operations in the legal form of a limited liability company, with its registered office in Göteborg, Sweden. The company's postal address is Bulten AB, Box 9148, 400 93 Gothenburg.

The Group uses the calendar year as the financial year.

This annual report and these consolidated financial statements were approved for publication by the Board on March 26, 2024 and will be presented to the Annual General Meeting of shareholders on April 25, 2024.

NOTE 2 CHANGES DURING THE REPORTING PERIOD

The Group's financial position and profit were affected by the following events and transactions during the reporting period.

Changes in the composition of the Group

The shares in Finnveden Trading AB were merged with Bulten Holding AB in June 2023.

The shares in Bulten Industrifastghet AB were merged with Bulten Hallstahammar AB in November 2023.

The shares in PSM Fasteners Corporation, USA, were merged with Bulten North America LLC, USA, in December 2023.

The shares in Exim & Mfr Holdings Pte Ltd, Singapore, were acquired on August 31, 2023. The purchase sum totaled SEK 525 million. See Note 39.

Other changes during the reporting period

No changes, updates or corrections to accounting policies have been made compared to the previous year.

No other significant changes occurred during the reporting period.

Financial position and profit during the reporting period

A detailed report of the Group's financial position and profit can be found in the Board of Directors' Report.

NOTE 3 SPECIFICATION OF THE GROUP'S HOLDINGS OF PARTICIPATIONS IN GROUP COMPANIES

SUBSIDIARY/CORP. REG. NO./ REGISTERED OFFICE	COUNTRY	PARTICIPATION, % 12/31/2023
Bulten Holding AB, 556224-0894, Gothenburg	Sweden	100.0
Bulten Fasteners AB, 556010-8861, Gothenburg	Sweden	100.0
Bulten Sweden AB, 556078-3648, Gothenburg	Sweden	100.0
Bulten Hallstahammar AB, 556261-2506, Hallstahammar	Sweden	100.0
Bulten Ltd, No. 85664, Edinburgh	United Kingdom	100.0
Bulten Polska S.A., KRS 0000019503, Bielsko-Biala	Poland	100.0
Bulten Invest Sp.z.o.o., KRS 0000690750, Radziejowice	Poland	100.0
Bulten GmbH, HRB 4748, Bergkamen	Germany	100.0
Finnveden Micro Fasteners AB, 556039-4180, Gothenburg	Sweden	100.0
Bulten North America LLC, 3995144, Streetsboro, Ohio	USA	100.0
Ram-Bul LLC, 6325829, Hudson, Ohio	USA	50.0
Bulten Fasteners (Tianjin) Co Ltd, 91120000MA06HY3T4R, Tianjin	China	100.0
Bulten Fasteners (China) Co Ltd, 600041586, Peking	China	100.0
Bulten Romania S.R.L., 42096458, Bukarest	Romania	100.0
Bulten Turkey Bağlantı Malzemeleri Ticaret Limited Şirketi, 256555-5, Istanbul	Turkey	100.0
TensionCam Systems AB, 559196-4738, Gothenburg	Sweden	63.5
Bulten Radium Industries Private Ltd., U25991MH2023PTC408655, Jamnagar	India	51.0

SUBSIDIARY/CORP. REG. NO./ REGISTERED OFFICE	COUNTRY	PARTICIPATION, % 12/31/2023
PSM International Holdings Ltd, 02290856, Pembroke	United Kingdom	100.0
PSM International Fasteners Ltd, 00375564, Pembroke	United Kingdom	100.0
Bulten Fasteners (Wuxi) Co., Ltd, 913202057357161305, Wuxi	China	100.0
Bulten Fasteners (Hong Kong) Ltd, 58999714-000-09-20-7, Kowloon	Hong Kong	100.0
Bulten Taiwan Fasteners Ltd, 33894472, New Taipei City	Taiwan	100.0
Bulten Fastener (Singapore) Pte Ltd, 34230149, Singapore	Singapore	100.0
PSM International Fasteners B.V., 06062804, Amsterdam	The Netherlands	100.0
PSM Celada Fasteners Srl, 04446470157, Milan	Italy	50.0
PSM Fasteners AB, 556264-5670, Järfälla	Sweden	50.0
Japan PSM Company Ltd, 6010801009051, Tokyo	Japan	50.0
PSM-ZJK Fasteners Co., Ltd, 91440300MA5FTN6921, Pingshan District, Shenzhen.	China	51.0
PSM IP Ltd, 1377768, Road Town, Tortola	British Virgin Islands	100.0
Exim & Mfr Holdings Pte Ltd, 199400696E, Singapore	Singapore	100.0
Eksim & Mfg Sdn. Bhd., 199401002543, Kuala Lumpur	Malaysia	100.0
PT Exim & Mfr Indonesia, 8120103890777, Jakarta	Indonesia	100.0

The share of capital in all of the above holdings is equivalent to voting rights.

NOTE 4 SUMMARY OF IMPORTANT ACCOUNTING POLICIES AND DISCLOSURES

The consolidated financial statements have been prepared in accordance with IFRS as adopted by the EU and in accordance with the Council for Financial Reporting Recommendation, RFR 1, Supplementary accounting rules for groups and the Annual Accounts Act. The consolidated financial statements have been prepared in accordance with the cost method.

In addition to these standards, both the Swedish Companies Act and the Annual Accounts Act require certain supplementary disclosures to be made.

The accounting policies applied in the preparation of the consolidated financial statements are disclosed in the respective notes in order to provide a better understanding of the respective accounting field. See the table below for reference to the note in which each significant accounting policy is used and the applicable IFRS standard that is deemed to have significant influence.

ACCOUNTING POLICY	NOTE	IFRS STANDARD
Company acquisitions	4 Consolidated financial statements	IFRS 3
Segment	4 Segment reporting	IFRS 8
Income	6 Income	IFRS 15
Operating expenses	7 Operating expenses	IAS 1, IAS 20
Share-based remuneration	8 Employees, employee benefit expenses and remuneration to the Board	IFRS 2
Financial income and expenses	13 Financial income and expenses	IFRS 9
Income taxes	15 Tax	IAS 12
Earnings per share	16 Earnings per share	IAS 33
Intangible fixed assets	17 Intangible fixed assets	IAS 36, IAS 38
Property, plant and equipment	18 Property, plant and equipment	IAS 16, IAS 36
Right-of-use assets and lease liabilities	19 Leasing	IFRS 16
Inventories	21 Inventories	IAS 2
Accounts receivable	25 Financial instruments by category	IAS 18, IAS 32, IFRS 9, IFRS 7
Accounts payable	25 Financial instruments by category	IAS 32, IAS 37, IFRS 9, IFRS 7
Derivative instruments and hedging instruments	25 Financial instruments by category	IAS 32, IFRS 9, IFRS 7, IFRS 13
Non-controlling interests	28 Non-controlling interests	IFRS 10, IFRS 12
Pensions and similar obligations	29 Provisions for pensions and similar obligations	IAS 19 Revised
Borrowing	30 Interest-bearing liabilities to credit institutions	IAS 32, IAS 37, IFRS 9, IFRS 7
Provisions	33 Other provisions	IAS 28, IAS 37, IFRS 11
Joint venture	35 Holdings in joint ventures and associated companies	IFRS 11, IAS 28, IFRS 12
Cash flow statement	36 Cash flow	IAS 7
Transactions with related parties	38 Transactions with related parties	IAS 24

Important estimates and assessments for accounting purposes

Preparing financial reports in accordance with IFRS requires important accounting estimates to be made. In addition, the management needs to make certain assessments in applying the company's accounting policies. The areas subject to a high degree of assessment or complexity, or areas in which assumptions and estimates are of considerable importance to the consolidated financial statements, are indicated in the following table. The estimates and assumptions are regularly reviewed, and the effect on the carrying amounts is recognized in the income statement.

ESTIMATES AND ASSESSMENTS	NOTE
Recognition of income	6 Income
Assessment of deficit deduction	15 Tax
Impairment test	17 Intangible assets
Leases	19 Right-of-use assets and lease liabilities
Inventory obsolescence	21 Inventories
Transfer of accounts receivable	22 Accounts receivable
Legal risks, claims for compensation	33 Other provisions

Estimates and assessments are evaluated continuously and based on historical experience and other factors, including expectations of future events considered reasonable under the prevailing conditions.

The Group makes estimates and assumptions about the future. The estimates for accounting purposes that result from these assumptions, by definition, seldom equate to the related actual results.

Consolidated financial statements

Subsidiaries

A subsidiary is any company in which the Group has a controlling influence. The Group controls a company when it is exposed to or has the right to variable returns from its holdings in the company and has the ability to affect returns through its influence on the company. Subsidiaries are included in the consolidated financial statements from the day on which controlling influence passes to the Group. They are excluded from the consolidated financial statements from the day on which this controlling influence ceases.

The acquisition method is used for recognizing the Group's acquisition of subsidiaries. The cost of an acquisition comprises the fair value of assets provided as remuneration, equity instruments issued and liabilities that arise or are assumed on the transfer date. In addition, the cost of acquisition includes the fair value of all assets and liabilities arising from any agreement about conditional purchase sums. Costs relating to an acquisition are expensed as they arise. For each acquisition the Group determines whether any non-controlling interest in the acquired business is to be recognized at fair value or using the proportional share of the acquired company's net assets. The amount by which the purchase sum, any non-controlling interest and the fair value on the acquisition date of previous shareholdings exceeds the fair value of the Group's proportion of identifiable acquired net assets is recognized as goodwill. If the cost is less than the fair value of the acquired subsidiary's net assets, the difference is recognized directly in the income statement.

When the Group no longer has a controlling influence, each remaining shareholding is assessed at fair value at the time when the controlling influence is terminated. The change in the carrying amount is recognized in the income statement. Fair value is used as the first carrying amount and forms the basis for the continued recognition of the remaining holding as an associate company, joint venture, or financial asset.

All amounts concerning the divested unit that were previously recognized in other comprehensive income are recognized as if the Group had directly divested the attributable assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified as profit.

Elimination of transactions between Group companies

Intra-group transactions and balance sheet items, as well as unrealized gains on transactions between Group companies, are eliminated. Unrealized losses are also eliminated, unless the transaction is proof of an impairment requirement for the transferred asset. Unrealized gains and losses arising from transactions between the Group and its associated companies and joint ventures are eliminated in relation to the Group's holding in those companies. The accounting policies for subsidiaries, associated companies, and joint ventures have been changed where appropriate to ensure consistent application of the Group's principles.

Translation of foreign currencies

Items in the financial statements for the various Group units are valued in the currency used in the economic environment where each company primarily operates (the functional currency). In the consolidated financial statements the Swedish krona (SEK) is used, which is the Parent Company's functional and reporting currency.

Transactions in foreign currencies are translated into the functional currency at the exchange rates in force on the transaction date. Exchange gains and losses arising from settlement of such transactions and recalculation of monetary assets and liabilities in foreign currencies at the closing day rate are accounted for in the income statement. Exchange gains and losses attributable to loans and cash and cash equivalents are recognized as financial income and expenses respectively. All other exchange gains and losses are recognized as 'Other operating income' or 'Other operating expenses'.

The profit and financial position of all Group companies are translated into the Group's reporting currency. Assets and liabilities are translated at the closing day rate, income and expenses are translated at the average rate and any resulting exchange differences are recognised as a separate portion of equity. Fair value adjustments and goodwill arising from the acquisition of a foreign operation are recognized as assets and liabilities in that operation and are translated at the closing day rate.

When translating amounts in foreign companies, the following exchange rates have been used:

	AVERAGE RATE		CLOSING DAY RATE	
	2023	2022	2023	2022
CNY	1.50	1.50	1.41	1.50
EUR	11.48	10.63	11.10	11.13
GBP	13.20	12.47	12.77	12.58
PLN	2.53	2.27	2.56	2.37
SGD	7.90	7.34	7.60	7.77
TWD	0.34	0.34	0.33	0.34
USD	10.61	10.12	10.04	10.44

Classification

Fixed assets and long-term liabilities essentially consist of amounts expected to be recovered or paid more than 12 months after the balance sheet date. Current assets and current liabilities consist essentially of only those amounts expected to be recovered or paid within 12 months of the balance sheet date.

Non-recurring items

Non-recurring items are recognized separately in the financial statements when this is necessary for explaining the Group's results. Non-recurring items refer to significant income or expense items that are recognized separately because of the importance of their nature or amount.

NOTE 5 RISKS AND RISK MANAGEMENT

Segment recognition

The Group consists of only one reportable segment, Bulten, as it is at this level that the Group's management team has responsibility for the allocation of resources and assesses the business's results.

Operating segments are reported in a way that is consistent with the internal reporting submitted to the highest executive decision-maker. The highest executive decision-maker is the role with responsibility for allocating resources and making assessments of the results of the operating segments. The executive management team of the Group has been identified as having this role.

Standards or amendments to or interpretations of existing standards that came into effect in 2023

The Group has adopted all the relevant new and revised accounting standards and interpretations issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC). No standards, amendments to or interpretations of existing standards that came into effect in 2023 have had any material effect on the Group's reporting.

New standards and interpretations not yet applied by the Group

Other known changes to IFRS and IFRIC that will be applied in the future are not expected to have a material effect on the Group's reporting.

FINANCIAL RISKS

Bulten is exposed to various financial risks in its operations. Examples of these are currency, liquidity, interest rate, credit and capital risks. The Board determines risk management policies. Financial activities in the form of risk management, liquidity management and borrowing are managed for the whole Group by the Parent Company. The Group's overall risk management focuses on the unpredictability of the financial markets, and strives to minimize potential unfavorable effects on the Group's finances.

Currency risk

The Group operates internationally and is exposed to currency risks arising from various currency exposures, primarily for the EUR, PLN, GBP, USD, CNY, TWD, and SGD. Currency risks arise from future business transactions, flow exposures in the form of receipts and disbursements in different currencies, recognized assets and liabilities, the translation of the profit/loss of foreign subsidiaries, and net investments in foreign operations.

Changes in currency exchange rates can also affect the competitiveness of the Group or its customers and, indirectly, Group sales and profit. The Group is exposed to changes in multiple currencies, where fluctuations in EUR have the greatest impact on the Group's profit.

The Group's policy for managing currency risks is focused on transaction-related currency risks. Currency risk are primarily managed by trying to change the operational conditions in the business by getting revenues and costs in currencies other than SEK to match each other. Nevertheless, hedging may be used in special circumstances. Currency flows shall be hedged only if this fulfills criteria for hedge accounting in accordance with IFRS 9. The application of hedge accounting is, however, determined in each individual case when the hedge is established.

If the SEK had weakened by 10% against the EUR with all other variables remaining constant, the improvement in operating profit would be around SEK 83 (79) million. An equivalent weakening against the PLN would adversely affect operating profit by around SEK -34 (-22) million. An equivalent weakening against the GBP would amount to around SEK -5 (-33) million, against the USD to around SEK 47 (47) million, against the CNY to around SEK -21 (-17) million, against the TWD to around SEK -10 (-12) million, and against the SGD to around SEK -9 (0) million. Given current exposure the net effect would have been an improvement in operating profit of around SEK 51 (43) million if the SEK had weakened in value by 10% against the EUR, PLN, GBP, USD, CNY, TWD and SGD. The corresponding effect on equity is around SEK 228 (192) million.

Group currency flows were distributed as follows during the financial year:

CURRENCY*	2023			2022		
	INCOME	EXPENSES	NET EXPOSURE	INCOME	EXPENSES	NET EXPOSURE
SEK	513	-775	-262	401	-584	-183
EUR	3,719	-2,894	825	2,779	-1,990	789
PLN	24	-360	-336	16	-236	-220
GBP	225	-274	-49	151	-477	-326
USD	644	-177	467	544	-75	469
CNY	555	-769	-214	550	-714	-164
RUB	–	–	–	13	-14	-1
TWD	10	-105	-95	13	-131	-118
SGD	56	-146	-90	–	–	–
Others	11	-27	-16	7	-73	-66
Total	5,757	-5,527	230	4,474	-4,294	180

* Expressed in SEK million.

The Group has holdings in foreign businesses whose net assets are exposed to currency changes. Currency exposure arising from the assets in the Group's foreign operations is mainly managed through borrowing in the foreign currencies concerned.

Distribution of financial liabilities per currency:

CURRENCY*	2023			2022		
	INTEREST-BEARING LIABILITIES ¹⁾	ACCOUNTS PAYABLE	TOTAL	INTEREST-BEARING LIABILITIES ¹⁾	ACCOUNTS PAYABLE	TOTAL
SEK	583	72	655	458	56	514
EUR	903	431	1,334	321	356	677
PLN	22	35	57	441	24	465
GBP	9	54	63	10	57	67
USD	84	13	97	94	7	101
CNY	29	289	318	13	302	315
TWD	19	20	39	22	24	46
SGD	12	2	14	–	–	–
Others	2	2	4	0	1	1
Total	1,663	918	2,581	1,359	827	2,186

* Expressed in SEK million.

1) Excluding pensions and similar obligations.

Liquidity risk

Liquidity risk is the risk that a company cannot make its payments due to insufficient liquid assets and/or difficulty in obtaining credit from external lenders. Liquidity risk is managed by the Group holding sufficient cash and cash equivalents and short-term investments with a liquid market and having access to financing through agreed credit facilities. The management closely monitors rolling forecasts for the Group's liquidity reserve, which consists of unused lines of credit and cash and cash equivalents based on expected cash flows. This occurs at two levels in the Group: at a local level in the Group's operating companies and at Group level.

The company is primarily financed through Svenska Handelsbanken via a credit facility totaling SEK 1,300 million. The credit facility runs up until the end of June 2025. There is also a financing agreement with Danske Bank with credit totaling EUR 12 million. In connection with the acquisition of Exim, Bulten has signed a financing agreement with Swedish Export Credit (SEK) for SEK 275 million.

Covenants associated with these credit facilities are presented in more detail in Note 30. All covenant conditions were met during the year. The Group systematically transfers accounts receivable within the framework of a block purchase agreement. The agreement means that the buyer of the accounts receivable assumes the credit risks associated with the receivables. The criteria for not reporting accounts receivable on the balance sheet have been met. The Group is therefore dependent on the buyer's ongoing assessment of customers' creditworthiness.

At the end of 2023 the value of transferred accounts receivable amounted to SEK 68 (70) million. The total capacity of the agreement covering the sale of accounts receivable is SEK 73 (73) million.

