Annual Report

2023

Plejd AB (publ)

Contents

Annual Report 2023

About the company

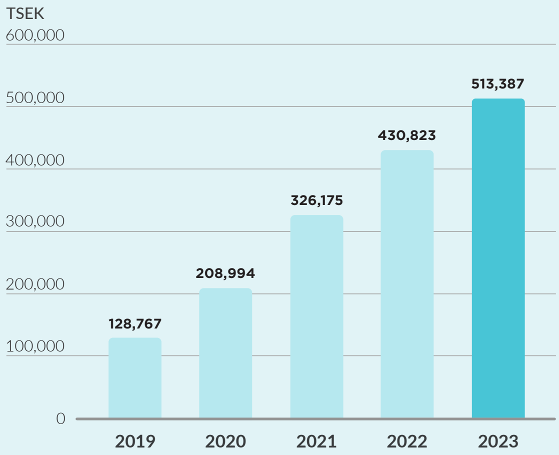
Plejd is a leading Nordic supplier of smart lighting controls. By focusing on the user experience, smart lighting controls are made easy and available to everyone.

Multi-year summary | Group

Amounts in TSEK	2023	2022	2021	2020	2019
Net sales	513,387	430,823	326,175	208,994	128,767
Gross margin, %	54.4	58.7	57.0	55.5	45.3
Operating profit (EBIT)	59,520	79,407	53,680	25,331	-17,409
Operating margin, %	11.6	18.4	16.5	12.1	-
Equity/assets ratio, %	71.3	69.7	70.9	76.1	84.0
Share price as of the last balance sheet date, SEK	167	206	414	194	55
Cash and cash equivalents	21,365	43,012	105,478	130,126	54,650
Average number of employees	202	182	135	100	86

Net sales

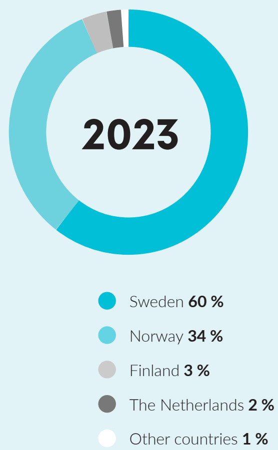
2019–2023



Revenue growt

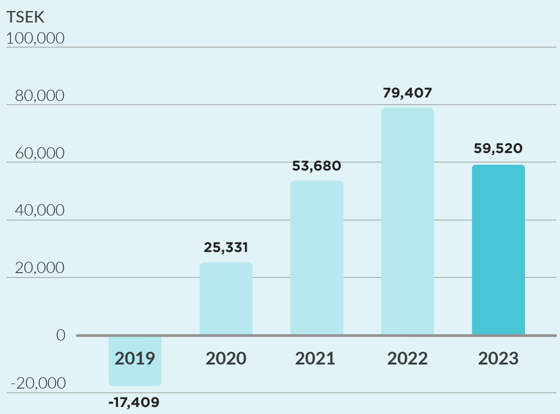
2023	19.2 %
2022	32.1 %
2021	56.1 %
2020	62.0 %
2019	63.3 %

Market distribution



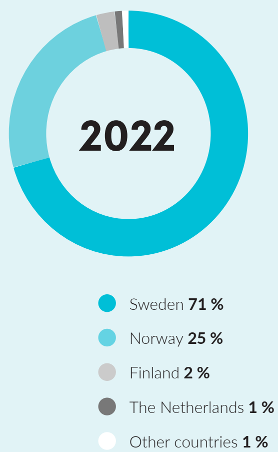
EBIT

2019–2023



Operating margin

2023	11.6 %
2022	18.4 %
2021	16.5 %
2020	12.1 %
2019	neg



Comments from the CEO

This year is characterized by the launch of our new product category, smart luminaries, with our downlight as the first product. During the year's second half, we delivered over 150,000 downlights, which shows a strong demand. This achievement establishes the groundwork for a new product category with smart luminaires, where we plan to continue our innovation with more exciting products during 2024.

In our international growth strategy, we especially note that the market in Norway continues to follow the same successful path as in Sweden. We see a strong growth in the Netherlands and have increased presence in countries such as Spain, Germany, and Switzerland. Here, we have built up wholesale relations and sales teams ahead of the launch of the shutter controller JAL-01, planned for the second quarter of 2024. It is our ambition that JAL-01 will make these markets accelerate.

Throughout 2023, we have put a lot of energy into optimizing our cost structure and increasing cost awareness within the company. The key to our profitability strategy is to increase revenues while we keep our costs at a relatively stable level. By balancing these two factors, we look forward to creating sustainable and long-term profitability.

2023 has been an important year where we have positioned ourselves for a new growth phase, driven by both new product categories and new markets. We look forward to the coming years with great enthusiasm and are convinced that our strategy will lead to strong growth and increased profitability. I want to thank the team for a fantastic job.

Babak Esfahani
CEO of Plejd AB (publ)

Our business

Professional & smart lighting control

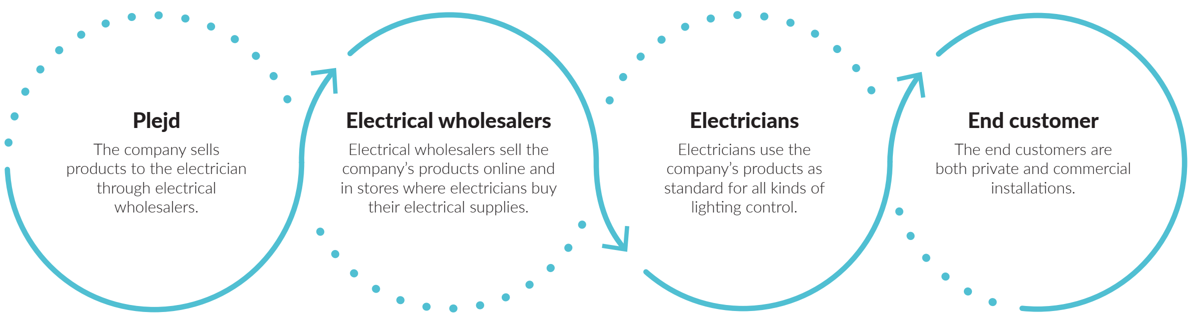
At Plejd, we develop and sell products in the areas of connected, smart lighting control and smart luminaires. Smart products and services for lighting control offer significantly more functionality than traditional alternatives.

With our wireless platform and integrated ecosystem, our products can provide advanced control with great adaptability and simple configuration. The products enable the creation of lighting scenes and time functions that can be controlled via our app or scheduled as needed. The app-based configuration and the smart features of the products not only simplify the installation process but also increase the efficiency of the entire system.

A key advantage of our products is their ability to communicate wirelessly with each other. This eliminates the need for extensive cabling, which is particularly valuable during renovations and in complex installation environments.

The electrician is the company's primary customer

We sell our products through electrical wholesalers to electricians who in turn install the products at both private and commercial end customers. The company's products create value for all parties, but the focus is on the electrician. The Plejd technology can help electricians solve the biggest problems more simply and cost-effectively than traditional technology.



Our products

The core of our product portfolio is our smart lighting control modules, which we call "pucks." These pucks are installed the same way as traditional lighting control, usually behind the light switch, but can also be installed with the luminaire or in the central electrical unit. The pucks are compatible with most light sources, luminaires, light switches, and electrical outlets on the market, making them an integrated part of the fixed electrical installation.

With our recently launched smart luminaire series, we make adjustable color temperature available to everyone. By integrating the control into the luminaire, we have created a new level of flexible lighting installation, where grouping can be done wirelessly and without the need for ignition wires or consideration of maximum power. All settings for our products are made via our simple and powerful app.

This means that Plejd's product portfolio is more or less complete in the sense that an electrician can use Plejd's smart lighting control for virtually all installations they encounter.

Market

Currently Plejd products are mainly used in properties up to about 1,000 sq.m. The majority of these installations are private homes such as apartments and villas, but a significant part is also commercial such as offices, restaurants and shops.

In the coming years, the company will develop the system in order to better address even larger properties and is thus expected to obtain a larger proportion of commercial installations. The company's products are mainly installed in connection with renovations, but through the smooth wireless technology, the products are excellent for both renovations and new production.

1 million+
Plejd systems

4 million+
Installed devices

50 000+
Installers

Loved by the electrician

Our electricians replace traditional lighting controls with our digital platform for smart lighting control, which gives them several new opportunities.

1 Simple and powerful configuration

Traditional lighting control often involves complex, manual and limited configuration with products from several different suppliers. This entails extra work for the electrician who needs to learn about different products and systems to solve the problems. With our products, all configuration is made easy and intuitive through our app, which saves time and above all paves the way for new possibilities to adapt the products to the situation.

2 Wireless cabling

Problematic cabling for lighting has always been part of an electrician's everyday life. Cabling usually involves other tradespeople, such as painters, to conceal a new ducting, which can create uncertainty in planning and costs for the project. For electricians, unexpected and problematic cable runs can be time-consuming, which can affect the profit in projects where they offer a fixed price. Our wireless technology gives electricians the ability to create "virtual" cables in just a few seconds, which not only avoids problematic cabling but also provides the flexibility to place light switches and controls wherever desired.

3 Future-proof and additional sales

The market for smart lighting is expanding rapidly, and with it, the demand for versatile and innovative solutions is increasing. Electricians are faced with the need to manage everything from app control and scenes to voice control and integration into smart home systems. Traditionally, this involves a time-consuming process with requirements for special cabling, complex programming, and training. With Plejd, electricians can easily meet these demands through a single platform without the need for additional training. The user-friendliness and flexibility mean not just more efficient workflows but also increased customer satisfaction. This results in a stronger market position and opens up for potential additional sales for our electricians.

Loved by the end customer

For the end customer, Plejd is an easy-to-use tool for controlling and automating lighting. Our end customers love the simplicity and flexibility of being able to create their own scenes and time functions to let the lighting manage itself.

Plejd for the Home

With Plejd's smart lighting control, the end customer can customize their lighting with scenes and scheduling. Our wireless technology makes the products perfect for both new construction and renovation. To simplify everyday life at home, for example, the facade lighting can be scheduled according to sunrise and sunset, or a "goodbye" scene can be created where all lights are turned off with the press of a button.

Plejd for the Business

With smart lighting from Plejd, the end customer can create a pleasant atmosphere where employees and customers feel comfortable. The workplace can be customized and automated with both scheduling and scenes. For example, the "dinner" scene can be used in a restaurant, and a schedule can be created for the office so that all lights turn off after working hours. Our intuitive app and wireless technology are cost-effective and provide maximum flexibility.

All under one roof

In order to be able to offer our customers maximum value, we are convinced that we need to control every part of the user experience. We do this through full vertical integration, where, in addition to developing every part of our products, we also develop production automation and quality equipment. Additionally, we also have a large part of the company's volume production in-house

User experience

By being in full control of every part of our offering, such as electronics, mechanics, firmware, app and cloud services, we are convinced that we can offer the best conditions to create the best user experience for our customers.

Quality and support

Full vertical integration allows for careful quality control at all stages. Many quality-related challenges are a combination of several factors, ranging from production to test automation, software, electronics, and more. By being in control of every factor, we have the best possibility to offer our customers amazing quality and support over time, which we consider to be a fundamental piece of the puzzle for our success.

Inspiring workplace

We are convinced that an important prerequisite for a good workplace is the understanding of the employee's contribution to the whole. By having every part of our offering under one roof, we create an inspiring and developing workplace with close collaboration between disciplines. This gives employees unique opportunities to interact easily in a development process, where, for example, an app developer can go straight to the electrical engineer who creates the circuit board for the hardware that the app controls. Production, automation and quality equipment are available in the same building and developed for the same product.

Profitability

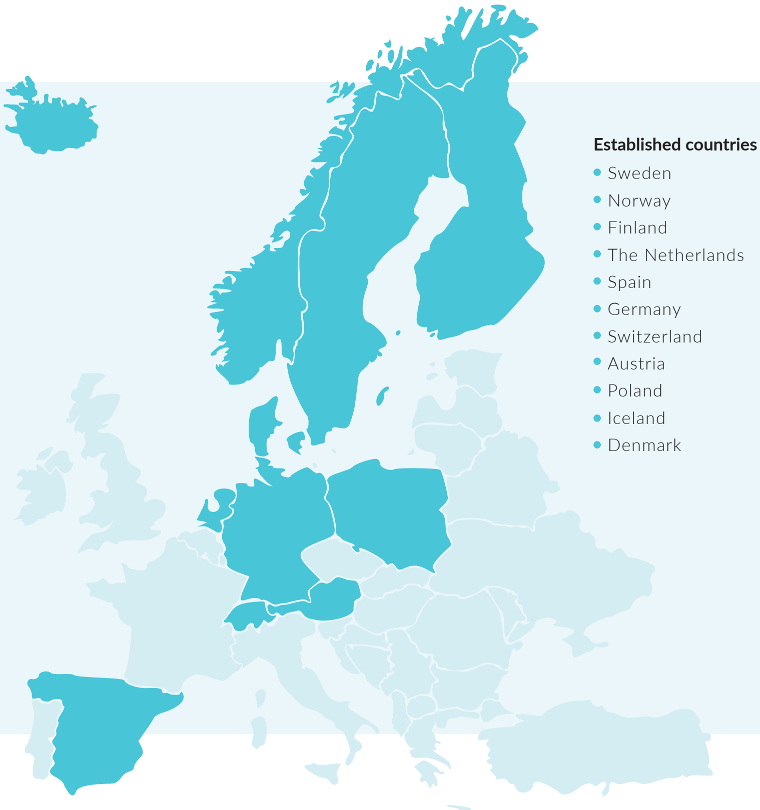
Through vertical integration, we can easily identify optimization possibilities at all stages from production automation and processes to component selection and product design. In other words, all the factors that ultimately maximize our profitability over time.

Multidimensional growth

Between 2019 and 2023, the company has had an average organic growth of 41 % per year, which largely comes exclusively from the current product category in the Swedish and Norwegian market. Based on our market-leading position, the company has a multidimensional growth strategy to maintain long-term strong organic growth with growing profitability.

Markets

In accordance with the analysis the company has conducted, the work to target the countries identified as suitable platforms for expansion outside the Swedish market continues. The company is currently in the midst of this expansion phase, with establishments being phased in and tailored to each specific market. Norway stands out as a prime example of success in this strategy. Within just a few years, Norway has come to represent 34 % of the company's total revenue. This growth mirrors what the company has experienced in Sweden and confirms that the business model works well in other markets as well.



New product categories

Plejd's growth strategy focuses on launching new product categories to broaden the customer base in each market. Previously, the company's main focus was on the puck series. However, 2023 marked an important year as Plejd launched its second product category: smart luminaires. The company plans to introduce two more categories during 2024 and 2025. The next major launch, scheduled for 2024, is in the area of smart heating control. This is part of the company's ambition to diversify and expand its product portfolio.