At the end of 2023, the available liquidity reserve for the Group amounted to SEK 919 (1,068) million, which corresponds to 16.0% (23.8) of net sales. The Group's policy stipulates that the available resources, namely cash and cash equivalents and available credit, must exceed 5% of net sales, and that the funds available at any time must exceed SEK 100 million. Temporary excess liquidity is placed in investments with short maturities and minimal credit risk, e.g. in bank accounts or short-term bonds issued by Swedish banks or the Swedish state.

The table below analyses the Group's financial liabilities broken down by the time remaining on the balance sheet date up to the contractual maturity date (including any interest payments, where these can be determined). The amounts indicated in the table are the contractual, non-discounted cash flows.

AS OF DECEMBER 31, 2023 (INCLUDING INTEREST PAYMENTS)	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS
Bank loans and overdrafts ¹⁾	408	878	–
Accounts payable and other liabilities	1,320	–	–
Lease liabilities	75	245	261
Total	1,803	1,123	261

1) The company is mainly financed through a financing agreement that amounts to SEK 1,300 million. The credit facility runs up until the end of June 2025.

AS OF DECEMBER 31, 2022 (INCLUDING INTEREST PAYMENTS)	LESS THAN 1 YEAR	BETWEEN 1 AND 5 YEARS	MORE THAN 5 YEARS
Bank loans and overdrafts	454	440	–
Accounts payable and other liabilities	1,319	–	–
Lease liabilities	74	207	286
Total	1,847	647	286

Interest rate risk

The Group's interest rate risk arises from short- and long-term borrowing. Borrowing at variable interest rates exposes the Group to a cash flow interest rate risk, which is partly neutralized by having cash and cash equivalents with variable interest. Borrowing at fixed rates exposes the Group to an interest rate risk relating to fair value.

The Group's policy for managing interest rate risk reflects the rate of change in the Group's financing. In recent years this has meant a short lock-in period. The financial policy stipulates that the fixed term of interest rates for external loans should average six months, with the right to deviate by +/- three months if the market assessment changes. The average fixed-rate term at the end of both 2023 and 2022 for external borrowing was six months.

At the end of the financial year the Group had no financial contracts for changing the interest rate risk in relation to what the existing loan agreements regulate. In 2023 and 2022 Group borrowing with variable interest was in SEK and EUR. If interest rates on borrowing, including lease liabilities, had been 1% higher or lower in 2023 with all other variables remaining constant, profit before tax for the financial year would have been SEK 15 (11) million lower or higher respectively.

Credit risk

Credit risk arises with regard to liquid funds and holdings at banks and financial institutions, as well as credit exposure including outstanding receivables and contracted transactions.

Individual assessments of a customer's creditworthiness and credit risk are made by taking the customer's financial position into account, along with past experience and other factors.

The management does not expect any losses due to default by counterparties in addition to what has been reserved as doubtful receivables; see Note 22.

Capital risk

The Group's objective with regard to the total capital structure is to secure the Group's ability to continue trading so that it can generate returns to shareholders and benefits for other stakeholders, and to maintain an optimal capital structure in order to keep the cost of capital down.

To maintain or adjust the capital structure the Group can choose to change the dividend paid to shareholders, repay capital to shareholders, issue new shares or sell assets to reduce debts.

The executive management systematically monitors refinancing requirements relating to external borrowing with the objective of renegotiating the Group's credit facilities no later than 12 months before the due date. One of the Group's financial targets is to achieve a return on average capital employed above 15%. Average capital employed, defined as equity plus interest-bearing liabilities, amounted to SEK 3,360 (2,894) million in 2024. Return (defined as profit after financial items plus financial expenses) on average capital employed amounted to 8.1% in 2023 and 6.3% in 2022.

The equity/assets ratio amounted to 37.9% as of December 31, 2023 and 41.9% as of December 31, 2022, as shown in the table below.

EQUITY/ASSETS RATIO	2023	2022
Shareholders' equity	1,838	1,825
Balance sheet total	4,852	4,356
Equity/assets ratio, %	37.9	41.9

The debt/equity ratios as of December 31, 2023 and December 31, 2022 were as shown in the table below:

DEBT/EQUITY RATIO	2023	2022
Interest-bearing lease liabilities	-506	-514
Other interest-bearing liabilities	-1,175	-863
Minus: interest-bearing assets	1	1
Minus: cash and cash equivalents	340	451
Net debt (-)	-1,340	-925
Total equity	1,838	1,825
Debt/equity ratio, times	-0.7	-0.5

The debt/equity ratio is calculated as net debt divided by equity, including non-controlling interests. Net debt is calculated as total interest-bearing liabilities (including short-term borrowing and long-term borrowing, and interest-bearing pension liabilities in the consolidated balance sheet) minus cash and cash equivalents and interest-bearing assets. The average interest rate on borrowing liabilities amounted to 4.5% (1.7).

SUSTAINABILITY RISKS

Bulten operates in an industry that has a direct and an indirect impact in the areas that it has identified as important for sustainable business, namely the environment, social responsibility, and corporate governance.

Environmental principles

Within the framework of Bulten's operations both renewable and non-renewable natural resources are used, which could have a negative impact on the environment in the future. Resources such as fossil fuels and coal are classified as non-renewable. Some metals, however, can be reused. Examples of renewable resources are water, wind and solar energy.

Active environmental efforts are conducted by all Group units to ensure that operations are conducted with as small an environmental impact as practicable while being economically viable. Processes are in place to ensure that renewable resources such as water and air will not be adversely affected by, for example, hazardous emissions due to deficient treatment equipment. The main consumption of resources impacting on the environment occurs in the field of energy, where the Group strives to use renewable energy, to recycle, and to implement energy-efficient production processes. To minimize the use of fossil fuels, a central logistics team works to ensure efficient logistics and transport.

Social responsibility

Bulten operates in a global market alongside various interest groups for which public health, welfare and general rights are fundamental values. If imbalances occur in these areas, there is a risk of unrest and conflict, both for the individual and for society at large.

Bulten's ambition is to respond to all interest groups with respect and to demonstrate sound ethics. The Group complies with the UN Global Compact in areas such as human rights, working conditions and anti-corruption. All personnel shall be aware of and follow the code of conduct. Bulten also urges its suppliers, consultants and other business partners to apply the principles. All employees and Board members of Bulten have an individual responsibility to report conflicts of interest, crime or breaches of this code of conduct.

Corporate Governance

Risks exist when activities directly or indirectly fail to comply with applicable laws, rules, policies and society's accepted norms. Corruption occurs in all countries and sectors, although to varying degrees. Bulten runs the risk of being involved in unethical business. Areas deemed to be at particular risk are the sales and purchasing process, and the exercise of authority.

Bulten conducts its business responsibly and efficiently, with a high level of business ethics, good risk management and a sound corporate culture. Governance guidelines and policies serve as the basis for sustainable and long-term business, where the Group's code of conduct provides guidance for all decisions made in the business.

BUSINESS CYCLE AND EXTERNAL RISKS

Market and competitive risk

Bulten operates in a competitive market where customers are affected by macroeconomic factors as well as political decisions. Demand for the Group's products is dependent on demand for the transport of goods and passengers, among other things, which is in turn driven by global trade and economic growth around the world. Bulten operates in the markets for cars, commercial vehicles, consumer electronics, and domestic appliances. The Group's sales are diversified and spread over a number of customers, platforms, models and factory sites, which usually reduces volatility depending on individual fluctuations in demand. The use of production forecasts and close relationships with customers means that the Group is well informed about the customers' production schedules and plans. The business's profit is dependent on the Group's ability to react swiftly to fluctuations in demand for the Group's products and to adapt production levels and operating expenses accordingly. Entry into new markets requires well-prepared plans, processes and local knowledge in which cultural and political aspects are important considerations. Bulten has good experience of entering new markets and geographical areas, which is best achieved by way of partners with better knowledge of the local market.

Legal and political risks

Bulten's business is conducted in several jurisdictions and is subject to the local rules and laws that apply in each jurisdiction as well as general international laws.

Changes in rules, customs regulations and other trade barriers, pricing and currency controls and other public guidelines in countries where Bulten operates may affect the Group's business. The Group is exposed to legal risks as the business is influenced by a large number of commercial and financial agreements with customers, suppliers, employees and other parties, as well as licenses, patents and other intellectual property rights. These are normal legal risks for a business such as the Group's. Bulten is established in markets and in countries where the Group has operated for a limited period. Start-ups, especially in growth countries, may involve unforeseen costs. In some of the countries where the Group now operates, corruption is more prevalent than is the case in, for example, Sweden. Bulten's code of conduct together with the Group's system of internal control with regard to financial reporting, as outlined in the corporate governance report on pages 74–82, provides the basis for an ethical approach to doing business and accurate financial reporting. In some emerging countries, there is also an increased risk of both central and local government decisions being made on political grounds, which may result in a degree of unpredictability in the business. Through collaboration with locally based companies, political risk can be mitigated to some extent. In addition, geopolitical unrest can pose a risk to the company's operations. The Group is addressing such risks through systematic efforts towards risk assessments and, if necessary, the use of external expertise in each identified risk area.

Trends and driving forces

Bulten operates in a competitive, cost-conscious market with high demands on environmental issues, quality, delivery precision, technological development and customer service. Price pressure is a natural aspect of the industry in which Bulten operates. The development of products and materials could change Bulten's competitiveness. The Paris Agreement and the industry's requirements for reduced carbon dioxide impact are other factors affecting Bulten. Through systematic sustainability efforts in which sustainability is an integral part of the company's strategy, we meet the expectations of our customers and other stakeholders.

Bulten is able to offer cost-effective solutions through the FSP concept and close collaboration with the customer. Bulten is always focused on high competence in the specific areas of production, quality, logistics, technology and service. The Group monitors research and development in the industries it operates in, as well as market trends.

Bulten works continuously on creating added value for customers, as well as scope to meet the industry's needs for cost reductions. By conducting its own development in, for example, new applications and sustainable materials with lower carbon dioxide impact, the risk of lost competitiveness is deemed to be lower.

Force majeure

As global warming increases, natural disasters may occur. At the same time, globalization and "Just-in-time" logistics have made global trade more sensitive to disruptions. In recent years, natural disasters and pandemics have occurred that have affected the vehicle industry, but thanks to careful capacity planning and good customer and supplier relations within the industry, production has been able to continue to date.

In major disruptions, impact on Bulten's operation is monitored, and the company enjoys close collaboration with customers and other business partners so as to mitigate the impact as far as possible.

It is hard at this point in time to foresee how the future will develop with regard to geopolitical and macroeconomic factors. Bulten is carefully monitoring the course of events, and is maintaining good flexibility and the ability to adapt its operation to prevailing circumstances.

OPERATIONAL RISKS

Customer dependence

Bulten's customer base includes a large number of OEMs in Western Europe, with some key customers accounting for a large proportion of the Group's sales. Losing the contract of a key customer and falling demand for a customer's product can result in reduced sales and profitability. Underlying agreements with key customers cover a wide range of products and have varying terms and counterparties. Bulten's FSP concept, including the development of products and technologies, production, quality, logistics and service, requires close cooperation with customers. Bulten operates in many different markets as well as in various segments, such as cars, commercial vehicles, consumer electronics and domestic appliances.

Global supply chain

There are various risks inherent within the global supply chain relating to dependence on specific suppliers, raw materials and inputs, logistics and quality. With regard to raw materials and inputs, Bulten's exposure is greatest in relation to the different grades of steel for which price changes can affect the Group's profit. The prices of raw materials are adjusted periodically to reflect current market levels based on price trends over the period. Bulten's supply chain is global, which places great demands on procurement processes, quality assurance and monitoring. Bulten addresses these risks through active and professional efforts with regard to procurement, quality, and logistics, as well as through a global purchasing strategy that is systematically reviewed and updated so as to optimize the Group's procurement, to ensure compliance with codes of conduct, and to ensure that requested volumes are obtained on time, on budget, and at the right level of quality. In the event of material volatility, Bulten is compensated by its customers, partly through agreements or negotiations.

Product liability, warranty and recall

The Group is exposed to product liability and warranty claims in cases where the Group's products cause personal injury or material damage. If a product is defective, the Group may have to participate in a vehicle recall. No significant claims for damages concerning product liability or recalls have occurred. Bulten has insurance covering a certain amount of damages relating to product responsibility and recall. Bulten minimizes risks related to product liability, warranty insurance and damages through extensive testing in the design and development phase as well as in production by way of managed processes and systematic quality, management and control measures.

Suspension of operations and material damage

Damage to production equipment could have a negative impact, both due to direct damage to property and in terms of down time. The effect of such damage to production equipment have been assessed as small. Systematic efforts are underway to improve the Group's forward planning and preventative safety measures. Bulten carries out routine maintenance work on its production equipment. The Group also holds insurance against the suspension of operations and material damage.

Environmental risks

In several jurisdictions, Bulten's business is subject to reporting and permit requirements. All of the Group's production plants are either required to apply for permits or regulated by the environmental laws of the country in which they operate. Bulten has received the permits and agreements required and complies with stipulated safety, reporting and control requirements. In addition, Bulten focuses on activities that reduce both internal and external environmental impacts.

Compliance with laws

Bulten has not been reported for any violation of any legislation and has not been ordered to pay any fines or similar measures in 2023.

IT-related risks

Bulten's operations are dependent on IT systems and hardware that support the management of the Group's production, logistics and order processing. Disruption to a system that supports the above may have a negative impact on the company's production and its ability to fulfill its delivery commitments. Bulten systematically manages IT-related risks through the Group's central IT department. Bulten has well-established procedures for information security and monitoring and control processes (ITGC). Bulten has developed an IT environment that can quickly be replicated in the event of a breakdown.

Sensitivity analysis

Significant factors that affect Group earnings are presented below. The analysis is based on year-end values and the assumption that all other factors remain unchanged.

- Fluctuation in sale prices is the variable with the largest impact on profit. A change of 1% in prices to customers affects profit before tax by SEK 58 (45) million.
- Trends in raw material prices and other direct materials, excluding salaries, affect Bulten's profit. Although a 1% change in raw material prices and other direct materials, excluding salaries, affects profit before tax by SEK 35 (28) million, like other players in this sector, however, Bulten can usually pass higher raw material costs on to its customers to compensate for the higher cost.
- Payroll costs comprise a major share of the Group's expenses. A 1% increase affects pre-tax earnings by SEK 9 (7) million.
- A 1% increase in interest rates on average net debt with variable interest rates affects profit before tax by SEK 15 (11) million. With the exception of the Group's lease liabilities, no portion of the net debt is subject to fixed interest rates.
- For a description of Bulten's exposure to currency fluctuations, see 'Currency risk' on page 95.

NOTE 6 INCOME

The Group manufactures and sells fasteners. Income from product sales is recognized at the point when control of the product is transferred to the customer. This occurs most often once the delivery has been made to the customer and ownership rights have been transferred. Bulten's customers are mainly found in the automotive industries in Europe, Asia and North America.

Income based on geographic location of subsidiaries

The Group receives most of its income from Northern Europe. The table below presents the distribution of the Group's income from external customers based on the geographic location of the subsidiaries.

SEK MILLION	2023	2022
Sweden	1,205	947
Germany	520	392
United Kingdom	2,737	1,989
Poland	55	40
China	861	813
USA	198	190
Other countries	181	103
Total income	5,757	4,474

Income by geographic market

The Group receives most of its income from Northern Europe. The table below presents the distribution of the Group's income from external customers based on the geographic market.

SEK MILLION	2023	2022
Sweden	658	500
Germany	317	293
United Kingdom	1,630	1,154
Poland	48	31
Rest of Europe	1,644	1,209
China	861	827
USA	282	251
Other countries	317	209
Total income	5,757	4,474

Income by customer group

Income is primarily from car manufacturers but also from heavy vehicles as well as other suppliers, so-called Tiers. Other income refers to income from outside of the automotive industry. The table below presents the distribution of the Group's income from external customers.

SEK MILLION	2023	2022
OEM Light vehicles	3,600	2,824
OEM Heavy commercial vehicles	544	418
Suppliers (Tiers)	990	708
Other	623	524
Total income	5,757	4,474

Income distributed between chassis and powertrains

The Group receives most of its income from chassis. Other income refers to income from outside of the automotive industry. The table below shows the Group's income distributed by chassis, powertrains and other.

SEK MILLION	2023	2022
Chassis	4,298	3,302
Powertrains	837	648
Other	622	524
Total income	5,757	4,474

Income distributed by income category

Income comes primarily from in-house production and outsourced production. The table below shows the Group's income distributed by income category.

SEK MILLION	2023	2022
In-house production	3,370	2,566
Outsourced production	2,235	1,795
Other	152	113
Total income	5,757	4,474

The Group's value model

See page 21 for more detailed information on the Group's value model.

The Group's customers

The Group's customers are primarily in the automotive industry. The Group has one external customer that generates income greater than 10% of the Group's sales. Income from this customer amounted to SEK 2,376 (1,585) million, which constitutes 41.3% (35.4) of sales. Underlying customer agreements cover a wide range of products and have varying terms and counterparties.

ACCOUNTING POLICIES

Net sales consist of income from the sale of products and services. In accordance with IFRS 15, revenue recognition occurs when control of the goods/service is transferred to the customer based on a five-step model:

- Identify the contract with the customer
- Identify the various performance commitments in the contract
- Determine the transaction price
- Allocate the transaction price to the various performance commitments
- Recognize revenue once the commitment has been fulfilled

At the start of a customer contract, Bulten determines to what extent the goods and/or services to be delivered constitute a performance commitment or several separate performance commitments. A performance commitment is defined as a distinct promise to provide a product or service. A product or service that has been promised is distinct if both of the following criteria are fulfilled: the customer can use the product or service separately or together with other resources that are available to the customer, and the Group's commitment to transfer the product or service to the customer can be distinguished from other commitments in the agreement.

- When determining the transaction price, which is the compensation that is promised in the agreement, the Group considers potential variable compensation. The transaction price includes variable payments only if it is highly likely that a substantial reversal of the income is not expected to occur for a future period.
- Bulten only receives advance payments from customers to a limited extent. No customer agreements within the Group are considered to include a significant financing component.

Bulten allocates the transaction price for each performance commitment on the basis of an independent sale price. The independent sale price is the price at which the Group would sell the product or service separately to the customer.

Bulten recognizes the income when the Group fulfills a performance commitment by transferring a product or service to a customer, i.e. when the customer takes control of the asset. A performance commitment is fulfilled either over time or by a specific time.