Corporate governance report

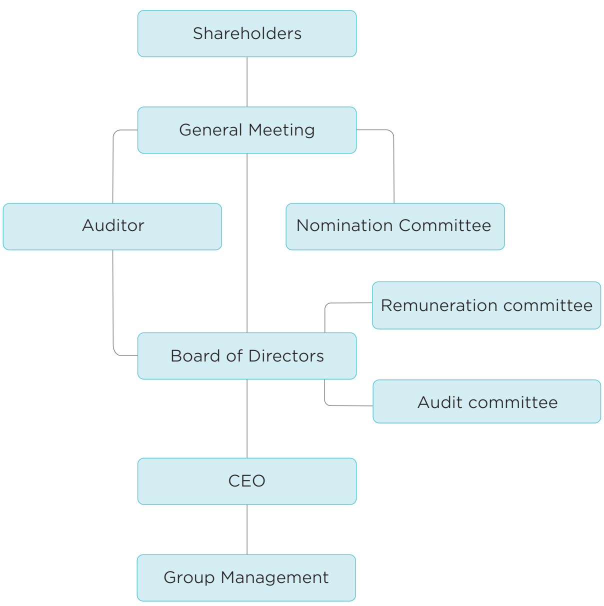
This is the Corporate Governance Report for Plejd AB (publ.) (the "Company"), company registration no. 556790-9477. It has been prepared in accordance with the Swedish Annual Accounts Act (SFS 1995:1554). The Company applies the Swedish Corporate Governance Code (hereafter referred to as the "Code") and complies with applicable legislation, primarily the Swedish Companies Act (SFS 2005:551) and Annual Accounts Act. Responsibility for corporate governance reporting rests with the Board of Directors of Plejd. The Corporate Governance Report for the financial year 2023 has been audited by the Company's auditors as described in the document Auditors' opinion on the Corporate Governance Report.

Corporate governance

Plejd AB (publ) is a Swedish public limited liability company with its registered office in Mölndal Municipality, Västra Götaland County, Sweden. Plejd has been listed on the Spotlight Stock Market since 11 April 2016. Plejd applies the Swedish Corporate Governance Code ("the Code") and provides the Corporate Governance Report for the 2023 financial year here. The Corporate Governance Report has been reviewed by the company's auditors.

Guidelines concerning the Code are available at www.bolagsstyrning.se. The Code is based on the principle of "comply or explain", meaning that companies that apply the Code may deviate from individual rules, provided they explain the deviation.

The illustration below provides a general description of corporate governance in Plejd



Deviation from the code

The company deviates section 2.3 by permitting members of the executive management to sit on the Nomination Committee; however, members of the executive management may not constitute a majority on the committee nor be appointed chairperson, nor is the CEO permitted to sit on the Nomination Committee. The Company believes that members of the executive management have good insight into the business that may prove beneficial when evaluating candidates and therefore does not want to restrict them from being elected by the owners.

Shareholder

The Company's shares have been traded on the Spotlight Stock Market since 11 April 2016. The shares are listed on Spotlight Select, a premium segment of the Spotlight Stock Market.

At the close of 2023, the Company's share capital totaled SEK 1,676,808 distributed among 11,178,720 hares with a quotient value of SEK 0.15.

The Company has four owners who between them own 39.6% of the shares. The four owners are Christian von Koenigsegg privately and through companies 12.49%, Avanza Bank 10.94%, Nordnet Pensionsförsäkring 8.90%, Pluspole Group 7.28%.

At the close of the year, the total number of shareholders was 27,895.

Shareholders' meetings

The shareholders' right to decide on matters related to the Company is exercised at the annual general meeting (AGM) and, when called for, extraordinary general meetings (EGMs). The AGM is held in Mölndal or Gothenburg once each calendar year before the end of June. EGMs are held as and when necessary.

The AGM decides on a number of mandatory matters pursuant to the Companies Act and Articles of Association, such as approving the Company's Income Statement and Balance Sheet, the distribution of profits and discharging the Board of Directors and CEO from liability. The AGM also elects the Nomination Committee, Board of Directors and Chair of the Board, appoints auditors and decides on remuneration to directors and auditors, guidelines for variable remuneration to the CEO and other senior executives, as well as any amendments to the Articles of Association.

AGM 2023

The following decisions were made at the AGM held on 27 April 2023:

- The AGM approved the annual accounts and the distribution of profits and discharged the Board of Directors and CEO from liability.
- Re-election of board members: Ylwa Karlgren, Nico Jonkers, and Erik Calissendorff. New election of board member Anders Persson.
- Re-election of the chair of the board: Ylwa Karlgren.
- Election of the registered audit firm Öhrlings PricewaterhouseCoopers as the company's audit firm with authorized auditor Johan Malmqvist as the principal auditor.
- The meeting approved the nomination committee's proposals for remuneration to the board and auditor.
- Decision on principles for the nomination committee.
- Re-election of members to the nomination committee: Suzanne Sandler, Iman Habib, Halldora von Koenigsegg, and Erik Calissendorff, as well as co-optation of the board's chair Ylwa Karlgren.
- The meeting approved the proposal for guidelines on remuneration for the CEO and other senior executives.
- The board was authorized to decide on the issue of new shares on one or more occasions, with or without preferential rights for shareholders, up to a maximum of 10 percent of the registered share capital in the Company.
- Decision on the 2023/2026 incentive program for senior executives and employees through the issue of subscription options.

The complete minutes of the 2023 AGM are available at www.plejd.com/investors.

AGM 2024

The 2024 AGM will be held on Tuesday 23 April 2024. For further information, please visit the Plejd website at www.plejd.com/investors.

Nomination committee

Plejd's Annual General Meeting passes resolutions concerning procedures for the appointment and work of the Nomination Committee. The Nomination Committee's duties include the preparation and compilation of proposals for the election of directors, the Chair of the Board, the Chair of the AGM and auditors, as well as proposals regarding fees to directors, members of any Board committees and the auditor.

At the 2023 AGM, it was decided that the Nomination Committee should consist of at least three and no more than six members and that members should be elected at the AGM. The four largest owners or owner groups in the company according to Euroclear on 31 December shall be invited to appoint a representative to the Nomination Committee. If any of the largest owners/owner groups declines to appoint a member to the Nomination Committee, the next shareholder/owner group by size shall be given the opportunity to do so. If any shareholder/owner group waives its right to appoint a member to the Nomination Committee, no more than eight of the largest shareholders/owner groups need be asked, unless otherwise necessary for the appointment of the minimum number of three members. In addition, one member may be elected to represent the smaller shareholders and the Chair of the Board can be co-opted.

Directors may be elected to the Nomination Committee, but shall not constitute a majority of the Nomination Committee's members. It is not permitted to elect the CEO to the Nomination Committee. At least one of the Nomination Committee's members shall be independent of the largest shareholder or group of shareholders in the company by votes that is involved in the Company's management. The Nomination Committee remains in office until a new Nomination Committee has been appointed.

Nomination Committee member	Represents	Holding
Suzanne Sandler (ordförande)	Handelsbanken fonder	0 %
Halldora von Koenigsegg	Christian von Koenigsegg	12.49 %
Iman Habib	Pluspole Group	7.28 %
Erik Calissendorff	Plejd Grundare	6.04 %
Marcus Neckmar	Andra AP-fonden	5.93 %

If a shareholder/group of shareholders becomes one of the four largest owners after the Nomination Committee has been constituted, they may contact the Chair of the Nomination Committee and request to appoint a member. The Chair of the Nomination Committee shall then inform the other members of the Nomination Committee of the request.

If the Nomination Committee is complete and the change of ownership is substantial, and if relevant competence can be added to the Nomination Committee, a member appointed by a shareholder/group of shareholders that is no longer among the four largest owners may make their place available so that the new shareholder can appoint a member. However, the composition of the Nomination Committee should not be altered later than three months before the Annual General Meeting.