Bulten's income is made up primarily of the sale of goods. Services related to sold goods makes up a limited portion of revenues. The sale of goods is recognized as income when control of the products is transferred to the customer, which normally occurs in conjunction with delivery. Delivery occurs when the goods have been transported to the specific location, the risks of obsolete or lost items have been transferred to the customer, and the customer has either accepted the goods in accordance with the agreement, the time period for objections to the agreement has expired, or the Group has objective proof that all of the criteria for acceptance have been fulfilled. Services are recognized over time. For services that take place over a shorter period of time, the revenues are recognized in practice when the service has been completed.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

Customer contracts exist in which the pricing of goods and services is based on forecast volumes in accordance with customer delivery plans. In periods when unexpected volume changes occur, final remuneration may deviate from the invoiced remuneration. The Group regularly reconciles actual volume figures against delivery plans and adjusts remuneration systematically.

NOTE 7 OPERATING EXPENSES

The Group reports its income statement based on functions.

The key cost items are presented below.

SEK MILLION	2023	2022
Changes in inventories, cost of goods sold	-4,141	-3,113
Costs of payments to employees and the Board of Directors (Note 8)	-854	-703
Depreciation/amortization (Note 10)	-189	-175
Other costs	-340	-230
Total costs for goods sold, sales and administration	-5,524	-4,221

ACCOUNTING POLICIES

The income statement is structured according to function. The functions are as follows:

'Cost of goods sold' refers to costs for goods management and manufacturing costs, including salary and material costs, services bought, costs of premises, and depreciation and impairment of property, plant and equipment used in the procurement and production process.

'Administrative expenses' refers to costs for the boards, executive management teams and corporate functions in the Group, and depreciation and impairment of property, plant and equipment used in the Group's administration functions.

'Selling expenses' refers to costs for the Group's own sales organization, including costs for logistics centers and depreciation and impairment of property, plant and equipment used in the Group's sales organization. Allocations to, or reversals from, the credit reserve for doubtful receivables are also included under 'Selling expenses' in the income statement.

NOTE 8 EMPLOYEES, EMPLOYEE BENEFIT EXPENSES, AND REMUNERATION TO THE BOARD OF DIRECTORS

AVERAGE NUMBER OF EMPLOYEES	NUMBER OF PEOPLE		OF WHOM MEN, %	
	2023	2022	2023	2022
Parent Company	7	8	43	38
Subsidiaries				
Sweden	347	321	78	79
Germany	162	150	79	79
Poland	578	512	80	80
United Kingdom	133	158	70	71
Romania	3	2	67	50
China	282	289	66	68
Hong Kong	1	1	–	–
Taiwan	76	80	70	73
Singapore	49	7	43	43
Indonesia	5	–	40	–
Russia	–	30	–	67
USA	25	17	76	76
Total for subsidiaries	1,661	1,567	75	76
Total average number of employees	1,668	1,575	75	75

GENDER DISTRIBUTION ON THE BOARD AND IN EXECUTIVE MANAGEMENT	NUMBER OF PEOPLE		OF WHOM WOMEN, %	
	2023	2022	2023	2022
Board of Directors	8	8	25	25
Executive management	8	8	50	50

SALARIES, OTHER REMUNERATION, AND SOCIAL SECURITY EXPENSES	SALARIES AND REMUNERATION		SOCIAL SECURITY EXPENSES	
	2023	2022	2023	2022
Parent Company	15	17	9	10
(of which pension cost)	–	–	4	4
Subsidiaries	654	534	176	142
(of which pension cost)	–	–	24	21
Total salaries, other remuneration and social security expenses	669	551	185	152
(of which pension cost)	–	–	28	25

SALARIES AND OTHER REMUNERATION ACCORDING TO COUNTRY AND AMONG MANAGEMENT STAFF AND OTHER EMPLOYEES	MANAGEMENT STAFF ¹⁾		OTHER EMPLOYEES	
	2023	2022	2023	2022
Parent Company in Sweden	7	11	8	6
(of which bonus and similar)	0	2	0	1
Subsidiaries in Sweden	2	3	181	148
(of which bonus and similar)	0	0	0	3
Subsidiaries abroad				
Countries in the EU	9	9	333	266
(of which bonus and similar)	0	1	1	1
Other countries	6	6	122	102
(of which bonus and similar)	0	0	5	5
Total	24	29	645	522
(of which bonus and similar)	1	3	6	10

Pension costs for the Board and the President and CEO amount to SEK 3 (4) million in the Group.

1) Includes current and former Board members and their deputies, the President and CEO of the Parent Company and its subsidiaries.

The Chair of the Board and Board members receive remuneration as approved by the Annual General Meeting. The Annual General Meeting approved remuneration to the Board totaling SEK 2.3 (2.3) million, which was distributed in accordance with the decision of the AGM. The Chair of the Board received remuneration of SEK 0.6 (0.6) million. No Board remuneration is paid to employee representatives.

Remuneration to the President and CEO and other senior executives consists of an annual salary, variable remuneration, other benefits and pension. Senior executives are defined as those individuals who are members of the Group management staff. In 2023, this group encompassed a total of 8 people, including the President and CEO. For the President and CEO and other senior executives, remuneration is proposed by the remuneration committee and adopted by the Board. For the President and CEO, the variable short-term incentive (STI) is no more than 60% of their annual salary and the variable long-term incentive (LTI) is no more than 30% of their annual salary. For other senior executives, the

variable STI is no more than 40% of their annual salary and the variable LTI is no more than 25% of their annual salary.

Variable remuneration is based on performance in relation to established targets. In 2023, the company has followed the applicable remuneration guidelines as adopted by the annual general meeting.

The President and CEO was paid an annual salary of SEK 4.2 (3.9) million for the year. Other senior executives received an annual salary totaling SEK 13.5 (12.6) million for the year.

For 2023, the President and CEO earned variable remuneration of SEK 0.4 (1.4) million. Other senior executives earned variable remuneration in 2023 totaling SEK 0.5 (3.7) million. Senior executives domiciled in Sweden have been offered a defined-contribution pension agreement based on premiums which amount to a maximum of 30% of the fixed annual salary in addition to the pension benefits to which each senior executive is entitled in accordance with the ITP plan. The ordinary retirement age for the President and CEO is 65. The pension cost for the President and CEO is primarily based on a defined-contribution plan and corresponds to 30% of the fixed salary. There are also pension benefits that the President and CEO is entitled to according to the ITP plan. Senior executives domiciled outside of Sweden may be offered pension solutions that are competitive in the country in which the persons are or have been domiciled or to which they have a significant link, primarily defined-contribution solutions. Defined-benefit pension solutions shall always be avoided where possible.

There is a mutual notice period of six months between the company and the President and CEO. Remuneration during the notice period is reduced to account for other income during this period. In the event of termination of employment initiated by the company prior to the President and CEO reaching retirement age, severance pay is equivalent to 12 months of salary. Severance pay is reduced to account for other income during this period. No severance pay is payable once the President and CEO has reached retirement age.

With regard to termination of employment for other senior executives, generally there is a mutual notice period of six months for the company and the employee. Severance pay is payable in addition to salary during the notice period and, together with the fixed salary during the notice period, may amount to a maximum of 6 months of salary.

REMUNERATION TO THE BOARD AND SENIOR EXECUTIVES, SEK MILLION	2023				2022			
	REMUNERATION ¹⁾ / BASIC SALARY	VARIABLE REMUNERATION	OTHER BENEFITS	PENSION	REMUNERATION ¹⁾ / BASIC SALARY	VARIABLE REMUNERATION	OTHER BENEFITS	PENSION
The Group								
The Board								
Ulf Liljedahl	0.6	–	–	–	0.6	–	–	–
Karin Gunnarsson	0.4	–	–	–	0.4	–	–	–
Hans Gustavsson	0.4	–	–	–	0.4	–	–	–
Christina Hallin	0.3	–	–	–	0.3	–	–	–
Hans Peter Havdal	0.3	–	–	–	0.3	–	–	–
Jonas Hård	0.2	–	–	–	–	–	–	–
Peter Karlsten	0.2	–	–	–	0.4	–	–	–
Senior executives								
Anders Nyström, President and CEO	4.2	0.4	0.1	1.3	3.9	1.4	0.1	1.2
Other senior executives ²⁾ , 6 (7)	13.5	0.5	0.6	3.5	12.6	3.7	0.6	3.4

1) Refers to remuneration to the Board and committees.

2) Number on balance sheet date

Individuals domiciled outside Sweden may be offered notice periods and severance pay that are competitive for the country where they are or have been domiciled or with which they have a significant link, although these solutions shall preferably correspond to that which applies to senior executives domiciled in Sweden.

Incentive program 2023 (LTI)

At the Annual General Meeting held on April 25, 2023, a resolution was adopted to extend the variable long-term incentive program (LTI) for another year for approximately 20 senior executives and key employees. Participants in the program will have the opportunity to receive a bonus where the net amount of the bonus, after deductions for taxes, will be used to acquire shares in Bulten AB. The incentive program does not entail any dilution for the company's shareholders if the shares are purchased in full on the stock market.

The program involves the participants being given the opportunity each financial year to obtain a bonus for fulfilling a target set for that year regarding an increase in the company's earnings per share (profit per share) for the financial year compared to the previous financial year. The incentive program runs over one year. The cost of the program for the 2023 financial year is estimated to be a maximum of approximately SEK 11 million, including social security costs. The maximum award is 30% of basic salary for the President and CEO, and 25% for the rest of the executive management. As the performance targets have not been met, no LTI bonus has been issued for the financial year 2023. All of the participants in the program receive shares that are subject to a two-year holding lock.

ACCOUNTING POLICIES

Through the long-term share-based incentive program, the company can give shares to employee. The current incentive program has been designed as cash-settled payment with subsequent requirements to reinvest in shares (see the program description for further details). As a result, the program is deemed to be a cash-settled share-based payment in accordance with the rule in IFRS 2. The fair value of the Group's incentive programs are expensed over the vesting period, which corresponds to the period in which remuneration is earned and the services are performed. The fair value is estimated continuously based on the Group's best assessment of outcome and is recognized as a liability. The assessment of the total remuneration expected to be earned, is based on performance terms provided in the program description. Estimates are reviewed at the end of each reporting period and any discrepancies are recognized in the income statement with a corresponding adjustment to liabilities. In cases where the share-based payment is forfeited because the employee has not satisfied the conditions, the amount previously recognized for these instruments is reversed.

NOTE 9 REMUNERATION TO AND REIMBURSEMENT OF AUDITORS

PWC	2023	2022
Audit engagement	4	4
<i>of which to PricewaterhouseCoopers AB</i>	2	2
Other auditing assignments	0	0
<i>of which to PricewaterhouseCoopers AB</i>	0	0
Tax advice	1	0
<i>of which to PricewaterhouseCoopers AB</i>	1	0
Other services	0	1
<i>of which to PricewaterhouseCoopers AB</i>	0	0
Total	5	5
<i>of which to PricewaterhouseCoopers AB</i>	3	2

“Audit engagement” refers to the examination of the financial statements and accounting records and the Board’s and President and CEO’s administration, other tasks that might be incumbent on the company’s auditors, and advice or other assistance as a result of observations during the audit or the implementation of the other duties referred to. “Auditing activities” in addition to the audit engagement mainly comprises a general examination of interim reports. “Tax advice” includes advice on income tax, including internal pricing issues, and VAT. “Other services” refers to advice not related any of the above categories of services.

NOTE 10 AMORTIZATION/DEPRECIATION OF INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT, AND RIGHT-OF-USE ASSETS

AMORTIZATION/DEPRECIATION ACCORDING TO PLAN DISTRIBUTED BY CLASS OF ASSET	2023	2022
Intangible assets	-2	-1
Property, plant and equipment		
- Buildings	-19	-14
- Plant and machinery	-76	-76
- Equipment, tools, fixtures and fittings	-18	-17
Right-of-use assets		
- Buildings	-64	-58
- Equipment	-10	-9
Total amortization/depreciation	-189	-175

AMORTIZATION/DEPRECIATION ACCORDING TO PLAN BY FUNCTION	2023	2022
Cost of goods sold	-137	-129
Selling expenses	-37	-35
Administrative expenses	-15	-11
Total amortization/depreciation	-189	-175

The assets are primarily machinery and other technical equipment.

NOTE 11 OTHER OPERATING INCOME AND EXPENSES

OTHER OPERATING INCOME	2023	2022
Gain on sale of non-current assets	2	1
Capitalized work for own account	2	–
Gain on sale of land	–	5
Other operating income	5	6
Total other operating income	9	12

OTHER OPERATING EXPENSES	2023	2022
Loss on sale of non-current assets	-0	-0
Exchange losses on receivables/liabilities relating to operations	-11	-1
Wind-up costs relating to the Russian operations	–	-93
Other operating expenses	-3	-3
Total other operating expenses	-14	-97

ACCOUNTING POLICIES

Other operating income and costs relate to secondary activities, such as income from administrative services, exchange rate differences for items relating to operations, and capital gains on the sale of property, plant and equipment. Group profit relating to the sale of subsidiaries or joint ventures are also recognized here if recognition as divested business is not applicable.

NOTE 12 LEASE EXPENSES

	2023	2022
Short-term leases and low-value leases	-7	-5
Amortization	-74	-68
Interest expenses, leasing	-13	-11
Variable lease fees paid	-	-
Total lease expenses	-94	-84

Short-term leases and leases for which the underlying asset is of low value are excepted from being recognized in the balance sheet. Interest expenses for leasing are included in financial expenses.

NOTE 13 FINANCIAL INCOME AND EXPENSES

FINANCIAL INCOME	2023	2022
Interest income	13	2
Exchange rate differences on loans	28	-
Other	0	0
Total financial income	41	2

FINANCIAL EXPENSES	2023	2022
Interest expenses, leasing	-13	-11
Interest expenses, other	-57	-8
Exchange rate differences on loans	-	-2
Other	-6	-6
Total financial expenses	-76	-27

ACCOUNTING POLICIES

Financial income and expenses comprise interest income from bank funds and receivables, interest expenses on borrowing, dividend income and exchange rate differences.

The interest component of lease liabilities and other financial liabilities is entered in the income statement in accordance with the effective interest method, whereby interest is divided so that each accounting period is charged with an amount based on the liability recognized during the period in question. Issue expenses and similar direct transaction costs for raising loans are included in the acquisition cost of the borrowing and are expensed in accordance with the effective interest method.

NOTE 14 EXCHANGE RATE DIFFERENCES AFFECTING PROFIT

	2023	2022
Exchange differences affecting operating profit/loss	-11	-1
Exchange differences on financial items	28	-2
Total exchange rate differences	17	-3

NOTE 15 TAX

REPORTED TAX	2023	2022
Current tax		
Current tax for the year	-91	-93
Current tax related to earlier years	-3	3
Total current tax	-94	-90
Deferred tax expense (-)/ tax income (+)		
Change in deferred tax	24	9
Total deferred tax	24	9
Total reported tax	-70	-81

Income tax relating to components of other comprehensive income amounts to SEK -0.1 (0.2) million and relates entirely to the revaluation of pension plans.

RECONCILIATION OF EFFECTIVE TAX	2023	2022
Profit before tax	197	155
Tax according to applicable tax rate for the Parent Company, 20.6% (20.6%)	-40	-32
Tax effect of:		
Differences in tax rates for foreign subsidiaries	-12	-10
Non-taxable income	4	0
Non-deductible expenses	-13	-30
Deferred tax for previous years' non-recognized temporary differences	3	4
Tax losses for which non-deferred tax is recognized	-2	-12
Utilization of loss carry-forwards not previously recognized	0	0
Adjustment for current tax related to earlier years	-3	3
Revaluation effect of change in tax rate	-	-
Joint ventures and associate companies' profit/loss recognized after tax	0	2
Other	-7	-6
Tax on profit for the year according to the income statement	-70	-81

	DEFERRED TAX ASSET		DEFERRED TAX LIABILITIES	
	12/31/2023	12/31/2022	12/31/2023	12/31/2022
Machinery and equipment	6	1	14	18
Right-of-use assets ¹⁾	6	6	-	-
Inventories	8	7	-	-
Accounts receivable	0	1	-	-
Loss carry-forwards	18	5	-	-
Pensions	5	5	0	-
Other	1	1	6	0
Net recognition of receivables/liabili- ties in the same jurisdiction	-7	-4	-7	-4
Total	37	22	13	14

¹⁾ The gross amount of deferred tax assets (linked to lease liabilities) amounted to SEK 137 million, while deferred tax liabilities (linked to right-of-use assets) amounted to SEK 131 million.

Deferred tax assets are recognized for tax loss carry-forwards to the extent that it is likely that benefit can be derived from them through future taxable surpluses. As of December 31, 2023, the accumulated tax loss carry-forwards amount to SEK 18 (5) million. The Group has also calculated tax loss carry-forwards amounting to SEK 197 (221) million, for which deferred tax assets are not recognized as of December 31, 2023 and of which SEK 110 (132) million is attributable to China and SEK 87 (89) million to the US. Of the total loss carry-forwards of SEK 282 million, SEK 40 million falls due in 2024, SEK 39 million falls due in 2025, SEK 23 million falls due in 2026, SEK 41 million falls due in 2027, SEK 18 million falls due in 2028, SEK 36 million falls due in 2029, and SEK 85 million falls due in 2030 or later.

ACCOUNTING POLICIES

Income taxes consist of current tax and deferred tax. Income taxes are recognized in the income statement except when the underlying transaction is recognized in other comprehensive income or directly in equity. In such cases the tax is also recognized in other comprehensive income or in equity.

Current tax is tax due for payment or receipt during the financial year in question. Adjustments to current tax related to earlier periods is also included in this item. Deferred tax is calculated in accordance with the balance sheet method, based on the temporary differences between the carrying amounts in the consolidated financial statements and the tax base of assets and liabilities. The amounts are calculated based on how the temporary differences are expected to be offset, and by applying the tax rates and tax regulations in effect or publicized on the balance sheet date in the countries where the Parent Company's subsidiaries and associated companies operate and generate taxable income.

Deductible temporary differences are not taken into consideration with respect to consolidated goodwill nor, in normal cases, to differences attributable to participations in subsidiaries that are not expected to be taxed in the foreseeable future. Deferred tax liabilities are not recognized if they arise due to a first recognition of goodwill. Neither is deferred tax recognized if it arises due to a transaction that is attributable to the first recognition of an asset or liability that is not a business acquisition and which, at the time of the transaction, affects neither recognized nor taxable profit. Deferred tax assets are recognized to the extent that it is probable that future taxable surpluses against which the temporary differences may be utilized will be available.

Untaxed reserves including deferred tax liability are reported in legal entities. In the consolidated financial statements, however, untaxed reserves are apportioned between deferred tax liability and equity. Deferred tax assets with respect to deductible temporary differences and loss carry-forwards are recognized only in so far as it is likely that these items will lead to lower tax payments in the future.

Deferred tax assets and liabilities are offset in the balance sheet where there is a legal offset option for current tax receivables and liabilities and where deferred tax receivables and liabilities are attributable to taxes collected by the same tax authority.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The accounting principles describe the conditions for recognizing deferred tax assets as temporary differences. In this context it is important that the executive management consider whether the business will recognize the tax surplus in a near enough time frame for the asset to be balanceable.

In countries where the management believes that the Group can benefit from future lower tax receipts in the near future resulting from existing tax losses, the receipts are recognized as deferred tax assets.

As of December 31, 2023, the management's assessment, based on the current business plans, was that it is probable that a tax surplus will occur in future for the Group's Swedish activities. In Sweden, a deferred tax asset of SEK 14 million was reported as of December 31, 2023, attributable to loss carry-forwards.

At the same time, management determined that the tax losses of a combined SEK 197 (221) million from several overseas operations will not be able to be used within the foreseeable future. Based on this, they are not recognized as a deferred tax asset.

As of December 31, 2023, the Group recognizes a deferred tax asset attributable to loss carry-forwards and other temporary tax differences amounting to SEK 37 (22) million.

NOTE 16 PROFIT PER SHARE

EARNINGS PER SHARE	2023	2022
Profit for the year attributable to shareholders of Bulten AB (publ), SEK million	103	55
Adjusted annual result attributable to shareholders of Bulten AB (publ), SEK million	116	157
Weighted average number of outstanding shares before dilution	20,987,992	20,987,992
Weighted average number of outstanding shares after dilution	20,987,992	20,987,992
Basic earnings per share (SEK) before and after dilution	4.89	2.65
Adjusted earnings in SEK per share before and after dilution	5.51	7.48

ACCOUNTING POLICIES

Basic earnings per share are calculated by dividing profit for the period attributable to the Parent Company's shareholders by the Parent Company's weighted average number of shares outstanding for the financial year. Diluted earnings per share are calculated by dividing the profit for the period attributable to the Parent Company's shareholders by the Parent Company's weighted average number of shares outstanding after dilution.

NOTE 17 INTANGIBLE ASSETS

	12/31/2023			12/31/2022		
	GOODWILL	OTHER INTANGIBLE ASSETS ¹⁾	TOTAL	GOODWILL	OTHER INTANGIBLE ASSETS ¹⁾	TOTAL
Accumulated acquisition cost						
At beginning of year	338	11	349	354	10	364
Business combinations	352	43	395	–	–	–
Acquisitions during the year	–	2	2	–	0	0
Reclassifications during the year	–	0	0	–	1	1
Divestments and disposals	–	-0	-0	-14	-2	-16
Exchange differences during the year	-2	-0	-2	-2	2	0
At year-end	688	56	744	338	11	349
Accumulated depreciation according to plan						
At beginning of year	–	-9	-9	–	-7	-7
Divestments and disposals	–	0	0	–	1	1
Depreciation according to plan for the year	–	-2	-2	–	-1	-1
Exchange differences during the year	–	1	1	–	-2	-2
At year-end	–	-10	-10	–	-9	-9
Accumulated impairment						
At beginning of year	-120	–	-120	-120	–	-120
At year-end	-120	–	-120	-120	–	-120
Recognized value						
At beginning of year	218	2	220	234	3	237
At year-end	568	46	614	218	2	220

1) Relates primarily to license fees and customer relations.

INTANGIBLE FIXED ASSETS BY COUNTRY

	12/31/2023	12/31/2022
Sweden	195	181
Poland	2	2
China	35	37
Singapore	381	–
Others	1	0
Total intangible fixed assets	614	220

Impairment requirement testing for goodwill

Recognized consolidated goodwill amounts to SEK 568 (218) million. The Group carries out an impairment test each year to determine any impairment requirement for goodwill. Goodwill is monitored by management at the respective cash-generating level distributed between Bulten and Exim. The recoverable amounts for Bulten have been determined by calculating the value in use. Calculations are based on estimated future cash flows from financial plans approved by the executive management and cover a period of three years.

Significant assumptions in the financial plans include sales growth, productivity developments and operating margins. These assumptions are determined based on published statistics for the development of the automotive industry, customers' model strategies and their long-term delivery plans as well as the executive management's assessment of the development of Group margins.

The forecasts reflect historical levels, adjusted for expected growth and changes to customer contracts.

Cash flows beyond the three-year period are extrapolated using an estimated growth rate resulting from assumed inflation of 2.0% (2.0). The forecasted cash flow has been calculated in present value with a discount rate before tax for Bulten of 10.9 (9.6) percent and for Exim of 11.7 percent respectively. The discount rate has been determined by calculating a weighted cost of own and borrowed capital.

In both 2023 and 2022 the estimated recoverable amount for Bulten and Exim exceeded the book value, which is why no impairment requirement has been identified.

Alternative calculations have been made by changing the assumptions concerning the required return on equity, growth rate and sustainable operating margin. A change in these individual assumptions of two percentage points would not result in any impairment requirement for goodwill related to Bulten and Exim respectively.

ACCOUNTING POLICIES

Intangible assets

Expenditure on research and development

The Group conducts no research and development of the kind that is to be capitalized as an intangible asset. Expenditure is expensed as it arises. Expenditures for the development of new products and software are recognized as intangible assets if such expenditures will with a high degree of certainty lead to future financial benefits for the company. Intangible assets are depreciated over their estimated useful life.

The rules mean that high requirements are set for expenditure on development to be reported as assets. For example, it must be possible to demonstrate that it is technically possible to complete a new product or software so that it can be used or sold before expenses for its development begin to be reported as an asset.

The group largely conducts direct customer order-related development, this work is of a preparatory nature and is generally carried out before the planned start of production. This development as well as other costs relating to research and development are reported in the income statement when they arise.

Goodwill

Goodwill is the amount by which the cost exceeds the fair value of the Group's proportion of the subsidiary/associated/joint venture company's identifiable net assets upon acquisition. Goodwill upon acquisition of subsidiaries is recognized under intangible assets. Goodwill upon the acquisition of associated companies/joint ventures is included in the value of holdings in associated companies/joint ventures.

Goodwill is tested annually to identify any write-down requirement and is recognized at cost less accumulated impairment. Impairment of goodwill is not reversed. Profit or loss from the sale of a unit includes the remaining carrying amount of the goodwill pertaining to the sold unit.

Goodwill is distributed between cash generating units upon testing to determine any impairment requirement. For business combinations where the cost is less than the net fair value of the acquired assets and assumed liabilities and contingent liabilities, the difference is recognized directly in the income statement.

Other intangible assets

Other intangible assets acquired by the Group are recognized at cost of acquisition less accumulated amortization and impairment. Expenditure for internally generated goodwill and trademarks is recognized in the income statement as an expense as it is incurred. The Group's intangible assets include acquired software licenses, which are set up as assets on the basis of expenditure arising when the software in question was acquired and started up. The expenditure is capitalized to the extent that the probable economic benefits exceed the expenditures.

Amortization

Amortization according to plan is based on the original purchase cost less any residual value. Amortization is applied on a straight-line basis over the useful life of the asset and is accounted for as an expense in the income statement. Amortization takes place as of the accounting period in which the asset becomes available for use. Amortization for intangible assets is five years.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The impairment requirement for goodwill is assessed annually, or more frequently if needed, by calculating the recoverable amount. The recoverable amount is the greater of the asset's net selling price and its value in use. If the calculated value is less than the carrying amount, an impairment is made to the asset's recoverable amount. To determine the value in use, estimated future cash flows are used, which are based on internal business plans and forecasts. Although the executive management believes that the estimated future cash flows are reasonable, different assumptions regarding such cash flows could affect valuations substantially. In assessing the goodwill value of SEK 568 (218) million as at the end of 2023 and 2022, no impairment requirement was identified.

NOTE 18 PROPERTY, PLANT AND EQUIPMENT

	12/31/2023					12/31/2022				
	LAND AND BUILDINGS ¹⁾	PLANT AND MACHINERY	EQUIPMENT, TOOLS, FIXTURES AND FITTINGS	CONSTRUCTION IN PROGRESS AND ADVANCES	TOTAL ¹⁾	LAND AND BUILDINGS ¹⁾	PLANT AND MACHINERY	EQUIPMENT, TOOLS, FIXTURES AND FITTINGS	CONSTRUCTION IN PROGRESS AND ADVANCES	TOTAL ¹⁾
Accumulated acquisition cost										
At beginning of year	268	1,036	162	339	1,805	258	987	151	128	1,524
Business combinations	2	–	5	–	7	–	–	–	–	–
Acquisitions during the year	7	3	19	150	179	11	6	12	246	275
Reclassifications during the year	209	168	15	-392	–	4	34	5	-43	–
Divestments and disposals	-0	-113	-15	-2	-130	-10	-44	-18	-1	-73
Exchange differences during the year	4	28	0	21	53	5	53	12	9	79
At year-end	490	1,122	186	116	1,914	268	1,036	162	339	1,805
Accumulated depreciation according to plan										
At beginning of year	-81	-614	-93	–	-788	-69	-514	-80	–	-663
Reclassifications during the year	–	–	–	–	–	–	–	–	–	–
Divestments and disposals	0	89	15	–	104	3	18	14	–	35
Depreciation according to plan for the year	-19	-76	-18	–	-113	-14	-76	-17	–	-107
Exchange differences during the year	-0	-25	-1	–	-26	-1	-42	-10	–	-53
At year-end	-100	-626	-97	–	-823	-81	-614	-93	–	-788
Accumulated impairment										
At beginning of year	–	-44	–	–	-44	–	-44	–	–	-44
At year-end	–	-44	–	–	-44	–	-44	–	–	-44
Recognized value										
At beginning of year	187	378	69	339	973	189	429	71	128	817
At year-end	390	452	89	116	1,047	187	378	69	339	973

1) Of which land, SEK 56 (52) million.

PROPERTY, PLANT AND EQUIPMENT BY COUNTRY

	12/31/2023	12/31/2022
Sweden	257	243
Germany	108	96
United Kingdom	6	21
Poland	514	465
China	91	105
USA	50	28
Taiwan	13	15
Singapore	5	0
Others	3	0
Total property, plant and equipment	1,047	973

ACCOUNTING POLICIES

Tangible fixed assets are recognized as assets in the balance sheet when, on the basis of available information, it is likely that the future economic benefit associated with its possession will accrue to the Group, and the cost of the asset can be reliably calculated. Property, plant and equipment are recognized at their cost of acquisition less accumulated depreciation and any impairments. Land is not subject to depreciation.

The cost includes the purchase price and costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended. Also included are estimated costs for dismantling and removing the assets, as well as restoring the site or area where such costs are generated.

The cost of acquisition of fixed assets manufactured in-house includes expenses for materials, remuneration to employees, direct manufacturing costs and the cost of borrowing where a substantial period of time is needed to prepare the asset for its intended use.

Subsequent costs are added to an asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the asset will pass to the Group and the cost of acquisition of the asset can be measured reliably. The carrying amount for the replaced part is derecognized from the balance sheet. All other repairs and maintenance are expensed in the income statement in the period in which they arise.

The carrying amount for a tangible fixed asset is derecognized from the balance sheet on scrapping or sale or when no future economic benefits are expected from its use. The net financial gain or loss from the sale or scrapping comprises the selling price and carrying amount of the asset less direct selling expenses. This is recognized as other operating income/expense.

Principles for depreciating property, plant and equipment

Depreciation according to plan is based on the original purchase cost less estimated residual value. Depreciation is carried out on a straight-line basis over the estimated useful life of the asset. The following depreciation periods are applied:

ACQUIRED PROPERTY, PLANT AND EQUIPMENT	NUMBER OF YEARS
Buildings	15 to 40
Plant and machinery	5 to 14
Equipment, tools, fixtures and fittings	3 to 10

Impairment

Assets which are depreciated/mortised are assessed in terms of decrease in value whenever an event or a change in circumstances indicates that the carrying amount may not be recoverable. Impairment is carried out for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount of an asset is the higher of its fair value less selling expenses, and value in use. On determining the write-down requirement, assets are grouped at the lowest levels at which there are separate, identifiable cash flows (cash generating units).

NOTE 19 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

	12/31/2023			12/31/2022		
	BUILDINGS	EQUIPMENT	TOTAL	BUILDINGS	EQUIPMENT	TOTAL
Accumulated acquisition cost						
At beginning of year	656	40	696	432	36	468
Business combinations	2	1	3	–	–	–
Acquisitions during the year	31	10	41	84	7	91
Reclassifications during the year	21	2	23	124	2	126
Divestments and disposals	-40	-12	-52	-19	-6	-25
Exchange differences during the year	3	-0	3	35	1	36
At year-end	673	41	714	656	40	696
Accumulated depreciation according to plan						
At beginning of year	-188	-22	-210	-137	-18	-155
Divestments and disposals	40	12	52	19	6	25
Depreciation according to plan for the year	-64	-11	-75	-58	-9	-67
Exchange differences during the year	1	0	1	-12	-1	-13
At year-end	-211	-21	-232	-188	-22	-210
Recognized value						
At beginning of year	468	18	486	295	18	313
At year-end	462	20	482	468	18	486

RIGHT-OF-USE ASSETS PER COUNTRY

	12/31/2023	12/31/2022
Sweden	33	29
Germany	217	234
United Kingdom	15	20
Poland	87	89
China	29	11
USA	71	82
Taiwan	17	20
Singapore	11	1
Other countries	2	0
Total right-of-use assets	482	486

LEASE LIABILITIES

	12/31/2023	12/31/2022
Long-term interest-bearing lease liabilities	442	449
Current interest-bearing lease liabilities	64	65
Total interest-bearing lease liabilities	506	514

Lease expenses, see Note 12.

CASH OUTFLOW FOR LEASES

Total cash outflow for leases in 2023 amounts to SEK 95 (86) million.

ACCOUNTING POLICIES*The Group as lessee*

The Group's leases primarily comprise right-of-use assets regarding premises and equipment. The leases are recognized as right-of-use assets equating to a lease liability on the day the leased asset becomes available for use by the Group. Short-term leases and leases for which the underlying asset is of low value are excepted.

Each lease payment is distributed between repayment of lease liability and financial expense. The financial expense shall be distributed over the term of the lease so that each accounting period is charged with an amount corresponding to a fixed rate of interest for the liability recognized in the respective period.

The lease period is established as the non-terminable period together with both periods covered by an opportunity to extend the lease if the lessee is reasonably certain to utilize that option, and periods covered by an opportunity to terminate the lease if the lessee is reasonably certain not to utilize that option.

The Group's lease liabilities are entered at the present value of the Group's fixed fees (including fees which are substantially fixed). Call options are included in the fees if it is reasonably certain that these will be utilized to acquire the underlying asset. Penalty fees which are charged on termination of the lease are included if the lease period reflects the fact that the lessee will utilize an opportunity to terminate the lease. Lease payments that will be made for reasonably certain extension options are also included in the valuation of the liability.

The lease payments are discounted by the lease's imputed rate of interest if this interest rate can easily be established, otherwise the Group's incremental borrowing rate is used. The Group determines the incremental borrowing rate on the basis of the base interest rate for each currency and the term, plus the Group's borrowing margin for each class of asset. The weighted average incremental borrowing rate for the company's leases amounted to 2.29% (2.13). The Group is exposed to any future increases in lease payments based on an index or interest rate that are not part of the lease liability until they come into effect. When adjustments to lease payments based on an index or interest rate come into effect, the lease liability is revalued and adjusted against the right-of-use asset.

The Group's right-of-use assets are recognized at cost and initially include the present value of the lease liability, adjusted for lease fees paid on or before the start date, as well as initial direct costs.

Principles for depreciating right-of-use assets

The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the length of the lease. Depreciation according to plan is based on original acquisition values.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

Options to extend and terminate agreements are included in a number of the Group's leases for buildings and equipment. The great majority of the options to extend and terminate agreements can only be utilized by the Group and not by the lessors. Once the length of the lease has been determined, the management team considers all the available information that provides an economic incentive to utilize an option to extend, or not to utilize an option to terminate an agreement. Opportunities to extend an agreement are only included in the length of the lease if it is reasonably certain that the agreement will be extended (or not be terminated).

NOTE 20 OTHER LONG-TERM RECEIVABLES

ACCUMULATED ACQUISITION COST	12/31/2023	12/31/2022
At beginning of year	2	4
Repayments, less receivables	-0	-1
Other additional receivables	1	0
Reclassification	-0	-1
Translation differences	-0	0
Carrying amount at year-end	3	2

NOTE 21 INVENTORIES

	12/31/2023	12/31/2022
Raw materials and consumables	101	80
Products in progress	232	189
Finished products and goods for resale	720	690
Total inventories	1,053	959

The cost of inventories that have been expensed is included in the item 'Cost of goods sold'.

Impairment for the year of inventories at their net selling price amounts to SEK 34 (23) million. The impairment has been recognized in the income statement as the cost of goods sold. During the year, the Group reversed SEK -24 (-23) million of previous impairments of inventories. The amount is included in the cost of goods sold. The total reserve for obsolescence at year-end was SEK 85 (75) million.

ACCOUNTING POLICIES

Inventories are stated at the lower of cost and net selling price. The cost of acquisition is calculated by applying the first-in, first-out principle (FIFO) and includes costs arising upon acquisition of the inventory assets, transport to their current location and bringing them to their current condition. Net selling price is the estimated sales price in the ordinary course of business, less estimated costs for completing and bringing about a sale.

Valuation takes into account the risk of obsolescence. For manufactured goods and work in progress, the cost includes a reasonable proportion of indirect production costs. Valuation has taken into account normal capacity utilization.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The Group is reporting a total inventory value of SEK 1,053 (959) million. An obsolescence reserve is recognized if the estimated net selling price is lower than the cost of acquisition, and in connection therewith, the Group makes estimates and assumptions regarding, among other things, future market conditions and estimated net selling prices. The risk of obsolescence arises especially in periods when there is an unexpected drop in demand. Additionally, obsolescence can occur if the Group is not successful in adjusting inventory levels in conjunction with customers phasing out vehicle models from their production.