The Nomination Committee is deemed to be independent pursuant to the Code.

The Nomination Committee prior to the 2024 AGM

At the 2023 meeting, Suzanne Sandler, Halldora von Koenigsegg, Iman Habib, and Erik Calissendorff were elected to the Company's Nomination Committee for the 2024 Annual General Meeting. During the year, Marcus Neckmar was also elected to the Company's Nomination Committee, which was announced via a press release.

Board of Directors

Composition and independence

According to the Company's Articles of Association, the Board of Directors shall consist of at least four and no more than eight members. Five directors were elected at the AGM on 27 April 2023. The CEO attends board meetings as rapporteur. Other functions attend board meetings as rapporteur on specific issues.

In its reasoned opinion prior to the 2023 AGM, the Nomination Committee stated that it had applied the provisions of Section 4.1 of the Code on diversity in its proposal for the Board of Directors.

Section 4.1 states: The board is to have a composition appropriate to the company's operations, phase of development and other relevant circumstances. The board members elected by the shareholders' meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The company is to strive for gender balance on the board

The independence of the Board of Directors

According to the Code, a majority of the elected directors shall be independent in relation to the company and its executive management. At least two of the directors who are independent of the company and executive management shall also be independent in relation to the company's major shareholders. A director's independence is to be determined by a general assessment of all factors that may give cause to question the individual's independence and integrity with regard to the company or its executive management.

The dependency status of directors is shown in the table "Composition of the Board of Directors".

All directors with the exceptions of Erik Calissendorff are deemed to be independent in relation to the Company and its executive management. All directors with the exception of Halldora von Koenigsegg are deemed to be independent in relation to major shareholders.

The duties of the Board of Directors

The work of the Board of Directors is regulated by the Companies Act and the Company's Articles of Association. The work of the Board of Directors is also regulated by the Rules of Procedure adopted by the Board on an annual basis.

Name	Position	Elected	Attendance at Board meetings	Independent in relation to company management	Independent in relation to larger shareholders
Ylwa Karlgren	Chairman of the Board	2021	12/12	Yes	Yes
Erik Calissendorff	Founder and Board member	2009	12/12	No	Yes
Nico Jonkers	Board member	2020	10/12	Yes	Yes
Halldora von Koenigsegg	Board member	2022	12/12	Yes	No
Anders Persson	Board member	2023	9/9	Yes	Yes

For further information on board members elected by the general meeting, refer to the section on the board, page 15 of this annual report.

Among other things, the Rules of Procedure regulate the division of responsibility between the Board of Directors, the Chair of the Board and the CEO, as well as the Board's decision-making procedure, board meetings and the Board's work related to accounting, auditing and financial reporting. The Board of Directors has also prepared instructions to the CEO and adopted other separate policy documents.

The Board of Directors is responsible for the Group's organization and the management of its affairs; setting overall objectives; developing and following up overall strategies; decisions concerning major acquisitions, divestments and investments; decisions on capital placement and loans; continuously following up operations; approving quarterly and annual accounts; and continuously evaluating the work of the CEO and the Group's executive management. The Board of Directors is also responsible for ensuring the quality of financial reporting, including systems for monitoring and internal control of Plejd's financial statements and position. The Board shall also ensure that the external information provided by the Plejd is characterized by transparency and is correct, relevant and unambiguous. Fixed agenda items at board meetings include the Company's business situation, forecasts, matters for decision and economic and financial reporting.

Chair of the Board

The Chair of the Board keeps abreast of the Company's activities through ongoing contact with the CEO. The Chair organizes and leads the work of the Board of Directors and is thus responsible for ensuring that other directors receive adequate information and decision-making documentation. The Chair is also responsible for ensuring the directors constantly update and improve their knowledge of the Company and otherwise receive the training required to effectively direct the affairs of the Company from the boardroom. The Chair is also responsible for ensuring that the Board of Directors annually evaluates its own work.

During 2023, the Board of Directors has had 12 ordinary members. Board meetings have been devoted to following up the Company's finances, strategic issues, budgetary discussions, investment decisions, the adoption of policies and instructions, listing issues and external economic information. Board meetings are prepared by the Chair and the CEO. The CEO provides directors with written reports and documentation no later than five workdays before each meeting. Directors also receive monthly reports over the course of the year, keeping them apprised of the Group's financial and operational development in relation to the adopted budget. These reports are prepared jointly by the CEO and CFO.

Board committees

Pursuant to the Code and the Swedish Companies Act, the Board is required to establish a Remuneration Committee and an Audit Committee from within its ranks. The CEO's sole role in the work of the Remuneration Committee and Audit Committee is as rapporteur. The Board of Directors works according to established instructions for matters within the remits of the Audit Committee and Remuneration Committee respectively. Members of the committees must be independent of the Company and its executive management.

Remuneration Committee

The main duties of the Remuneration Committee are to: prepare the board's decisions on issues concerning principles for remuneration, remunerations and other terms of employment for the executive management; monitor and evaluate programs for variable remuneration to the executive management, both ongoing programs and those that have ended during the year; and monitor and evaluate the application of the guidelines for remuneration to the board and executive management that the shareholders' meeting is legally obliged to establish. The Company's Remuneration Committee consists of Ylwa Karlgren (Chairman of the Board), Halldora von Koenigsegg and Anders Persson.

Audit Committee

The main duties of the Audit Committee are to: monitor Plejd's and the Group's financial reporting and risk management; remain informed concerning the auditing of the annual report and consolidated financial statements; and to examine and monitor the auditor's impartiality and independence, with particular attention to whether or not the auditor provides the company with services other than auditing. The Board of Directors shall also assist the Nomination Committee with regard to the election of auditors. The Chair maintains ongoing contact with the company's auditor with the aim of creating a continuous exchange of opinions and information. The Board of Directors as a whole has been given both a preliminary and final presentation on the Company's development by the auditor. The Company's Audit Committee consists of Anders Persson (Chairman of the Board), Ylwa Karlgren and Halldora von Koenigsegg

Evaluation of the Board of Directors' work during 2023

The Chair of the Board is responsible for that an evaluation of the board's work is conducted annually and that the results are presented and discussed in the board and the nomination committee. The evaluation for 2023 was carried out during the first quarter of 2024.

Board of Directors

Ylwa Karlgren

Chairman of the Board since 2022
Board member since 2021

Born | 1956

Master of Science in Business and Economics from Uppsala University. 30 years of experience in senior positions and international business environments in the financial industry, e.g., SEB and real estate and energy industry. Current board assignments include Chairman of the Board of Ferroamp AB, board member of Acrinova AB, and board member of Gullberg & Jansson AB.

Shares | 1,050

Erik Calissendorff

Founder and Board member since 2009

Born | 1980

Master of Science degrees in IT and Entrepreneurship from Chalmers University of Technology. Worked as Chief Electronical Technical Officer aboard the world's largest private superyachts such as M/Y Eclipse before the founding of Plejd.

Shares | 406,153
(personal and through a related and wholly owned company)

Nico Jonkers

Board member since 2020

Born | 1969

Master of Science in Industrial Engineering and Management from the University of Technology Eindhoven, Netherlands. Signify (Philips Lighting) - Schneider Electric - Royal Philips, responsible for global business units in smart homes and building automation. Since 2019, Global Head of Innovation for Philips Personal Health.

Shares | 0

Halldora von Koenigsegg

Board member since 2022

Born | 1976

International Market Economics, IIU Stockholm, New York. Successful company builder with international reach. Currently COO of Koenigsegg Automotive AB for many years.

Shares | 1,396,201
(controlled by related parties, partly through company-owned capital insurance policies)

Anders Persson

Board member since 2023

Born | 1957

Master of Science in Engineering Physics from Chalmers University of Technology. Chair of the board at both Hexatronic Group AB and Coloreel Group AB, also director at Ferroamp AB. Previously interim CEO and deputy at Net Insight AB and various positions nationally and internationally within the Ericsson Group.

Shares | 500

External auditors

The Company's auditor is elected at the Annual General Meeting. The auditor examines Plejd's annual report and consolidated financials statement, the Board of Director's and CEO's management of the Company and the annual reports of subsidiaries before submitting an auditor's report.

The auditor maintains ongoing contact with the Chair of the Board, the Audit Committee, the CEO and CFO. The auditor works according to an audit plan and reports their observations to the Board of Directors. The auditor offers their view on the Company's internal procedures and controls in connection with the annual accounts.

The auditor will usually attend two board meetings each year, first to present the audit plan and then in connection with preparing the year-end report.

At the 2023 Annual General Meeting, Öhrlings PricewaterhouseCoopers AB was re-elected as the Company's auditors, with Johan Malmqvist as chief auditor. The Company's auditors have no other assignments with the Company that may compromise their independence as auditors.

Johan Malmqvist

Authorized public accountant since 2020

Born | 1975

Master's degree in Economics from the School of Business, Economics and Law in Gothenburg. Authorized public accountant and Partner at PwC.

Daniel Körner Rask

Co-signatory auditor since 2022

Born | 1986

Master's degree in Economics from Umeå University. Authorized public accountant at PwC.

CEO and other senior executives

Plejd's President and CEO reports to the Board of Directors and is responsible for the day-to-day management of the company. The framework for their work is the written instructions to the CEO adopted annually by the Board of Directors.

Senior management consists of the CEO, CFO, COO, CTO, CHRO and CSO. The management group meets regularly to discuss group-wide issues and to prepare strategies, business plans and budgets for the CEO to present to the Board of Directors for decision. For further information on the management group, please see page 18.

The CEO is responsible for ensuring that the Board of Directors receives the necessary objective and relevant information to make well-informed decisions. The CEO monitors that the targets, policies and strategic plans adopted by the Board for Plejd are complied with and is responsible for keeping the Board of Directors informed of developments between board meetings.

Guidelines for remuneration

During the years, Plejd has complied with the following guidelines for remuneration to the CEO and other senior executives.

Plejd is to offer the level of remuneration and terms of employment deemed necessary to recruit and retain a highly skilled management team that is capable of achieving set objectives. The general principle is that the salaries and other remuneration paid to Plejd's senior executives is to be commensurate with their market value. Senior executives are to receive a fixed salary. Variable cash remuneration may be paid in addition to a fixed salary to reward clearly defined, target-related performance within a simple and transparent structure.

Senior executives may receive non-monetary benefits – such as company cars, computers, mobile phones, additional health insurance or occupational health services – to the extent that this is deemed to be market practice for senior executives in equivalent positions in the market in which the Company operates. The total value of these benefits shall constitute a small percentage of total remuneration.

Senior executives are covered by the current ITP pension plan or a defined-contribution pension scheme that does not exceed 30 per cent of pensionable salary. Alternatively, senior executives residing outside Sweden, or who are foreign citizens and receive their main pension from a country outside Sweden, may be offered other reasonable pension solutions in the country in question.

The Board of Directors retains the right to deviate from these guidelines if justified by the circumstances of an individual case, provided that such a course of action is subsequently reported and a reason given. For further information regarding salaries and remuneration, please refer to Note 8.

Share- and share-price-related incentive programs are decided on by the AGM and are therefore not covered by these guidelines.

Period of notice & severance pay

When terminating the CEO's employment contract, a notice period of six months applies, regardless of which party terminates the employment. No agreements have been reached regarding severance pay. For other senior executives, a notice period of up to three months applies, regardless of which party terminates the employment.

Group management

Babak Esfahani
CEO
Born | 1982

Co-founder and CEO, employee of the company since 2010.

Shares | 400,000

Linda Kjellberg
CFO
Born | 1981

CFO of the company since 2019, employee of the company since 2016 with responsibility for finance.

Shares | 13,745
Warrants | 3,000 st

Mikael Blixman
COO
Born | 1985

Chief Operating Officer of the company since 2019, employee of the company since 2018 with responsibility for acquisitions and production.

Shares | 8,040
Warrants | 3,000 st

Gustav Josefsson
CTO
Born | 1985

Chief Technical Officer of the company since 2018, co-founder of Pluspole, which is part of the Plejd Group as a wholly owned subsidiary.

Shares | 337,342
Warrants | 2,775 st

Iman Habib
CHRO
Born | 1980

Chief HR Officer of the company since 2018, co-founder of Pluspole, which is part of the Plejd Group as a wholly owned subsidiary.

Shares | 330,021
Warrants | 2,775 st

Rikard Sköldin
CSO
Born | 1983

Sales manager of the company since 2019, employed by the company as a seller since 2016.

Shares | 8,072
Warrants | 3,000 st

Internal control

The Board of Directors and CEO are responsible for internal controls pursuant to the Companies Act and Annual Accounts Act. The responsibilities of the Board of Directors are also regulated in the Code, which also contains requirements for publishing information annually concerning how internal controls related to financial reporting are organized.

Among other things, internal controls are intended to ensure that the Company achieves its objectives in terms of having an efficient, fit-for-purpose organization, effective governance and is in compliance with applicable acts and ordinances. Internal controls are also intended to provide reasonable assurance regarding the reliability of external financial reporting, and that such financial reports are prepared in accordance with statutory requirements, applicable accounting standards and the regulations issued by the Spotlight Stock Market.

The Company's processes for internal control, risk assessment and ensuring that all significant areas are covered involves the Board of Directors, Audit Committee, group management and other functions. In addition to assessing the risks in the financial reporting, the Board and management work continuously to identify and manage significant risks affecting Plejd's business from a strategic, operational and financial perspective.

Read more about the risks on page 35, Note 4 in this annual report.

Control environment

The Board of Directors has established instructions and governance documents to regulate the division of roles and responsibilities between the Board and the CEO. The manner in which the Board of Directors monitors and assures the quality of internal controls is stated in the Board's Rules of Procedure, instructions to the CEO and instructions for the CEO's reporting.

The environment in which control is exercised is strengthened by the Company's core values, corporate culture and organization. The Company also has rules, policies and detailed procedures that are communicated from the Board of Directors to the Company's employees, compliance with which is followed up. The main task of the Company's management and employees is to implement, develop and maintain group-wide control procedures and to carry out internal controls in business-critical areas.

The control environment also encompasses monthly and quarterly reports containing outcomes, budget comparisons, operational objectives, investments, assessments and evaluations of financial risks, and analyses of operational and financial key performance indicators.

Financial risks are primarily considered to relate to accounting errors when reporting the Company's financial position and results. To minimize this risk, governance documents have been established for accounting, including procedures for financial statements and following up reported financial statements. Financial information is reported through a group-wide business management system.

The Company's auditor conducts an annual review of financial information. Based on their audit, each year the auditor reports to management and the Board of Directors on any areas for improvement in processes and controls.

Responsibility for presenting report packages to the Board of Directors is delegated to the CEO, as is maintaining an effective control environment and conducting continuous risk assessments and internal controls of financial reporting. However, ultimate responsibility rests with the Board of Directors.

Follow-up, evaluation, and reporting

In addition to the consolidated financial statements prepared by the Company's group finance function, a monthly financial report is prepared for each group company. Separate analyses are performed of the development of installations, orders, inventory and tied-up operating capital, costs, investments and cash flow. Particular consideration is given to following up any problems and to ensuring accurate financial reporting in line with the Company's continued expansion and internationalization.