NOTE 22 ACCOUNTS RECEIVABLE

ACCOUNTS RECEIVABLE	12/31/2023	12/31/2022
Accounts receivable	975	980
Minus credit reserve	-2	-5
Total accounts receivable	973	975

Accounts receivable are amounts collectible from customers from the sale of the Group's products and services. In the event that these are expected to be settled more than 12 months after the balance sheet date, they are classified as Other long-term receivables.

Accounts receivable are recognized initially at the transaction price. The Group holds accounts receivables in order to collect contractual cash flows and values them at amortized using the effective interest method at subsequent reporting times.

Carrying amounts for each currency for the Group's accounts receivable are as follows:

ACCOUNTS RECEIVABLE FOR EACH CURRENCY	12/31/2023	12/31/2022
SEK	79	71
EUR	407	436
USD	210	197
GBP	35	32
PLN	2	1
CNY	180	189
Others	60	49
Total accounts receivable	973	975

Assessed impairment of accounts receivable

For accounts receivable, the Group applies the simplified approach to a credit reserve for doubtful receivables, i.e. the reserve will correspond to the expected loss over the entire lifespan of the accounts receivable. In order to measure the expected credit losses, the accounts receivables have been grouped based on their external credit rating or the payment history of the counterparty. Expected credit losses are listed in the Group's report of the comprehensive income under the item Selling expenses. Accounts receivable and current receivables are written off when there is no reasonable expectation of repayment.

These customers normally pay on the agreed due date and the Group has a history of very low credit losses. Losses on accounts receivable in relation to the Group's net sales amounted to 0.00% (0.00) in 2023.

AGE ANALYSIS, ACCOUNTS RECEIVABLE	12/31/2023	12/31/2022
Less than 3 months	87	98
3 to 6 months	6	2
More than 6 months	10	12
Total accounts receivable due	103	112

CHANGE IN CREDIT RESERVE	12/31/2023	12/31/2022
At beginning of year	-5	-5
Change in credit reserve	-0	-3
Receivables written off during the year as non-recoverable	3	4
Reversal of unutilized amounts	0	0
Exchange differences during the year	-0	-1
At year-end	-2	-5

Other categories of current receivables, i.e. 'Prepaid expenses and accrued income' and 'Other receivables' do not include any assets that have an impairment requirement or anticipated future loss risks. The same applies for 'Other long-term receivables'. The maximum exposure to credit risk as of the balance sheet date is the fair value of each category of receivables mentioned above. For all these categories of receivables the fair value is essentially considered to correspond to the book value.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The Group regularly transfers parts of outstanding accounts receivable to a third party. The divestments are based on framework agreements and conditions that, as a whole, have been assessed to mean that the risks and benefits associated with the accounts receivable are, essentially, transferred to the buyer based on a test in accordance with IFRS 9 - Financial Instruments. As of December 31, 2023, the value of transferred accounts receivable amounted to SEK 68 (70) million.

NOTE 23 OTHER RECEIVABLES

	12/31/2023	12/31/2022
Receivable attributable to VAT	98	60
Other receivables	15	16
Total other receivables	113	76

NOTE 24 PREPAID EXPENSES AND ACCRUED INCOME

	12/31/2023	12/31/2022
Prepaid rent	0	2
Prepaid licenses	5	2
Prepaid insurance	7	5
Other prepaid expenses	14	14
Other accrued income	99	103
Total prepaid expenses and accrued income	125	126

NOTE 25 FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets

The Group classifies its financial instruments in the following categories: financial assets valued at fair value either via the income statement or other comprehensive income or financial assets valued at amortized cost. The classification of investments in debt instruments depends on the Group's business model for handling financial assets and the contractual terms for the cash flow of the assets. The management determines the classification of financial assets upon their first recognition. The Group only has financial assets in the amortized cost category.

Financial assets at amortized cost

Assets that are held for the purposes of collecting contractual cash flows, and where the cash flows only constitute capital amounts and interest are valued at amortized cost. They are included under current assets, with the exception of items maturing more than 12 months after the balance sheet date, which are classified as non-current assets. Interest income from these financial assets is recognized using the effective interest method and are included in financial income. The Group's financial assets that are valued at amortized cost are made up of the items accounts receivable, other long-term receivables, and cash and cash equivalents.

FINANCIAL ASSETS	AMORTIZED COST 12/31/2023	AMORTIZED COST 12/31/2022
Other long-term receivables	3	2
Accounts receivable	973	975
Cash and cash equivalents	340	451
Total	1,316	1,428

Investments in joint ventures and associated companies, see Note 35.

ACCOUNTING POLICIES

Purchases and sales of financial assets are taken up on the trade date, i.e. the date on which the Group undertakes to buy or sell the asset. Financial assets are derecognized from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has transferred virtually all risks and rewards associated with ownership. Financial assets are initially valued at the fair value plus, in those cases where the asset has not been recognized at fair value via the income statement, transaction costs directly attributable to the purchase. After the acquisition period, they are reported at the accrued cost by applying the effective interest method.

Financial assets and liabilities are offset and reported on a net basis in the balance sheet when a legal right to offset the carrying amounts exists and there is an intention to settle them on a net basis or to simultaneously realize the asset and settle the debt. The legal right must not be dependent on future events and it must be legally binding for the company and counterparty, both during normal business activities and in the event of order cancellation, insolvency or bankruptcy.

The Group assesses the future anticipated credit losses that are connected to assets recognized at amortized cost. The Group recognizes a credit reserve for anticipated credit losses at each reporting date. The loss provisions regarding financial assets are based on assumptions of the risk of bankruptcy and anticipated losses. The Group makes its own assessments of the assumptions and choices regarding input data for calculating the impairment. These are based on history, known market conditions and forward-looking estimates at the end of each reporting period. For assessment of the credit reserve for accounts receivable, see Note 22.

Financial liabilities

The Group classifies its financial liabilities in the categories of: liabilities valued at amortized cost and derivative instruments. Financial liabilities are distributed in the balance sheet using the following amounts:

FINANCIAL LIABILITIES	AMORTIZED COST 12/31/2023	AMORTIZED COST 12/31/2022
Long-term interest-bearing liabilities	1,204	849
Current interest-bearing liabilities	462	512
Accounts payable	918	827
Total	2,584	2,188

ACCOUNTING POLICIES

Interest-bearing liabilities

The accounting policies for other interest-bearing liabilities are presented in Note 30, Interest-bearing liabilities to credit institutions, and Note 19, Right-of-use assets and lease liabilities.

Accounts payable

Accounts payable are obligations to pay for goods or services acquired from suppliers in the ordinary course of business. Accounts payable are classified as current liabilities if they fall due within one year or earlier. If not, they are recognized as non-current liabilities.

Derivative instruments and hedging instruments

At the end of 2023 and 2022, the Group had no derivative contracts.

Fair value

In the event that fair value deviates from the book value, information about fair value is presented in the relevant note. There were no financial assets and liabilities recognized at fair value on the balance sheet dates in 2023 and 2022.

NOTE 26 SHARE CAPITAL AND OTHER CONTRIBUTED CAPITAL

	ORDINARY SHARES	TOTAL NUMBER OF SHARES
Number of shares outstanding as of December 31, 2022	20,987,992	20,987,992
Number of shares outstanding as of December 31, 2023	20,987,992	20,987,992

The total number of ordinary shares as of 31 December 2023 amounts to 21,040,207. The quotient value per share is SEK 0.50. All issued shares are fully paid up. As of December 31, 2023, Bulten AB has 52,215 shares in its own custody.

ACCOUNTING POLICIES

Equity is divided between capital attributable to Parent Company shareholders and non-controlling interests. Value transfers in the form of e.g. dividends from the Parent Company and the Group shall be based upon the Board's established statement on the proposed dividend. This statement has to take into account the legal precautionary rules to avoid dividends greater than what financial coverage exists for.

Share capital

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares or warrants are recognized net after tax in equity as a deduction from the issue settlement. When financial liabilities are eliminated through the repayment of part or all of the loan being through issued shares, the shares are valued at fair value and the difference between this value and the book value of the loan is recognized in the income statement. In the event that the lender is, directly or indirectly, a shareholder and acts as a shareholder, the issued amount corresponds to the book value of the financial liability which is thereby eliminated (so-called set-off issue). In this way, there is no gain or loss to recognize in the income statement.

Other contributed capital

Refers to equity contributed by the owners.

NOTE 27 OTHER RESERVES

	TRANSLATION RESERVE	
	2023	2022
Opening balance	160	32
Exchange differences	-43	122
Other comprehensive income attributable to joint venture	-2	6
Closing balance	115	160

ACCOUNTING POLICIES

Translation reserve

The translation reserve covers currency differences that arise as a result of translating the income statements and balance sheets of all Group companies into the Group's reporting currency.

NOTE 28 NON-CONTROLLING INTERESTS

The following tables present summarized financial information for subsidiaries that have non-controlling interests and that are essential to the Group. Information is shown for PSM-ZJK Fasteners Co., Ltd, Bulten Radium Industries Private Ltd, and TensionCam Systems AB.

SUMMARIZED INCOME STATEMENT	2023	2022
Profit/loss items		
Income	248	208
Profit after tax	50	37
Other comprehensive income		
Exchange differences	-4	14
Total comprehensive income	46	51
Attributable to		
Parent Company shareholders	23	32
Non-controlling interests	23	19
Total comprehensive income	46	51

SUMMARIZED BALANCE SHEET	12/31/2023	12/31/2022
Assets		
Fixed assets	11	3
Current assets	179	153
Total assets	190	156
Liabilities		
Non-current liabilities	0	-
Current liabilities	116	104
Total liabilities	116	104
Net assets	74	52
Total net assets attributable to non-controlling interests	35	26

SUMMARIZED CASH FLOW	2023	2022
Cash flow from operating activities	55	41
Cash flow from investing activities	-2	-0
Cash flow from financing activities	-28	-21
Cash flow for the year	25	20

ACCOUNTING POLICIES

Non-controlling interests

The Group applies the principle of treating transactions with non-controlling interests as transactions with the Group's shareholders. For purchases from non-controlling interests, the difference between the compensation paid and the actual acquired share of the carrying amount of the subsidiary's net assets is recognized in equity. Gains and losses on divestments to non-controlling interests are also recognized in equity.

NOTE 29 PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Remuneration to employees after completed employment is chiefly made through payments to insurance companies or authorities that thereby assume the obligations towards the employees: These schemes are known as defined contribution pensions. The largest defined benefit plans are in Sweden (FPG/PRI). With defined benefit pensions, the company's costs and the value of the remaining obligation are measured using actuarial calculations which aim to determine the present value of obligations issued. Interest is classified as a financial expense. Other cost items are distributed among operating profit/loss under cost of goods sold, selling expenses or administrative expenses depending on the employee's function. The Group also has pension obligations of SEK 7 (10) million secured through capital insurance, which means that any changes in pension obligations will be fully compensated through equivalent changes in the value of the capital insurance. Pension commitments are recognized as contingent liabilities and capital insurance as pledged assets.

DEFINED-BENEFIT PENSION PLANS AND SIMILAR OBLIGATIONS	12/31/2023	12/31/2023
FPG/PRI	6	7
Other retirement pensions in Swedish companies	1	1
Retirement pensions in foreign companies	5	6
Other long-term remuneration to employees	5	4
Total defined-benefit pension plans and similar obligations	17	18

Pension obligations relating to defined benefit pension plans are valued based on the assumptions shown in the table below.

PENSION COMMITMENTS	SWEDEN	
	2023	2022
Discount rate, %	4.0	3.6
Inflation, %	1.6	2.0

There is no further vesting in the defined-benefit system in Sweden. Consequently, the Group's pension commitment is based on an unchanged rate of pay increase. The discount rate is determined based on the market rate as of the balance sheet date for housing bonds in Sweden.

Risk exposure and sensitivity analysis

The liabilities of defined-benefit pension plans are determined using a discount rate based on mortgage bonds with a duration corresponding to the average remaining term of the obligation (six years). A reduction in the interest rate on corporate bonds of 0.5 percentage points will mean an increase of SEK 0.2 million in the liabilities of the plan. Since the plans are unfunded, a reduced bond rate would increase liabilities without a corresponding increase in the value of plan assets.

DEFINED-BENEFIT OBLIGATIONS AND THE VALUE OF PLAN ASSETS	12/31/2023	12/31/2022
Present value of defined-benefit obligations	19	20
Fair value of plan assets	-2	-2
The Group's net obligation in respect of defined-benefit pension plans	17	18
- of which, provisions for pensions	15	16
- of which, current interest-bearing liabilities	2	2

RECONCILIATION OF NET OBLIGATION RELATING TO DEFINED-BENEFIT OBLIGATIONS	12/31/2023	12/31/2022
Opening net debt	18	22
Acquired pension provision	-	-
Pension expense (+)/income (-) for the period	1	2
Pension payments	-4	-3
Revaluation effect of changed assumptions after tax	2	-3
Translation difference	0	0
Closing net debt	17	18

SPECIFICATION OF TOTAL COSTS FOR REMUNERATION AFTER COMPLETED EMPLOYMENT AS RECOGNIZED IN THE INCOME STATEMENT	2023	2022
Costs relating to defined-benefit plans		
Costs for service during current year	-1	-1
Interest expenses	0	0
Total costs relating to defined-benefit plans	-1	-1
Costs relating to defined contribution plans	-26	-23
Total costs recognized in the income statement	-27	-24
Revaluation effect recognized in 'Other comprehensive income' (after tax)	-2	3
ASSETS PLEDGED FOR PENSION COMMITMENTS	12/31/2023	12/31/2022
Capital insurance – Direct pensions ¹⁾	9	11
Total	9	11
Amount by which provision item is expected to be paid after more than 12 months	4	6

1) Pension obligations are secured by way of capital insurance, which means that any changes to the pension obligation will be fully compensated by a corresponding change in value of the capital insurance. Both pension commitments and the capital insurance are recognized in Note 33.

ACCOUNTING POLICIES

Pension obligations

The Group's companies have different pension systems in accordance with local terms and generally accepted practice in the countries where they operate.

The predominant form of pension is a defined-contribution plan. These plans mean that the company reconciles its commitment systematically by way of payments to insurance companies or pension funds.

However, pension plans based on an agreed future pension entitlement, known as defined-benefit pension plans, mean that the company has a liability that extends further and where, for example, assumptions regarding the future affect the company's reported cost. The Group's net obligation is calculated separately for each plan by estimating the future remuneration the employees have earned through their employment both in current and previous periods; this remuneration is discounted to a present value.

The liability recognized in the balance sheet for defined-benefit pension plans is the present value of the defined-benefit obligation at the end of the reporting period less the fair value of plan assets. The defined-benefit obligation is calculated annually by independent actuaries using what is known as the projected unit credit method.

The present value of the defined-benefit obligation is determined by discounting estimated future cash flows using the interest rates of high-quality corporate bonds denominated in the same currency as that in which the remuneration will be paid and with maturities comparable to the current pension obligation.

Actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions are recognized in 'Other comprehensive income' in the period in which they arise.

Costs for service in earlier periods are recognized directly in the income statement.

Remuneration upon termination of employment

Remuneration upon termination of employment is payable when an employment relationship is terminated by the Group before the normal retirement age or when an employee accepts voluntary redundancy in exchange for such remuneration. The Group recognizes severance pay when it is demonstrably obliged either to terminate employees as part of a detailed formal plan without any possibility of revocation or to provide remuneration upon termination of employment as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

Other long-term remuneration to employees

'Other long-term remuneration to employees' refers to the Group's defined-benefit obligations in accordance with a plan that gives employees a flexible transition from employment to retirement. The plan aims to enable flexible service as agreed between the employer and the employee. The Group's defined-benefit obligation is determined annually by applying what is known as the projected unit credit method. Unlike the recognition of defined-benefit pension obligations, revaluations of the obligation are recognized in the income statement and not in 'Other comprehensive income'.

Bulten Polska S.A. has a long-term obligation to its employees that is classified as a defined-benefit plan. In accordance with local labor law, each employee is entitled to one-time compensation when employment in the company is terminated.

NOTE 30 INTEREST-BEARING LIABILITIES TO CREDIT INSTITUTIONS

LONG-TERM INTEREST-BEARING LIABILITIES	12/31/2023	12/31/2022
Bank overdraft facilities	–	–
Other interest-bearing liabilities	762	400
Long-term interest-bearing liabilities	762	400
Which mature between 1 and 5 years	762	400
Which mature after more than five years	–	–
Total	762	400

The fair value is considered to correspond to the book value of the Group's financial liabilities because the interest-bearing liabilities incur interest corresponding to market rates. The Group has special loan covenants that must be fulfilled with respect to external lenders, including relational figures such as EBITDA, net debt/equity, and financial expenses. All covenants were met in both 2023 and 2022.

The company is primarily financed through Svenska Handelsbanken via a credit facility totaling SEK 1,300 million. The credit facility runs up until the end of June 2025. There is also a financing agreement with Danske Bank with credit totaling EUR 12 million. In connection with the acquisition of Exim, Bulten has signed a financing agreement with Swedish Export Kredit (SEK) for SEK 275 million.

BANK OVERDRAFT FACILITIES	12/31/2023	12/31/2022
Approved overdraft facilities	313	294
Unutilized portion	-195	-193
Credits utilized	118	101

ACCOUNTING POLICIES

Borrowing

Borrowing is initially recognized at fair value. Borrowing is subsequently recognized at amortized cost, and any difference between the amount received and the repayment amount is entered in the income statement over the borrowing term, using the effective interest method.

Borrowing, including bank overdraft facilities, is classified as current liabilities unless the Group has an unconditional right to postpone payment of the liability for at least 12 months after the balance sheet date.

NOTE 31 PLEDGED ASSETS FOR LIABILITIES TO CREDIT INSTITUTIONS

	12/31/2023	12/31/2022
Shares in subsidiaries	1,794	1,808
Real estate mortgages	74	74
Chattel mortgages	633	670
Other long-term receivables	1	1
Total pledged assets for liabilities to credit institutions	2,502	2,553

NOTE 32 ACCRUED EXPENSES AND PREPAID INCOME

	12/31/2023	12/31/2022
Accrued salaries, including holiday pay	57	57
Accrued social security costs	37	30
Other accrued expenses	106	66
Prepaid income	51	8
Total accrued expenses and prepaid income	251	161

NOTE 33 OTHER PROVISIONS

	12/31/2023	12/31/2022
Costs for restructuring programs	2	11
Total other provisions	2	11
RESTRUCTURING MEASURES		
Carrying amount at start of year	11	–
Assigned during the year	–	11
Utilized during the year	-9	–
Carrying amount at end of year	2	11

Provisions for restructuring cover direct costs that are contingent on the restructuring and have no connection with the company's current activities, such as costs for unutilized rental contracts, environmental costs, and remuneration to staff without employment. When the effect of the timing of the payment is of significance, the provision is determined by way of a calculation of the current value of future disbursements.

ACCOUNTING POLICIES

A provision is recognized in the balance sheet when the company has a formal or informal obligation as a consequence of an event that has occurred, and it is likely that an outflow of resources will be required to settle the commitment and that the amount can be estimated reliably. When the effect of the timing of the payment is important, provisions are calculated by discounting the expected future cash flow at a pre-tax interest rate which reflects current market assessments of the time-related value of money and, if applicable, the risks associated with the liability.

A provision for restructuring is recognized when a detailed, formal restructuring plan has been established and the restructuring has either begun or has been publicly announced.

A provision for onerous contracts is recognized when the expected benefits are lower than the unavoidable costs for fulfilling the obligations in accordance with the contract.

A provision for the Group's share in a joint venture's negative net assets is recognized when the Group has a formal or informal obligation to restore the company's own equity.

IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

The Group is exposed to legal risks when the business is impacted by a large number of commercial and financial agreements with customers, suppliers, employees and other parties. This is normal for a business such as the Group's. The executive management systematically assesses the expected outcome of compensation claims made against the Group. At the balance sheet date there were a few compensation claims against the Group, and the executive management believes that it is unlikely that these will have a material impact on the consolidated profit and financial position. No provision is recognized as of the balance sheet date for these compensation claims.

NOTE 34 CONTINGENT LIABILITIES

	12/31/2023	12/31/2022
Pension obligations in addition to those accounted for as liabilities or provisions ¹⁾	9	11
Other contingent liabilities	7	8
Total contingent liabilities	16	19

1) Of which SEK 9 (11) million in pension obligations is secured by way of capital insurance, which means that any changes to the pension obligation will be fully compensated by a corresponding change in value of the capital insurance.

NOTE 35 HOLDINGS IN JOINT VENTURES AND ASSOCIATED COMPANIES

The Group has participating interests in companies where its share of ownership is between 20% and 50%, which are recognized as holdings in associated companies or joint ventures. The companies and respective holdings are specified in Note 3.

Ram-Bul LLC in the USA did not conduct any significant activities in 2023 from a Group perspective. The holding is recognized according to the equity method as an investment in a joint venture. The Group's share of net assets amounts to SEK 1 (1) million.

Through the acquisition of PSM International Holding, the Group has become a part-owner in a number of joint ventures with holdings of 50%. The holdings are recognized according to the equity method as investments in joint ventures. The Group's share of net assets in these joint ventures totals SEK 52 (58) million.

None of the Group's joint ventures or associated companies are deemed to be significant from a financial reporting perspective.

THE GROUP'S HOLDINGS IN JOINT VENTURES AND ASSOCIATED COMPANIES	12/31/2023	12/31/2022
Opening balance	65	59
Reclassification of holdings in associated companies during the year	-6	-
Share of profit for the year	2	12
Dividends during the year	-7	-8
Other comprehensive income	-1	2
Closing balance	53	65

The Group has no contingent liabilities relating to the joint venture other than the responsibility of the Group for the quality of items supplied by Bulten to the company in accordance with normal delivery and commercial terms for the industry.

ACCOUNTING POLICIES

Holdings in associated companies are recognized using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. For joint ventures, the Group applies IFRS 11 Joint Arrangements.

Under IFRS 11 an interest in a joint arrangement is classified as either a joint operation or a joint venture, depending on the contractual rights and obligations of each investor.

The Group has assessed its joint arrangements and determined that they are joint ventures. Joint ventures are recognized using the equity method.

Under the equity method, investments in joint ventures are initially recognized in the consolidated statement of financial position at their cost of acquisition. The carrying amount is subsequently increased or decreased to take into account the Group's share of profit and other comprehensive income from its joint ventures after the acquisition date. The Group's share of profit included in consolidated profit and the Group's share of other comprehensive income is included in other comprehensive income in the Group.

When the Group's share of losses in a joint venture is equal to or exceeds its holding in the joint venture (including any long-term receivables which actually form part of the Group's net investment in the joint venture), the Group recognizes no further losses unless the Group has assumed formal or informal obligations or made payments on behalf of the joint venture.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's holdings in joint ventures. Unrealized losses are also eliminated unless the transaction indicates an impairment of the transferred asset.

NOTE 36 CASH FLOW, NET DEBT

ADJUSTMENTS FOR ITEMS NOT INCLUDED IN CASH FLOW	2023	2022
Depreciation/amortization of fixed assets	189	175
Unrealized currency gains/losses	-31	7
Profit from participations in joint ventures	-2	-12
Gain on sale of non-current assets	-1	-1
Winding-up costs/restructuring costs	–	101
Other non-cash-affecting items	-1	0
Total adjustments for items not included in cash flow	154	270

INTEREST PAID AND RECEIVED	2023	2022
Interest paid	-69	-19
Interest received	13	2

CASH AND CASH EQUIVALENTS	12/31/2023	12/31/2023
Cash and bank accounts	340	451
Total cash and bank accounts	340	451

'Cash and cash equivalents' in the balance sheet and cash flow statement refers solely to cash and bank accounts. Outstanding bank funds of SEK 340 (451) million are, in their entirety, placed in banks with the highest credit rating from leading credit institutions.

REPORT ON CASH FLOW	12/31/2023	CASH FLOW	CHANGES NOT AFFECTING CASH FLOW				12/31/2022
			LEASING	PENSION	OTHER	EXCHANGE RATE DIFFERENCES	
Long-term interest-bearing lease liabilities	-442	–	2	–	–	5	-449
Other long-term interest-bearing liabilities	-762	-402	–	–	–	41	-400
Provision for pensions	-15	–	–	1	–	-0	-16
Current interest-bearing lease liabilities	-64	-78	79	–	–	–	-65
Other current interest-bearing liabilities	-398	49	–	-0	–	–	-447
Total	-1,681	-431	81	1	–	46	-1,377
Financial interest-bearing receivables	1	-0	–	–	-0	–	1
Cash and cash equivalents	340	-103	–	–	–	-8	451
Total	341	-103	–	–	-0	-8	452
Total	-1,340	-534	81	1	-0	38	-925

REPORT ON CASH FLOW	12/31/2022	CASH FLOW	CHANGES NOT AFFECTING CASH FLOW				12/31/2021
			LEASING	PENSION	OTHER	EXCHANGE RATE DIFFERENCES	
Long-term interest-bearing lease liabilities	-449	–	-137	–	–	-35	-277
Other long-term interest-bearing liabilities	-400	-72	–	–	–	-2	-326
Provision for pensions	-16	3	–	2	–	-1	-20
Current interest-bearing lease liabilities	-65	-72	63	–	–	–	-56
Other current interest-bearing liabilities	-447	-225	–	-1	–	–	-221
Total	-1,377	-366	-74	1	–	-38	-900
Financial interest-bearing receivables	1	0	–	–	-0	0	1
Cash and cash equivalents	451	199	–	–	–	10	242
Total	452	199	–	–	-0	10	243
Total	-925	-167	-74	1	-0	-28	-655

ACCOUNTING POLICIES

Cash flow statement

The cash flow statement has been prepared in accordance with the indirect method. The reported cash flow only covers transactions resulting in receipts or disbursements.

In addition to cash and bank balances, cash equivalents also include short-term financial investments subject only to negligible risk of value fluctuation and which can be traded on an open market in known amounts, or have a remaining term of three months from the acquisition date.

NOTE 37 RECONCILIATION BETWEEN IFRS AND KEY INDICATORS USED

ADJUSTED NET SALES, ORGANIC GROWTH	2023	2022
Net sales	5,757	4,474
Acquisitions	-83	–
Currency effect, current year	-321	-282
Adjusted net sales	5,353	4,192

In calculating adjusted net sales and organic growth, net sales are adjusted for the currency effect of the current period and, in specific cases, adjustments are made for net sales from completed acquisitions. This measurement gives a figure for comparing net sales with the previous year.

OPERATING PROFIT, EXCLUDING DEPRECIATION/ AMORTIZATION, EBITDA	2023	2022
Operating earnings (EBIT)	230	180
Depreciation/amortization and impairments	189	175
Operating profit excluding depreciation/ amortization (EBITDA)	419	355

When calculating operating earnings excluding depreciation (EBITDA), depreciation and impairments are returned to operating earnings (EBIT). This measurement provides a figure for operating earnings excluding depreciation which are in turn based on investments.

ADJUSTED OPERATING PROFIT, EXCLUDING DEPRECIATION/AMORTIZATION, ADJUSTED EBITDA	2023	2022
Operating profit, excluding depreciation/amortization (EBITDA)	419	355
Winding-up costs / Restructuring costs	13	104
Adjusted operating profit excluding depreciation/amortization (EBITDA)	432	459

In calculating adjusted operating profit, excluding depreciation/amortization (adjusted EBITDA), non-recurring items are added to operating profit (EBIT). This measure expresses the operating profit, excluding depreciation/amortization, cleared of non-recurring items.

ADJUSTED OPERATING PROFIT, ADJUSTED EBIT	2023	2022
Operating earnings (EBIT)	230	180
Winding-up costs / Restructuring costs	13	104
Adjusted operating profit (EBIT)	243	284

In calculating adjusted operating profit (adjusted EBIT), non-recurring items are added to operating profit (EBIT). This measurement provides a figure for the operating profit, cleared of non-recurring items.

ADJUSTED NET PROFIT	2023	2022
Net profit	127	74
Winding-up costs / Restructuring costs	13	102
Adjusted net profit	140	176

When calculating the adjusted net profit, the non-recurring items are moved to the net profit. This measurement provides a figure for net profit, cleared of non-recurring items.

ADJUSTED NET DEBT	12/31/2023	12/31/2022
Net debt (-)	-1,340	-925
Less interest-bearing liabilities attributable to financial leases	506	514
Adjusted net debt (-)	-834	-411

In calculating adjusted net debt, interest-bearing liabilities attributable to finance leases of SEK 506 (514) million are deducted from net debt, of which SEK 472 (488) million is attributable to IFRS 16 Leasing. This measurement provides a figure for a refined financial structure excluding lease liabilities.

NOTE 38 TRANSACTIONS WITH RELATED PARTIES

Information about remuneration to senior executives is provided in Note 8, Employees, employee benefit expenses and remuneration to the Board.

The following transactions with related parties were made with Ram-Bul LLC (joint venture) and other joint ventures within Bulten Group. All transactions were made on market terms under the arm's-length principle.

TRANSACTIONS WITH JOINT VENTURES	2023	2022
Sale of goods	68	52
Other income	0	0
Accounts receivable	12	10

ACCOUNTING POLICIES

Transactions with related parties

Transactions with related parties have taken place on terms equal to those which apply for transactions on business terms.

The internal prices of transactions between Group companies are based on the "arm's-length" principle, i.e. between parties that are independent of each other and well informed and that have an interest in the transactions.

NOTE 39 ACQUISITION OF SUBSIDIARIES

Acquisition of Exim & Mfr Holdings Pte Ltd (Exim)

Bulten completed the acquisition of shares in Exim on August 31, 2023, amounting to 100% of shares with voting rights. Exim is an Asian distributor of fasteners and other components, based in Singapore. Exim has around 140 employees in Singapore, India, Indonesia, Malaysia, Thailand, the Philippines, and Vietnam.

Since the acquisition, Exim's net sales have totaled SEK 83 million with a net profit of SEK 11 million, of which Q4 sales amounted to SEK 67 million and Q4 net profit to SEK 12 million. If the acquisition had been made on January 1, 2023, the pro forma income and net profit on December 31, 2023 would be SEK 320 million and SEK 33 million respectively.

The final purchase sum totaled SGD 64.2 million (SEK 525 million) on a cash-free and debt-free basis, including an agreed level of working capital. The acquisition was financed by a credit facility of SEK 275 million from the Swedish Export Credit Corporation and SEK 275 million from Handelsbanken as part of an existing financing agreement. Bulten's transaction costs in relation to the acquisition amounted to SEK 13 million. Intangible assets totaling SEK 39 million relating to customer relations were identified in connection with the acquisition.

The figures below convey the effects of the acquisition on cash flow for the quarter

SEK MILLION	PRELIMINARY VALUE	ADJUSTED VALUE	FAIR VALUE
Cash payment	547	-22	525
Less cash and cash equivalents held by Exim	-17	–	-17
Effect of the acquisition on the Group's cash and cash equivalents	530	-22	508

Final acquisition balance as of August 31, 2023

From September 1, 2023, Exim is included in Bulten's consolidated financial statements. The acquisition balance as of August 31, 2023 was as follows:

SEK MILLION	PRELIMINARY VALUE	ADJUSTED VALUE	FAIR VALUE
Intangible assets	–	39	39
Property, plant and equipment	7	–	7
Right-of-use assets	2	–	2
Deferred tax assets	2	-1	1
Inventories	60	-2	58
Accounts receivable	61	-1	60
Other receivables	5	–	5
Cash and cash equivalents	17	–	17
Total assets	154	35	189
Deferred tax liabilities	0	6	6
Lease liabilities	2	–	2
Accounts payable	11	–	11
Other liabilities	13	6	19
Total liabilities	26	12	38
Net assets	128	23	151
Acquisition price	547	-22	525
Goodwill	419	-45	374

The final acquisition balance has brought goodwill of approximately SEK 374 million. Goodwill is attributable to future synergy effects and profitability. No part of the goodwill is expected to be deductible for tax purposes.

NOTE 40 EVENTS AFTER THE BALANCE SHEET DATE

On January 22, Bulten's president and CEO of five years, Anders Nyström, announced that he was leaving the company. Board member Christina Hallin took office on February 9 as acting president and CEO until a new president and CEO has been recruited and assumed his position.

There are no other significant events to report after the closing day.

PARENT COMPANY'S INCOME STATEMENT

SEK MILLION	NOTE	2023	2022
Net sales	2	20	20
Gross profit		20	20
Administrative expenses	3.4	-44	-40
Operating profit		-24	-20
Interest income		0	-
Interest expenses and similar profit/loss items	5	-10	-5
Earnings after net financial items		-34	-25
Appropriations	6	-	26
Profit before tax		-34	1
Tax on profit for the year	7	6	-0
Profit after tax		-28	1

PARENT COMPANY'S STATEMENT OF COMPREHENSIVE INCOME

SEK MILLION	2023	2022
Earnings for the year	-28	1
Other comprehensive income	-	-
Total comprehensive income for the year	-28	1

PARENT COMPANY'S CASH FLOW STATEMENT

SEK MILLION	2023	2022
Operating activities		
Profit after financial items	-34	-25
Adjustments for items not included in cash flow	10	5
Taxes paid	-3	-5
Cash flow from operating activities before changes in working capital	-27	-25
Cash flow from changes in working capital		
Increase(-)/Decrease(+) in operating receivables	-1	-1
Increase(+)/Decrease(-) in operating liabilities	-2	-0
Cash flow from operating activities	-30	-26
Investing activities		
Investment in property, plant and equipment	-6	-0
Cash flow from investing activities	-6	-0
Financing activities		
Changes in financial receivables/liabilities, Group companies	88	73
Dividend to Parent Company shareholders	-52	-47
Cash flow from financing activities	36	26
Cash flow for the year	0	0
Cash and cash equivalents as of beginning of the financial year	0	0
Cash and cash equivalents at year-end	0	0

PARENT COMPANY'S BALANCE SHEET

SEK MILLION	NOTE	12/31/2023	12/31/2022
ASSETS			
Fixed assets			
Intangible fixed assets		0	0
Property, plant and equipment		7	0
Total intangible assets and property, plant and equipment		7	1
Financial fixed assets			
Participations in Group companies	8, 10	1,450	1,450
Other long-term receivables		–	0
Total financial fixed assets		1,450	1,450
Deferred tax assets		7	1
Total fixed assets		1,464	1,452
Current assets			
Current receivables			
Receivables from Group companies		1	26
Current tax assets		2	3
Prepaid expenses and accrued income		5	3
Total current receivables		8	32
Cash and cash equivalents		–	0
Total current assets		8	32
Total assets		1,472	1,484

SEK MILLION	NOTE	12/31/2023	12/31/2022
EQUITY AND LIABILITIES			
Shareholders' equity			
Share capital	9	11	11
Statutory reserve		99	99
Total restricted equity		110	110
Stock premium reserve		1,133	1,133
Profit/loss brought forward		-280	-200
Total unrestricted equity		853	933
Total equity		963	1,043
Liabilities			
Non-current liabilities			
Liabilities to Group companies		496	424
Total non-current liabilities		496	424
Current liabilities			
Accounts payable		3	2
Liabilities to Group companies		0	0
Current tax liabilities		–	3
Other liabilities		1	1
Accrued expenses and deferred income		9	11
Total current liabilities		13	17
Total equity and liabilities		1,472	1,484

PARENT COMPANY'S STATEMENT OF CHANGES IN EQUITY

PARENT COMPANY	RESTRICTED EQUITY		NON-RESTRICTED EQUITY		TOTAL EQUITY
	SHARE CAPITAL	STATUTORY RESERVE	STOCK PREMIUM RESERVE	PROFIT/LOSS BROUGHT FORWARD	
Opening balance, 1 January 2022	11	99	1,133	-153	1,090
Comprehensive income					
Earnings for the year	–	–	–	1	1
Total comprehensive income	–	–	–	1	1
Transactions with shareholders					
Dividend to Parent Company shareholders (SEK 2.25 per share)	–	–	–	-47	-47
Total transactions with shareholders	–	–	–	-47	-47
Closing balance as of 31 December 2022	11	99	1,133	-200	1,043
Comprehensive income					
Earnings for the year	–	–	–	-28	-28
Total comprehensive income	–	–	–	-28	-28
Transactions with shareholders					
Dividend to Parent Company shareholders (SEK 2.50 per share)	–	–	–	-52	-52
Total transactions with shareholders	–	–	–	-52	-52
Closing balance as of December 31, 2023	11	99	1,133	-280	-963

NOTES FOR THE PARENT COMPANY

All amounts in SEK million unless otherwise stated. Figures in parentheses refer to the previous year. Some figures are rounded, so amounts might not always appear to match when added up.