The Board of Directors is sent a monthly report package and financial reporting is followed up at every board meeting. The Board and management review financial reporting before publishing interim reports and annual accounts. The Board continuously evaluates the information submitted by group management and Plejd's financial position, strategies and investments are discussed at every board meeting.

The CEO is responsible for ensuring that internal controls are organized and followed up in accordance with the guidelines issued by the Board of Directors. The CEO is also responsible for ensuring that independent, objective audits are performed with the aim of systematically evaluating and proposing improvements to the Group's governance, internal control and risk management processes.

Pursuant to Section 7.2 of the Code, the board of directors of companies that do not have a separate internal audit function shall evaluate the need for such a function annually. The Board of Directors has carried out such an evaluation and, taking into account the work performed on internal controls and the size of the company, sees no need to establish an internal auditing function at the present time.

Auditor's report on the Corporate Governance Statement

To the general meeting of the shareholders in Plejd AB, corporate identity number 556790-9477

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2023 on pages 11-19 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Gothenburg, date of signing appears from our electronic signature

Öhrlings PricewaterhouseCoopers AB

Johan Malmqvist
Authorized Public Accountant
Auditor in charge

Daniel Körner Rask
Authorized Public Accountant

Administration report

The Board of Directors and the CEO of Plejd AB (publ) hereby present the annual report and consolidated financial statements for the 2023 financial year.

Multi-year summary | Group

Amounts in TSEK	2023	2022	2021	2020	2019
Net sales	513,387	430,823	326,175	208,994	128,767
Gross margin, %	54.4	58.7	57.0	55.5	45.3
Operating profit (EBIT)	59,520	79,407	53,680	25,331	-17,409
Operating margin, %	11.6	18.4	16.5	12.1	-
Equity/assets ratio, %	71.3	69.7	70.9	76.1	84.0
Cash and cash equivalents	21,365	43,012	105,478	130,126	54,650
Number of employees	202	182	135	100	86

Information on the business

The company develops products and services for smart lighting and home and property automation. The company has its registered office in Mölndal and is public.

Significant events during the financial year

- Plejd launches a smart luminaire series and shows a wireless sensor.
- The initial order book for luminaires amounts to over 100,000 units, which is larger than expected.
- Plejd announces the outcome of the exercise of warrants of series 2020/2023.
- Montanaro Asset Management has increased its holding in Plejd to 571,500 shares, corresponding to 5.11% of votes and capital according to flag message on July 4.
- CEO Babak Esfahani commented on the company's installation growth during July and August in a press release on September 15.
- Founder Erik Calissendorff and former chairman Pär Källeskog created the ownership group Plejd Grundare on December 28.
- Andra AP-Fonden were welcomed to Plejd's nomination committee on November 23.
- Plejd launched WMS-01 and OUT-01 on November 13.
- Andra AP fonden increased its holding in Plejd to 594,998 shares corresponding to 5.32 % of votes and capital on October 20.

Significant events after the financial year

- Plejd's nominating committee proposes Magnus Zederfeldt as a new board member on February 2.

Research and development

The majority of the research and development carried out during the financial year was aimed at expanding the product portfolio in the product area of smart lighting. The company has received a very good return on the previously developed technology base and is now continuing to build on this with more products to strengthen the range towards the market. This year's investments consist primarily of capitalized development expenditures.

Proposed appropriation of profit or loss

The Board of Directors proposes that the profits at the disposal of the Annual General Meeting be appropriated as follows (TSEK):

Share premium reserve	294,763
Retained earnings	-110,940
Profit for the year	35,823
Total	**219,646**
To carry forward	219,646

The Group's and the Parent Company's position and performance otherwise are presented by the following income statements, balance sheets and cash flow statements with notes.

Income Statement Report | Group

Amounts in TSEK	Note	31 Dec 2023	31 Dec 2022
Net sales	6	513,387	430,823
Capitalized work on own behalf		81,126	68,004
Capitalized work for produced products*		9,040	-
Other operating revenues		6,400	3,735
Total		**609,953**	**502,562**
Raw materials and consumables		-234,344	-178,058
Operating expenses	7	-87,463	-61,885
Personnel costs	8	-163,979	-139,049
Depreciation/amortization and impairment of tangible and intangible assets		-55,512	-39,151
Other operating expenses		-9,135	-5,012
Total expenses		**-550,433**	**-423,155**
Operating profit		**59,520**	**79,407**
Financial items		-2,126	-1,076
Total profit/loss from financial items		**-2,126**	**-1,076**
Earnings after financial items		**57,394**	**78,331**
Profit before tax		**57,394**	**78,331**
Income tax	9	-12,435	-16,340
PROFIT FOR THE PERIOD		**44,959**	**61,991**
Attributable to Parent Company's shareholders		44,959	61,991
Other comprehensive income			
Items that may be reclassified to profit/loss for the period			
Exchange differences in translation of foreign operations		-414	3
Other comprehensive income for the period		**-414**	**3**
Total comprehensive income for the period		**44,545**	**61,994**

The profit and the total comprehensive income for the period are entirely attributable to the Parent Company's shareholders.

Earnings per share, calculated on earnings for the period attributable to the Parent Company's shareholders:

Amounts in SEK	Note	31 Dec 2023	31 Dec 2022
Earnings per share before dilution	21	4.11	5.79
Earnings per share after dilution	21	4.11	5.62

*The item refers to labor costs related to self-produced products warehoused by the company, see note 2.

Balance Sheet Report | Group

Amounts in TSEK	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditure for development work and similar work	11	197,856	141,308
Patents	12	3,077	2,338
Goodwill	13	17,565	17,565
Total intangible assets		**218,497**	**161,210**
Tangible assets			
Land and buildings	14	1,162	1,180
Plant and machinery	15	22,063	26,954
Equipment, tools, fixtures and fittings	16	10,374	1,511
Total tangible assets		**33,599**	**29,645**
Financial assets			
Deferred tax assets		429	483
Other non-current receivables	17	967	1,455
Total financial assets		**1,396**	**1,939**
Right of use assets	18	**52,582**	**58,556**
Total fixed assets		**306,075**	**251,350**
Current assets			
Inventories	19	**159,106**	**152,926**
Short-term receivables			
Accounts receivables	20	130,711	52,628
Other receivables		483	5,712
Prepaid expenses and accrued income		6,177	7,018
Total current receivables		**137,371**	**65,358**
Cash and bank		**21,365**	**43,012**
Total current assets		**317,842**	**261,296**
TOTAL ASSETS		**623,917**	**512,646**

Balance Sheet Report | Group

Amounts in TSEK	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity			
Equity attributable to Parent Company shareholders			
Share capital		1,677	1,606
Other contributed capital		297,140	254,292
Reserves		-419	-5
Retained earnings including profit/loss for the year		146,619	101,660
Equity attributable to Parent Company shareholders		**445,017**	**357,553**
Total equity		**445,017**	**357,553**
Liabilities			
Long-term liabilities			
Leasing liabilities	18	28,867	35,431
Total non-current liabilities		**28,867**	**35,431**
Short-term liabilities			
Leasing liabilities	18	19,765	18,508
Accounts payable		48,349	52,502
Current tax liabilities		17,565	28,735
Other liabilities		20,578	11,794
Accrued expenses and prepaid income		43,776	8,122
Total current liabilities		**150,033**	**119,662**
Total liabilities		**178,900**	**155,093**
TOTAL EQUITY AND LIABILITIES		**623,917**	**512,646**

Changes in Equity | Group

Equity attributable to Parent Company's shareholders

Amounts in TSEK	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit for the year	Total equity
Opening balance at 1 Jan 2022	**1,606**	**254,292**	**-8**	**39,669**	**295,559**
Profit for the period	-	-	-	61,991	61,991
Other comprehensive income for the period	-	-	3	-	3
Total comprehensive income for the period	**0**	**0**	**3**	**61,991**	**61,994**
Options	-	-	-	-	-
New share issue	-	-	-	-	-
Total transactions with shareholders	**0**	**0**	**0**	**0**	**0**
Closing balance at 31 Dec 2022	**1,606**	**254,292**	**-5**	**101,660**	**357,553**
Opening balance at 1 Jan 2023	**1,606**	**254,292**	**-5**	**101,660**	**357,553**
Profit for the period	-	-	-	44,959	44,959
Other comprehensive income for the period	-	-	-414	-	-414
Total comprehensive income for the period	**0**	**0**	**-414**	**44,959**	**44,545**
Options	71	42,848	-	-	42,919
New share issue	-	-	-	-	-
Total transactions with shareholders	**71**	**42,848**	**0**	**0**	**42,919**
Closing balance at 31 Dec 2023	**1,677**	**297,140**	**-419**	**146,619**	**445,017**

In 2023, a warrant program was introduced, 2023/2026, which was directed at the employees. The warrants were transferred to the participants for a market value calculated using the application of the Black & Scholes valuation model and were recognized as an increase in equity of a total of TSEK 2,400. Redemption takes place in June of the program's final year and the redemption price per share amounts to SEK 358.7. Each warrant gives the right to subscribe for one share in the company. The number of options issued amounts to 160,000. The quota value is SEK 0.15 per share and thus the increase in the company's share capital can amount to a maximum of TSEK 24 when the warrants are fully exercised for the subscription of new shares in the warrants program.

Cash Flow Statement | Group

Amounts in TSEK	Note	31 Dec 2023	31 Dec 2022
Cash flow from operating activities			
Operating profit		59,520	79,407
Adjustments for depreciation/amortization		55,512	39,151
Tax paid/received		-23,551	-1,431
Interest paid		-2,126	-1,076
Cash flow from operating activities before changes in working capital		**89,354**	**116,050**
Cash flow from changes in working capital			
Increase/decrease in inventories and work in progress		-6,180	-83,656
Increase/decrease in accounts receivable		-78,083	-453
Increase/decrease in other current receivables		6,070	-4,791
Increase/decrease in accounts payable		-4,153	8,153
Increase/decrease in other current operating liabilities		44,469	6,489
Total changes in working capital		**-37,876**	**-74,258**
Cash flow from operating activities		**51,478**	**41,792**
Cash flow from investing activities			
Investments in intangible assets		-81,126	-61,836
Investments in tangible assets		-12,803	-23,043
Investments in financial assets		490	-1,379
Cash flow from investing activities		**-93,439**	**-86,258**
Cash flow from financing activity			
Repayments of leasing liabilities attributable to leases	22	-22,856	-18,706
Options		42,919	-
Cash flow from financing activity		**20,063**	**-18,706**
Decrease/increase in cash and cash equivalents			
Cash flow for the year		-21,899	-63,171
Cash and cash equivalents at start of period		43,012	105,478
Exchange-rate differences in cash and cash equivalents		252	705
Cash and cash equivalents at end of period		**21,365**	**43,012**

Income Statement Report | Parent Company

Amounts in TSEK	Note	31 Dec 2023	31 Dec 2022
Net sales	6	471,955	406,648
Capitalized work on own behalf		81,126	68,004
Capitalized work for produced products*		9,040	-
Other operating revenues		6,323	3,735
Total		**568,444**	**478,387**
Raw materials and consumables		-234,238	-181,653
Operating expenses	7	-106,128	-72,632
Personnel expenses	8	-142,478	-123,778
Depreciation/amortization and impairment of tangible and intangible assets		-32,494	-20,813
Other operating expenses		-6,791	-4,526
Total operating expenses		**-522,128**	**-403,403**
Operating profit		**46,316**	**74,984**
Profit/loss from financial items			
Financial items		-898	-39
Total profit/loss from financial items		**-898**	**-39**
Earnings after financial items		**45,419**	**74,946**
Profit before tax		**45,419**	**74,946**
Income tax	9	-9,596	-15,728
PROFIT/LOSS FOR THE PERIOD		**35,823**	**59,217**

The Parent Company has no items recognized as other comprehensive income, which is why total comprehensive income for the period is the same as profit/loss for the period.

*The item refers to labor costs related to self-produced products warehoused by the company, see note 2.

Balance Sheet Report | Parent Company

Amounts in TSEK	Note	31 Dec 2023	31 Dec 2022
ASSETS			
Fixed assets			
Intangible assets			
Capitalized expenditure for development work and similar work	11	197,856	141,308
Patents	12	3,077	2,338
Total intangible assets		**200,933**	**143,646**
Tangible assets			
Land and buildings	14	1,162	1,180
Plant and machinery	15	23,845	28,734
Equipment, tools, fixtures and fittings	16	10,120	1,060
Total tangible assets		**35,127**	**30,974**
Financial assets			
Participations in Group companies	10	3,416	3,134
Other non-current receivables	17	882	1,376
Total financial assets		**4,299**	**4,510**
Total fixed assets		**240,359**	**179,131**
Current assets			
Inventories	19	**157,058**	**150,060**
Short-term receivables			
Accounts receivables	20	88,030	29,825
Receivables from Group companies		17,844	29,794
Other current receivables		4	5,537
Prepaid expenses and accrued income		10,865	11,890
Total current receivables		**116,742**	**77,046**
Cash and bank		**13,818**	**27,476**
Total current assets		**287,618**	**254,581**
TOTAL ASSETS		**527,977**	**433,712**

Balance Sheet Report | Parent Company

Amounts in TSEK	Note	31 Dec 2023	31 Dec 2022
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		1,677	1,606
Development expenditure fund		197,856	134,801
Total restricted equity		**199,533**	**136,407**
Non-restricted equity			
Share premium reserve		294,763	254,292
Accumulated loss		-110,940	-109,480
Profit for the year		35,823	59,217
Total non-restricted equity		**219,646**	**204,029**
Total equity		**419,178**	**340,436**
Liabilities			
Short-term liabilities			
Accounts payable		47,218	51,724
Liabilities to Group companies		4,276	3,425
Current tax liabilities		14,793	27,079
Other current liabilities		8,777	5,597
Accrued expenses and prepaid income		33,733	5,450
Total current liabilities		**108,798**	**93,276**
Total liabilities		**108,798**	**93,276**
TOTAL EQUITY AND LIABILITIES		**527,977**	**433,712**

Cash flow statement | Parent Company

Amounts in TSEK	Note	31 Dec 2023	31 Dec 2022
Cash flow from operating activities			
Operating profit		46,316	74,984
Adjustments for depreciation/amortization		32,494	20,813
Interest paid		-21,849	-1,585
Tax paid/received		-898	-39
Cash flow from operating activities before changes in working capital		**56,063**	**94,216**
Cash flow from changes in working capital			
Increase/decrease in inventories and work in progress		-6,998	-80,790
Increase/decrease in accounts receivable		-58,205	22,350
Increase/decrease in other current receivables		18,508	-34,680
Increase/decrease in accounts payable		-4,506	7,674
Increase/decrease in other current operating liabilities		32,282	2,344
Total changes in working capital		**-18,918**	**-83,102**
Cash flow from operating activities		**37,145**	**11,072**
Cash flow from investing activities			
Investments in intangible assets		-81,126	-61,836
Investments in tangible assets		-12,808	-22,458
Investments/acquisitions of subsidiaries		-	-54
Increase in other financial fixed assets		212	-1,376
Cash flow from investing activities		**-93,722**	**-85,725**
Cash flow from financing activity			
New share issue		-	-
Options		42,919	-
Cash flow from financing activity		**42,919**	**0**
Decrease/increase in cash and cash equivalents			
Cash flow for the year		-13,658	-74,652
Cash and cash equivalents at start of period		27,476	102,128
Cash and cash equivalents at end of period		**13,818**	**27,476**

Notes

Note 1 | General information

Plejd AB with company identification number 556790-9477 is a limited liability company registered in Sweden with its registered office in Mölndal. The address is Krokslätts Fabriker 27A, SE-431 37 Mölndal, Sweden.