NOTE 1 ACCOUNTING POLICIES

The Parent Company applies standard RFR 2 Accounting for legal entities, issued by the Swedish Financial Reporting Board. Financial reporting for legal entities. RFR 2 states that parent companies of groups that voluntarily choose to apply IAS/IFRS in their consolidated accounts shall, as a rule, also apply the same IAS/IFRS. The Parent Company therefore applies the policies used for the consolidated accounts and which have been described above in Note 4 to the consolidated accounts, with the exceptions stated below. The policies have been applied consistently for all years presented, unless otherwise stated. Stock units and participations in subsidiary companies are recognized at cost less any write-down.

Dividends received are recognized as financial income. Dividends that exceed the subsidiary's comprehensive income for the period or which mean that the book value of the participation's net assets in the consolidated financial statements are lower than the book value of the participations are an indication of an impairment requirement. When there is an indication that shares and participations in subsidiaries have fallen in value, an estimate is made of the recoverable value. If this is lower than the carrying amount, impairment is carried out. Impairment is recognized under 'Profit from participations in Group companies'.

Shareholders' contributions are entered directly against equity on behalf of the recipient and capitalized as shares and participations on behalf of the issuer, to the extent that write-downs are not required.

Group contributions are recognized by applying the so-called alternative rule in accordance with RFR 2, IAS 27, p.2. The alternative rule means that contributions both received and paid are recognized as an appropriation in the income statement.

The parent applies the points set out in RFR 2 (IFRS 9 Financial Instruments, pp. 3-10) whereby financial instruments are valued at acquisition cost. During subsequent periods, financial assets that were acquired with the intention of being held in the short-term will be recognized at the lower of the acquisition value or the fair market value, in accordance with the lowest value principle.

When calculating the net sales value of receivables that are recognized as current assets, the principles of impairment testing and loss risk reserves in IFRS 9 shall be applied.

The Parent Company only has intra-Group receivables, where the loss risk is considered negligible.

The Parent Company's income consists solely of intra-Group invoicing. The income is recognized over time as the services are used.

The Parent Company does not apply IFRS 16 to legal persons in accordance with the exception in RFR 2.

NOTE 2 NET SALES

	2023	2022
Intra-Group services	20	20
Other income	–	–
Total net sales	20	20

Intra-Group services include management, IT services and administrative support. Debiting took place on market terms.

NOTE 3 EMPLOYEES, EMPLOYEE BENEFIT EXPENSES AND REMUNERATION TO THE BOARD OF DIRECTORS

The company has 7 (8) employees. Note 8 to the consolidated accounts presents total remuneration paid to Board members and senior executives.

AVERAGE NUMBER OF EMPLOYEES	2023	2022
Women	4	5
Men	3	3
Total	7	8

SALARIES, REMUNERATION, SOCIAL SECURITY COSTS AND PENSION EXPENSES	2023	2022
Salaries and remuneration to the Board of Directors, the President and CEO	7	11
Salaries and remuneration to other employees	8	6
Total salaries and remuneration	15	17
Social security costs in accordance with legislation and agreements	6	6
Pension costs for the Board of Directors, President and CEO	1	2
Pension costs for other employees	2	2
Total social security costs and pension expenses	9	10
Total	24	27

NO. OF BOARD MEMBERS ON BALANCE SHEET DATE	2023	2022
Women	2	2
Men	6	6
Total	8	8

NUMBER OF PRESIDENTS AND OTHER SENIOR EXECUTIVES	2023	2022
Women	3	3
Men	1	1
Total	4	4

NOTE 4 REMUNERATION TO AND REIMBURSEMENT OF AUDITORS

PWC	2023	2022
Audit	2	1
Other auditing assignments	0	0
Tax advice	0	0
Other services	0	0
Total remuneration to and reimbursement of auditors	2	1

“Audit engagement” refers to the examination of the financial statements and accounting records and the Board’s and President and CEO’s administration, other tasks that might be incumbent on the company’s auditors, and advice or other assistance as a result of observations during the audit or the implementation of the other duties referred to.

‘Other audit activities’ in addition to the audit engagement mainly comprises a general review of interim reports. “Tax advice” includes advice on income tax, including internal pricing issues, and VAT. “Other services” refers to advice not related any of the above categories of services.

NOTE 5 INTEREST EXPENSES AND SIMILAR PROFIT/LOSS ITEMS

	2023	2022
Interest expenses, external	0	–
Interest expenses, Group companies	-9	-4
Other	-1	-1
Total interest expenses and similar profit/loss items	-10	-5

NOTE 6 APPROPRIATIONS

	2023	2022
Group contributions received	–	26
Group contributions paid	–	–
Total appropriations	–	26

NOTE 7 TAX ON PROFIT FOR THE YEAR

REPORTED TAX	2023	2022
Current tax		
Current tax for the year	–	-1
Total current tax	–	-1
Deferred tax expense (-)/tax income (+)		
Deferred tax in respect of temporary differences	6	1
Total deferred tax	6	1
Total reported tax	6	-0
RECONCILIATION OF EFFECTIVE TAX	2023	2022
Profit before tax	-34	1
Tax according to applicable tax rate	7	-0
Tax effect of:		
Non-deductible expenses	-3	-0
Deferred tax for previous years’ non-recognized temporary differences	2	–
Tax on profit for the year according to the income statement	6	-0

NOTE 8 PARTICIPATIONS IN GROUP COMPANIES

	12/31/2023	12/31/2022
At beginning of year	1,450	1,450
Shareholders’ contribution	–	–
At year-end	1,450	1,450

SPECIFICATION OF PARENT COMPANY’S PARTICIPATIONS IN GROUP COMPANIES

SUBSIDIARY/CORP. REG. NO./REGISTERED OFFICE	PARTICIPATION, %		RECOGNIZED VALUE
	12/31/2023	12/31/2023	
Bulten Holding AB, 556224-0894, Gothenburg	100%		1,450
At year-end			1,450

The share of capital in the above holding is equivalent to the share of voting rights.

NOTE 9 SHARE CAPITAL

	ORDINARY SHARES	TOTAL NUMBER OF SHARES
Number of shares outstanding as of 31 December 2022	20,987,992	20,987,992
Number of shares outstanding as of 31 December 2023	20,987,992	20,987,992

The total number of ordinary shares as of December 31, 2023 amounts to 21,040,207. The quotient value per share is SEK 0.50. All issued shares are fully paid up. As of December 31, 2023, Bulten AB has 52,215 shares in its own custody.

NOTE 10 PLEDGED ASSETS FOR LIABILITIES TO CREDIT INSTITUTIONS

	12/31/2023	12/31/2022
Shares in subsidiaries	1,450	1,450
Total pledged assets for liabilities to credit institutions	1,450	1,450

NOTE 11 CONTINGENT LIABILITIES

	12/31/2023	12/31/2022
Guarantees on behalf of Group companies	7	7
Other contingent liabilities	2	2
Total contingent liabilities	9	9

NOTE 12 TRANSACTIONS WITH RELATED PARTIES

Intra-Group sales and services are conducted between the Parent Company and Group companies. See Note 2 (Net sales). Other transactions with related parties during the year are shown in Note 3 (Employees, employee benefit expenses and remuneration to the Board of Directors) as well as interest expenses which appear in Note 5 (Interest expenses and similar items). Transactions with related parties have taken place on terms equal to those which apply for transactions on business terms.

DECLARATION AND SIGNATURES

The Board of Directors and the President and CEO confirm that the annual accounts have been prepared in accordance with accepted accounting standards in Sweden, and that the consolidated financial statements have been prepared in accordance with the international accounting standards in Regulation (EC) No. 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards. The annual accounts and the consolidated financial statements give a true and fair view of the Group's and Parent Company's financial position and profit. The Board of Directors' Report for the Group and the Parent Company gives a true and fair view of the Group's and the Parent Company's operations, position and profit, and describes significant risks and uncertainty factors that the Parent Company and Group companies face.

Gothenburg, March 26, 2024

Ulf Liljedahl
Chair of the Board

Karin Gunnarsson
Board member

Hans Gustavsson
Board member

Christina Hallin
Board member

Hans Peter Havdal
Board member

Jonas Hård
Board member

Joakim Stenberg
Employee representative

Harri Åman
Employee representative

Christina Hallin
Acting President and CEO

Our auditor's report was submitted on March 26, 2024
PricewaterhouseCoopers AB

Johan Palmgren
Authorized Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of the shareholders of Bulten AB (publ), organization registration number 556668-2141

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED FINANCIAL STATEMENTS

Conclusion

We have audited the annual accounts and consolidated financial statements of Bulten AB (publ) for the year 2023. The annual accounts and consolidated financial statements of the company are presented on pages 83-129 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as of December 31, 2023 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of December 31, 2023 and its financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The Board of Directors' Report is consistent with other parts of the annual accounts and consolidated financial statements.

We therefore recommend that the general meeting adopt the income statement and balance sheet for the Parent Company and the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the supplementary report that has been submitted to the audit committee of the Parent Company and the Group in accordance with Article 11 of the Audit Regulation (537/2014).

Basis for opinions

We have conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the 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 professional ethical responsibilities in accordance with these requirements. This means that, based on our best knowledge and belief, no prohibited services as referred to in

Article 5.1 of the Auditors Regulations (537/2014) have been provided to the audited company or, as the case may be, its Parent Company or its controlled companies in the EU.

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

Our audit work

The focus and scope of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we considered where the President and CEO and Board of Directors have made subjective judgments such as in respect of significant accounting estimates that involved making assumptions and forecasts with regard to future events that are inherently uncertain. As in all of our audits, we also addressed the risk of the Board of Directors and the President and CEO overriding internal controls, which included assessing whether there was evidence of systematic deviations that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform an appropriate review to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls and the industry in which the Group operates.

When we designed our audit strategy and audit plan for the Group, we assessed the degree of audit that had to be carried out by the Group audit team and the component auditors from the PwC network. As a consequence of Bulten's decentralized financial organization, large parts of the Group's financial reporting are performed in units outside Sweden. This means that a significant portion of the audit must be performed by component auditors operating in the PwC network in other countries. When we assessed the extent of the audit that needed to be performed in each unit, we considered the Group's geographical spread and the size of each unit, as well as the specific risk profile that each unit represents. Against this background, we estimated that a full audit should be performed on, in addition to the Parent Company in Sweden, the financial information prepared by the six main subsidiaries (based in a total of four different countries).

For two units that we did not consider it appropriate to conduct a full audit for, we instructed our component auditor to perform overview review procedures. For other units, which were assessed as individually immaterial to the Group audit, the Group audit team performed analytical review procedures at Group level.

In cases where the component auditors carry out work that is essential to our audit of the Group, we evaluate, in our capacity as Group auditors, the need for, and degree of, involvement in the component auditors' work in order to determine whether sufficient audit evidence has been obtained to form the basis for our opinion on the Group audit report. The Group Audit Team holds regular meetings with the unit auditors for that purpose.

Materiality

The scope of our audit was influenced by our assessment of materiality. An audit is designed to obtain reasonable assurance as to whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions users make on the basis of the financial statements.

Based on our professional judgment, we determined certain quantitative thresholds for materiality, including for the financial statements as a whole. These, together with qualitative considerations, helped us to determine the focus and scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are the matters which, in our professional opinion, were of most significance in our audit of the annual accounts and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the annual accounts and consolidated accounts as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters.

Key audit matter

How our audit addressed this key audit matter

Inventory obsolescence

As of December 31, 2023, the Group recognizes inventories of SEK 1,053 million. The executive management determines the value of inventories based on estimates of the cost of acquisition less estimated obsolescence. The valuation of inventories is essential for our audit because it comprises a number of estimates and assumptions and also because the value of inventory is a significant proportion of the Group's total assets. A key assessment that the executive management needs to undertake in the valuation of inventories is the Group's ability to sell the products it has in stock at a price in excess of their cost of acquisition, and in this context to consider the risk of obsolescence.

The risk of obsolescence arises especially in the event that the Group's customers stop making a vehicle model and/or in situations where the Group's sales volumes fall sharply due to reduced demand from customers.

In order to identify and consistently calculate the risk of obsolescence, the executive management has established Group-wide guidelines for calculating obsolescence. The guidelines take into account individual articles' inventory time (slow-moving inventory), which together with actual and estimated future sales volumes give the executive management a basis to establish a reasonable obsolescence reserve.

The Group's policies for the valuation of inventories and recognition of inventory obsolescence are described in Note 21.

Our audit procedures included an evaluation of the Group's policies for determining inventory obsolescence.

We have examined the application of the Group's guidelines for calculating obsolescence in reporting units. We have tested mathematical correctness in the company's reports of items that have not moved in the inventory for an extended period, both by taking random samples and by way of data analysis of inventory transactions. We have used analytical procedures to identify inventory items that are sold with a negative margin.

We have discussed the minutes of board meetings and other important management meetings with management and reviewed the same to identify projected changes in sales that could result in inventory items becoming obsolete.

We have finally verified that the Group described its policies in a satisfactory manner for the valuation of inventories in the annual accounts, including the estimates and assumptions made for valuing the inventory as of December 31, 2023.

Information other than the annual accounts and consolidated financial statements

This document also contains information other than the annual accounts and consolidated financial statements, which is presented on pages 1-42, 83 and 134-138 and the Sustainability Report on pages 43-72 and 139-141. The other information also consists of the remuneration report that we have accessed prior to the date of this audit report. The Board of Directors and the President and CEO are responsible for this other information.

Our opinion on the annual accounts and consolidated financial statements does not cover this other information and we do not express any form of assurance regarding this other information.

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

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report the same. We have nothing to report in this regard.

Responsibility of the Board of Directors and of the President and CEO

The Board of Directors and the President and CEO are responsible for the preparation of the annual accounts and consolidated financial statements such that they give a true and fair view in accordance with the Annual Accounts Act and, concerning the consolidated financial statements, in accordance with IFRS as adopted by the EU, and the Swedish Annual Accounts Act. The Board of Directors and the Managing Director are also responsible for such internal control as they deem necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated financial statements, the Board of Directors and the President and CEO are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters that may affect the ability to continue as a going concern and the use of the going concern assumption. The going concern assumption is, however, not applied if the Board of Directors and the President and CEO intend to liquidate the company, cease operations or have no realistic alternative but to do so.

The Board's audit committee shall, among other things and without prejudice to the Board of Director's responsibilities and tasks in general, oversee the company's financial reporting.

The auditor's responsibility

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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with ISA and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions users make on the basis of these annual accounts and consolidated accounts.

A further description of our responsibility for the audit of the annual accounts and consolidated financial statements is available in Swedish on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar This description forms part of the auditor's report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Bulten AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting that the profit be appropriated in accordance with the proposal in the Board of Director's Report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for opinions

We have conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under the same 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 professional 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.

Responsibility of the Board of Directors and of the President and CEO

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. A dividend proposal includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the Parent Company's and the Group's equity and their consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes the continuous assessment of the company's and the Group's financial situation and ensuring that the company's organization is designed so that the accounting, the management of assets and the company's financial affairs in general are controlled in a reassuring manner. The President and CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and, among other things, take measures as necessary for ensuring the compliance of the company's accounting with the law and for ensuring the management of assets in a reassuring manner.

The auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability for the company; or
- has in any other way acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with a reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability for the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinions

In addition to our audit of the annual accounts and the consolidated accounts, we have also examined that the Board of Directors and the President and CEO have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Bulten AB (publ) for 2023.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinions

We have performed the examination in accordance with FAR's Recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the section 'Auditor's responsibility'. We are independent of Bulten AB in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our professional ethical responsibilities in accordance with these requirements.

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

Responsibility of the Board of Directors and of the President and CEO

The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

The auditor's responsibility

Our responsibility is to form an opinion with reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 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 the ESEF report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls.

The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The audit measures mainly include validating that the ESEF report has been prepared in a valid XHTML format and checking that the ESEF report is consistent with the audited annual financial statements and consolidated financial statements.

Furthermore, the review also includes an assessment of whether the Group's income statement, balance sheet and equity accounts, cash flow statement and notes to the ESEF report have been iXBRL tagged in accordance with the ESEF Regulation.

PricewaterhouseCoopers AB, 113 21 Stockholm was appointed as auditor of Bulten AB by the general meeting on April 25, 2023 and has been the company's auditor since September 8, 2004. Bulten AB (publ) has been a company of public interest since 20 May 2011.

Gothenburg, March 26, 2024
PricewaterhouseCoopers AB

Johan Palmgren
Authorized Public Accountant

KEY FIGURES FOR THE GROUP

GROUP	2023	2022	2021	2020	2019
Margins					
EBITDA margin, %	7.3	7.9	10.7	8.7	7.7
Adjusted EBITDA margin, %	7.5	10.3	10.7	8.6	9.3
EBIT margin (operating margin), %	4.0	4.0	6.2	3.6	3.2
Adjusted EBIT margin (operating margin), %	4.2	6.3	6.2	3.5	4.8
Net margin, %	2.2	1.7	4.1	1.6	1.8
Adjusted net margin, %	2.4	3.9	4.1	1.5	3.1
Profitability ratios					
Return on capital employed, %	8.1	6.3	9.7	5.4	5.5
Adjusted return on capital employed, %	8.5	9.9	9.7	5.2	8.1
Return on capital employed, excluding goodwill, %	9.2	6.8	10.7	5.9	6.2
Adjusted return on capital employed, excluding goodwill, %	9.6	10.7	10.7	5.8	9.0
Return on equity, %	5.7	3.2	9.1	3.7	3.5
Adjusted return on equity, %	6.5	9.1	9.1	3.5	6.4
Capital structure					
Capital turnover rate, times	1.4	1.5	1.6	1.5	1.6
Debt/equity ratio, times	-0.7	-0.5	-0.4	-0.3	-0.4
Interest coverage ratio, times	3.6	6.8	10.1	3.9	7.6
Equity/assets ratio, %	37.9	41.9	49.3	49.4	55.2
Personnel					
Net sales per employee, SEK 000	3,451	2,841	2,230	1,977	2,171
Operating profit per employee, SEK 000	138	114	139	72	69
Average number of employees (FTE)	1,668	1,575	1,673	1,616	1,425
Other					
Net cash (+)/net debt (-), SEK million	-1,340	-925	-655	-458	-565
Adjusted net cash (+)/net debt (-), SEK million ²⁾	-834	-411	-323	-112	-299
Earnings per share attributable to Parent Company shareholders					
Earnings per share, SEK ¹⁾	4.89	2.65	6.85	2.66	2.62
Earnings per share (SEK) adjusted for non-recurring items ^{*1)}	5.51	7.48	6.85	2.53	4.73
Number of shares outstanding					
Weighted number of outstanding ordinary shares, thousands ¹⁾	20,988.0	20,988.0	20,988.0	20,829.5	20,030.8

*1) Refers to before dilution

1) Earnings per share adjusted for non-recurring items. Earnings after tax adjusted for non-recurring items. All adjusted items take current tax and deferred tax into account. Divided by weighted number of outstanding shares at the balance sheet date.

2) Adjusted net cash/net debt. Interest-bearing liabilities excluding interest-bearing liabilities attributable to finance leases, less interest-bearing assets.

QUARTERLY DATA FOR THE GROUP

GROUP	2023				2022				2021			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Orders received	1,582	1,566	1,476	1,356	1,437	1,033	1,289	1,134	871	830	947	1,010
Income statement												
Net sales	1,576	1,378	1,416	1,387	1,339	1,095	1,006	1,034	953	764	910	1,103
Gross profit	258	210	217	283	245	187	189	205	168	140	176	226
Adjusted gross profit	258	210	217	283	254	187	189	205	168	140	176	226
Earnings before depreciation and amortization (EBITDA)	87	77	95	160	148	91	84	32	90	74	96	140
EBITDA margin, %	5.6	5.6	6.7	11.6	11.0	8.3	8.3	3.1	9.4	9.7	10.6	12.7
Adjusted earnings before depreciation and amortization (EBITDA)	87	82	103	160	159	91	94	115	90	74	96	140
Adjusted EBITDA margin, %	5.6	5.9	7.2	11.6	11.9	8.3	9.3	11.1	9.4	9.7	10.6	12.7
Operating earnings (EBIT)	33	31	50	116	103	47	41	-11	48	31	55	98
EBIT margin (operating margin), %	2.1	2.3	3.5	8.4	7.6	4.3	4.1	-1.1	5.0	4.1	6.0	8.9
Adjusted operating profit (EBIT)	33	36	58	116	114	47	51	72	48	31	55	98
Adjusted EBIT margin (operating margin), %	2.1	2.6	4.0	8.4	8.5	4.3	5.0	7.0	5.0	4.1	6.0	8.9
Profit after tax	30	-25	43	79	73	18	22	-39	32	16	38	68
Net margin, %	1.9	-1.8	3.0	5.7	5.5	1.6	2.2	-3.8	3.3	2.2	4.2	6.1
Adjusted profit after tax	30	-20	51	79	82	18	32	44	32	16	38	68
Adjusted net margin, %	1.9	-1.5	3.6	5.7	6.2	1.6	3.1	4.3	3.3	2.2	4.2	6.1
Cash flow from												
operating activities	89	20	46	196	250	-27	-19	94	45	-122	32	93
investing activities	-27	-559	-33	-40	-72	-69	-50	-75	-69	-55	-25	-16
financing activities	-87	597	-91	-216	-9	145	131	-100	71	171	3	-136
Cash flow for the period	-25	58	-78	-60	169	49	62	-81	47	-6	10	-59
Earnings per share attributable to Parent Company shareholders												
Earnings per share (SEK) before dilution *)	1.00	-1.49	1.82	3.56	3.01	0.65	0.88	-1.90	1.16	0.68	1.80	3.21
Basic earnings per share (SEK) adjusted for non-recurring items *)	1.00	-1.25	2.20	3.56	3.45	0.65	1.32	2.07	1.16	0.68	1.80	3.21
Number of outstanding ordinary shares												
Weighted number of outstanding ordinary shares before dilution, thousands *)	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0

QUARTERLY DATA FOR THE GROUP, BALANCE SHEET

GROUP	12/31/2023	09/30/2023	06/30/2023	03/31/2023	12/31/2022	09/30/2022	06/30/2022	03/31/2022	12/31/2021	09/30/2021	06/30/2021	03/31/2021
Balance sheet												
Fixed assets	2,236	2,264	1,842	1,771	1,768	1,706	1,472	1,421	1,446	1,380	1,348	1,358
Current assets	2,616	2,676	2,491	2,451	2,588	2,369	2,124	1,988	1,973	1,836	1,772	1,803
Shareholders' equity	1,838	1,901	1,988	1,923	1,825	1,749	1,699	1,650	1,687	1,637	1,608	1,619
Non-current liabilities	1,232	1,243	671	763	880	878	607	506	641	608	504	476
Current liabilities	1,782	1,796	1,674	1,535	1,651	1,448	1,290	1,253	1,091	971	1,008	1,066
Other												
Net cash (+)/net debt (-)	-1,340	-1,422	-812	-780	-925	-1,081	-777	-648	-655	-623	-438	-392
Adjusted net cash(+)/net debt (-)	-834	-882	-301	-277	-411	-569	-446	-319	-323	-285	-94	-42
Equity per share attributable to Parent Company shareholders												
Equity per share, SEK *)	85.88	88.54	92.99	90.11	85.72	82.11	79.96	77.45	79.09	77.11	75.88	76.41
Number of outstanding ordinary shares												
Weighted number of outstanding ordinary shares, thousands *)	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0	20,988.0
Share price												
Share price at end of period (SEK)	80.00	69.70	99.40	88.20	59.50	53.20	64.00	65.10	93.00	84.40	102.80	104.60

GROUP, 12-MONTH ROLLING

GROUP, 12-MONTH ROLLING	JANUARY 2023– DECEMBER 2023	OCTOBER 2022– SEPTEMBER 2023	JULY 2022– JUNE 2023	APRIL 2022– MARCH 2023	JANUARY 2022– DECEMBER 2022	OCTOBER 2021– SEPTEMBER 2022	JULY 2021– JUNE 2022	APRIL 2021– MARCH 2022	JANUARY 2021– DECEMBER 2021	OCTOBER 2020– SEPTEMBER 2021	JULY 2020– JUNE 2021	APRIL 2020– MARCH 2021
Income statement												
Net sales	5,757	5,520	5,237	4,827	4,474	4,088	3,757	3,661	3,730	3,857	3,946	3,477
Gross profit	968	955	932	904	826	749	702	689	710	754	775	639
Adjusted gross profit	968	963	941	913	835	749	702	689	710	754	775	639
Earnings before depreciation and amortization (EBITDA)	419	480	494	483	355	297	280	292	400	442	448	334
EBITDA margin, %	7.3	8.7	9.4	10.0	7.9	7.3	7.4	8.0	10.7	11.5	11.4	9.6
Adjusted earnings before depreciation and amortization (EBITDA)	432	503	513	504	459	390	372	375	400	439	445	331
Adjusted EBITDA margin, %	7.5	9.1	9.8	10.4	10.3	9.5	9.9	10.2	10.7	11.4	11.3	9.5
Operating earnings (EBIT)	230	300	316	307	180	125	109	122	232	276	285	171
EBIT margin (operating margin), %	4.0	5.4	6.0	6.4	4.0	3.1	2.9	3.3	6.2	7.1	7.2	4.9
Adjusted operating profit (EBIT)	243	324	335	328	284	218	201	206	232	273	282	168
Adjusted EBIT margin (operating margin), %	4.2	5.9	6.4	6.8	6.3	5.3	5.4	5.6	6.2	7.1	7.1	4.9
Profit after tax	127	170	213	192	74	33	32	47	154	185	186	109
Net margin, %	2.2	3.1	4.1	4.0	1.7	0.8	0.9	1.3	4.1	4.8	4.7	3.1
Adjusted profit after tax	140	192	230	211	176	126	124	130	154	183	184	107
Adjusted net margin, %	2.4	3.5	4.4	4.4	3.9	3.1	3.3	3.5	4.1	4.7	4.7	3.1
Personnel												
Net sales per employee, SEK 000	3,451	3,398	3,302	3,067	2,841	2,600	2,361	2,220	2,230	2,295	2,384	2,121
Operating profit per employee, SEK 000	138	184	199	195	114	80	68	74	139	164	172	104
Number of employees at the balance sheet date	1,668	1,625	1,586	1,574	1,575	1,572	1,591	1,649	1,673	1,680	1,655	1,639
Profitability ratios												
Return on capital employed, %	8.1	9.1	11.8	11.2	6.3	4.5	4.4	5.3	9.7	11.7	12.6	7.4
Adjusted return on capital employed, % ¹⁾	8.5	9.8	12.5	11.9	9.9	7.9	8.1	8.7	9.7	11.6	12.5	7.3
Return on capital employed, excluding lease liabilities, %	8.7	10.3	13.1	12.6	7.0	5.0	4.9	6.0	11.0	13.5	14.2	8.3
Return on capital employed, excluding goodwill, %	9.2	10.4	12.8	12.1	6.8	4.9	4.8	5.9	10.7	12.9	13.9	8.2
Adjusted return on capital employed, excluding goodwill, % ¹⁾	9.6	11.2	13.5	13.0	10.7	8.5	9.0	9.8	10.7	12.7	13.8	8.0
Return on equity, %	5.7	8.1	10.5	9.7	3.2	1.0	1.1	2.3	9.1	11.7	12.1	6.9
Adjusted return on equity, % ²⁾	6.5	9.3	11.4	10.7	9.1	6.5	6.7	7.4	9.1	11.5	11.9	6.7
Other												
Net debt(-)/EBITDA	-3.2	-3.0	-1.6	-1.6	-2.6	-3.6	-2.8	-2.2	-1.6	-1.4	-1.0	-1.2
Adjusted net debt(-)/EBITDA	-2.0	-1.8	-0.6	-0.6	-1.2	-1.9	-1.6	-1.1	-0.8	-0.6	-0.2	-0.1
Adjusted net debt(-)/Adjusted EBITDA	-2.4	-2.1	-0.7	-0.6	-1.1	-1.8	-1.4	-1.0	-0.9	-0.7	-0.2	-0.2

DEFINITIONS

Number of employees (headcount)

The actual number of employees, including absent employees and time-limited employees, regardless of working hours.

Return on equity

Profit/loss for the year excluding non-controlling interests in relation to average equity excluding non-controlling interests.

Return on adjusted equity

Profit/loss for the year excluding non-controlling interests in relation to average equity excluding non-controlling interests but including shareholder loans and preference shares.

Return on capital employed

ROCE is defined as profit/loss after net financial items plus financial expenses as a percentage of average capital employed.

Gross margin

Gross profit/loss as a percentage of net sales for the year.

EBITDA margin

Operating profit/loss before depreciation and amortization as a percentage of net sales for the year.

EBIT margin (operating margin)

Operating profit/loss after depreciation and amortization as a percentage of net sales for the year.

Shareholders' equity

Recognized equity including non-controlling interests.

Adjusted EBIT margin (operating margin)

Operating profit/loss after depreciation and amortization adjusted for non-recurring items as a percentage of sales for the year.

Adjusted net cash/net debt

Interest-bearing liabilities excluding interest-bearing liabilities attributable to finance leases, less interest-bearing assets.

Capital turnover

Net sales divided by average capital employed.

Inventory turnover

Cost of goods sold divided by average inventories.

LTIR (Lost Time Injury Rate)

Number of accidents leading to absence x 200,000/total number of hours worked.

Average number of employees (FTE)

The total number of hours worked divided by normal annual working hours, expressed as the number of full-time positions.

Net cash/net debt

Interest-bearing liabilities less interest-bearing assets, all calculated at year-end.

Net margin

Net profit as a percentage of net sales.

Net sales per employee

Net sales divided by average number of FTEs.

Organic growth

Net sales for the year compared to the previous year's results, adjusted for currency and acquisitions.

Earnings per share after tax

Profit/loss for the year divided by the average number of shares.

Interest-coverage ratio

Profit/loss after net financial items, plus financial expenses, divided by financial expenses.

Working capital

Current assets less current non-interest-bearing liabilities.

Operating margin

Operating profit as a percentage of net sales.

Operating profit per employee

Operating profit/loss divided by average number of employees.

Debt/equity ratio

Interest-bearing net liabilities divided by equity.

Equity ratio

Equity including non-controlling interests as a percentage of the balance sheet total.

Capital employed

Balance sheet total less non-interest-bearing liabilities, including deferred tax.

PROPORTION OF TAXONOMY ALIGNED ECONOMIC ACTIVITIES TURNOVER

Proportion of turnover from products or services associated with Taxonomy aligned economic activities - disclosure covering year 2023.

2023	YEAR		SUBSTANTIAL CONTRIBUTION CRITERIA							DNSH CRITERIA ('DOES NOT SIGNIFICANTLY HARM') (H)									
	CODE (A) (2)	TURNOVER (3)	PROPORTION OF TURNOVER, YEAR 2023 (4)	CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (9)	BIODIVERSITY (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER (13)	POLLUTION (14)	CIRCULAR ECONOMY (15)	BIODIVERSITY (16)	MINIMUM SAFEGUARDS (17)	PROPORTION OF TAXONOMY ALIGNED (A.1) OR ELIGIBLE (A.2.) TURNOVER, YEAR 2022 (18)	CATEGORY ENABLING ACTIVITY (19)	CATEGORY TRANSITIONAL ACTIVITY (20)
ECONOMIC ACTIVITIES (1)																			
A. TAXONOMY - ELIGIBLE ACTIVITIES		SEK M																	
A.1. Environmental sustainable activities (Taxonomy aligned)																			
Turnover of environmental sustainable activities (Taxonomy aligned) (A.1)		0	0%	%	%	%	%	%	%	J	J	J	J	J	J	J	0%		
Of which Enabling				%	%	%	%	%	%	J	J	J	J	J	J	J	%	E	
Of which Transitional				%	%					J	J	J	J	J	J	J	%		T
A.2 Taxonomy -eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (g)																			
Turnover of Taxonomy -eligible but not environmental sustainable activities (not Taxonomy-aligned activities) (A.2)		0	0%	%	%	%	%	%	%								0%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		0	0%	%	%	%	%	%	%								0%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		5,757	100%																
TOTAL		5,757	100%																

TEMPLATE 1 NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

Nuclear energy related activities	YES/NO
1. The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2. The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3. The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities	
4. The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5. The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6. The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

PROPORTION OF TAXONOMY ALIGNED ECONOMIC ACTIVITIES CAPITAL EXPENDITURE

Proportion of capital expenditure from products or services associated with Taxonomy aligned economic activities - disclosure covering year 2023.

2023	YEAR			SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA ('DOES NOT SIGNIFICANTLY HARM')(H)							PROPORTION OF TAXONOMY ALIGNED (A.1.) OR ELIGIBLE (A.2.) CAPEX, YEAR 2022 (18)	CATEGORY ENABLING ACTIVITIES (19)	CATEGORY TRANSITIONAL ACTIVITIES (20)
	CODE (A) (2)	CAPEX (3)	PROPORTION OF CAPEX, YEAR 2023	CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (9)	BIODIVERSITY (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER (13)	POLLUTION (14)	CIRCULAR ECONOMY (15)	BIODIVERSITY (16)	MINIMUM SAFEGUARDS (17)			
ECONOMIC ACTIVITIES(1)																			
A. TAXONOMY-ELIGIBLE ACTIVITIES		SEK M																	
A.1. Environmental sustainable activities (taxonomy aligned)																			
CapEx of environmental sustainable activities (taxonomy aligned)(A.1)		0	0%	%	%	%	%	%	%	J	J	J	J	J	J	J	J	0%	
Of which Enabling			%	%	%	%	%	%	%	J	J	J	J	J	J	J	J	%	E
Of which Transitional			%	%						J	J	J	J	J	J	J	J	%	T
A.2 Taxonomy-Eligible but not environmental sustainable activities (not taxonomy aligned) (g)																			
Construction of new buildings	CCM 7.1	2	0,7%	EL				N/EL										22	
Renovation of existing buildings	CCM 7.2	2	0,8%	EL				N/EL										0	
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	5	1,9%	EL				N/EL										1	
Installation, maintenance and repair of energy efficient equipment	CCM 7.3	0	0,2%	EL				N/EL										0	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance in buildings	CCM7.5	0	0,0%	EL				N/EL										0	
Acquisition and ownership of buildings	CCM 7.7	32	11,4%	EL				N/EL										42	
Electric and electronic equipment	CE 1.2	2	0,7%	N/EL				EL										0	
Maintenance of roads and motorways	CE 3.4	0	0,1%	N/EL				EL										0	
CapEx of Taxonomy-Eligible but not environmental sustainable activities (not taxonomy aligned) (A.2)		43	15,8%	%	0%	0%	0%	%	0%									65%	
A. CapEx of Taxonomy-Eligible activities (A.1+A.2)		43	15,8%	%	0%	0%	0%	%	0%									65%	
B. TAXONOMY-NON-ELIGIBLE-ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		232	84,2%																
Total		275	100%																

PROPORTION OF TAXONOMY ALIGNED ECONOMIC ACTIVITIES OPERATIONAL EXPENDITURE

Proportion of operational expenditure from products or services associated with Taxonomy aligned economic activities - disclosure covering year 2023.

2023	YEAR		SUBSTANTIAL CONTRIBUTION CRITERIA							DNSH CRITERIA ('DOES NO SIGNIFICANTLY HARM') (H)							PROPORTION OF TAXONOMY ALIGNED (A.1.) OR ELIGIBLE (A.2.) OPEX, YEAR 2023 (18)	CATEGORY ENABLING ACTIVITY (19)	CATEGORY TRANSITIONAL ACTIVITY (20)
	CODE (A) (2)	OPEX (B)	PROPORTION OF OPEX, YEAR 2023 (4)	CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (9)	BIODIVERSITY (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER (13)	POLLUTION (14)	CIRCULAR ECONOMY (15)	BIODIVERSITY (16)	MINIMUM SAFEGUARDS (17)			
ECONOMIC ACTIVITIES (1)																			
A. TAXONOMY - ELIGIBLE ACTIVITIES		SEK M																	
A.1 Environmentally sustainable activities (Taxonomy-aligned)		0	0%	%	%	%	%	%	%	J	J	J	J	J	J	J		0%	
Of which Enabling			%	%	%	%	%	%	%	J	J	J	J	J	J	J			E
Of which Transitional			%	%						J	J	J	J	J	J	J			T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
Installation, maintenance and repair of energy efficient equipment	CCM 7.3	1	0,9	EL				N/EL										0,1	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	1	0,8	EL				N/EL										0,1	
Maintenance of roads and motorways	CE 3.4	1	0,8	N/LE				EL										0	
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)(A.2)		3	2,4%	%	%	%	%	%	%									0,1	
A. OpEx of Taxonomy-eligible activities (A.1+A.2)		3	2,4%	%	%	%	%	%	%									0,11	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		99,9	
OpEx of Taxonomy-non-eligible activities		119	97,6%																
TOTAL		122	100%																

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