Unless otherwise stated, all amounts are reported in thousands of Swedish kronor (TSEK). Information in parentheses refers to the comparative year.

Note 2 | Summary of key accounting principles

The key accounting principles applied during the preparation of this annual report are presented below. These principles have been applied consistently to all the periods presented, unless otherwise stated.

2.1 Basis of preparation of the financial statements

Plejd's consolidated financial statements were prepared in accordance with the Swedish Annual Accounts Act, recommendation RFR 1 Supplementary Accounting Rules for Groups from the Swedish Financial Reporting Board, International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS IC) as adopted by the EU. The consolidated financial statements were prepared using the cost method.

Preparing reports in accordance with IFRS requires the use of some important estimates for accounting purposes. In addition, management must make certain assessments in the application of the Group's accounting principles. The areas involving a high degree of complex assessments, or such areas where assumptions and estimates are of material significance to the consolidated financial statements, are specified in Note 3.

The Parent Company applies RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. The application of RFR 2 means that the Parent Company, applies all IFRS and statements adopted by the EU to the furthest extent possible within the framework of the Swedish Annual Accounts Act, the Pension Obligations Vesting Act and taking into account the relationship between accounting and taxation.

The Parent Company applies different accounting principles to the Group in the cases listed below:

Layout
The income statement and balance sheet follow the layout of the Swedish Annual Accounts Act. The statement of changes in equity also uses the same layout as the Group, but must include the columns indicated in the Swedish Annual Accounts Act. Moreover, there is a difference in terms, compared with the consolidated financial statements, mainly with regard to financial income and expenses, and equity.

Participations in subsidiaries
Participations in subsidiaries are recognized at cost less potential impairment losses. Cost includes acquisition-related expenses and possible additional purchase amounts.

When there is an indication that participations in subsidiaries have decreased in value, a calculation is done of the recoverable amount. If this is lower than the carrying amount, an impairment loss is recognized. Impairment losses are recognized in the item "Profit/loss from participations in Group companies".

Financial instruments
IFRS 9 is not applied in the Parent Company. The Parent Company instead applies the points stated in RFR 2 (IFRS 9 Financial Instruments, pp. 3-10). Financial assets are measured at cost. In subsequent periods, financial assets that are acquired with the intention of them being held short-term will be recognized in accordance with the lowest value principle at the lower of cost and market value.

In the calculation of net realizable value of receivables that are recognized as current assets, the principles for impairment testing and loss risk provisions in IFRS 9 are applied.

For a receivable recognized at amortized cost at the Group level, this means that the loss-risk reserve recognized in the Group in accordance with IFRS 9 shall also be taken up in the Parent Company.

2.1.1 New and amended standards published, but not yet in effect

None of the IFRS or IFRIC interpretations published, but not yet in effect are expected to have any material impact on the Group.

2.2 Consolidated financial statements

2.2.1 Basic accounting principles

Subsidiaries
Subsidiaries are all companies over which the Group has a controlling influence. The Group controls a company when it is exposed to or is entitled to a variable return from its holding in the company, and has the potential to affect the return through its influence in the company. Subsidiaries are included in the consolidated financial statements from the day on which control is transferred to the Group. They are excluded from the consolidated financial statements from the day on which control ceases.

The acquisition method is used for reporting the Group's business combinations. The purchase consideration for the acquisition of a subsidiary is the fair value of the transferred assets, liabilities assumed by the Group to the former owners of the acquired company and the shares issued by the Group. The purchase consideration also includes the fair value of all liabilities that are a consequence of a contingent consideration arrangement. Identifiable assets acquired and liabilities assumed in a business combination are initially valued at fair value on the acquisition date.

Costs relating to acquisitions are expensed as they arise and are recognized in the "Other operating expenses" item in the consolidated statement of comprehensive income.

Goodwill is initially measured as the amount by which the total purchase price and any fair value of non-controlling interests at the date of acquisition exceeds the fair value of identifiable net assets acquired. If the purchase consideration is lower than the fair value of the acquired company's net assets, the difference is recognized directly in profit or loss for the period.

Intra-Group transactions, balance sheet items, income and expenses for intra-Group transactions are eliminated. Gains and losses resulting from intra-Group transactions that are recognized in assets are also eliminated. Where applicable, the accounting principles of subsidiaries have been amended to guarantee a consistent application of the Group's principles.

2.3 Segment reporting

Operating segments are reported in a manner that agrees with the internal reporting submitted to the chief operating decision-maker. The chief operating decision-maker is the function responsible for allocating resources and assessing performance of the operating segment's results. Plejd's CEO is the Group's chief operating decision-maker. Plejd has identified an operating segment, which constitutes the Group's operations as a whole. This assessment is based on the fact that the operations as a whole are regularly reviewed by the CEO as a basis for decisions on the allocation of resources and the assessment of its results.

2.4 Translation of foreign subsidiaries

2.4.1 Functional currency and presentation currency

The functional currency of the various entities in the Group is the local currency, as this has been defined as the currency that is used in the primary economic environment in which each entity mainly conducts business. In the consolidated financial statements, all amounts are translated to Swedish kronor (SEK), which is the Parent Company's functional currency and the Group's presentation currency.

2.4.2 Transactions and balance sheet items

Transactions in foreign currency are translated into the functional currency at the exchange rates that apply on the transaction date. Any gain or loss arising from the payment of such transactions and in the restatement of monetary assets and liabilities in foreign currencies at the rate on the balance sheet date is recognized in operating profit in the statement of comprehensive income.

Foreign exchange gains and losses relating to loans and cash and cash equivalents are recognized in the statement of comprehensive income as financial income or expenses. All other exchange rate gains and losses are recognized in the item "Other operating expenses" and "Other operating income" in the statement of comprehensive income.

2.4.3 Translation of foreign Group companies

The financial position and performance of all Group companies, which have a different functional currency than the reporting currency, are translated to the Group's presentation currency. Assets and liabilities for each of the balance sheets are translated from the foreign operations' functional currencies to the Group's presentation currency (SEK) at the exchange rate prevailing on the closing date. The income and expenses in each income statement are translated to Swedish kronor at the average exchange rate prevailing at each transaction date. Translation differences arising on the translation of foreign operations are recognized in other comprehensive income. Accumulated gains and losses in equity are recognized in the profit or loss for the period when foreign operations are divested in part or in whole.

2.5 Revenue recognition

The Group's principles for recognition of revenue from contracts with customers are set out below.

2.5.1 Sale of goods

The Group develops and sells products for lighting control. Sales are primarily made to wholesalers in electronics. Sales are recognized as revenue when the control of the goods is transferred, which occurs when the products leave the factory to be delivered to the customer. Delivery takes place when the goods have been loaded for transport to the specific location, the risks of obsolete or lost goods have been transferred to transport companies and the customer has either accepted the goods in accordance with the agreement, the period for objections to the contract has expired, or the Group has objective evidence that all criteria for acceptance have been met. The revenue from the sale of the products is recognized based on the price in the contract and revenue is recognized only to the extent that it is highly probable that there will be no significant reversal. No financing component is deemed to exist at the time of sale.

2.5.2 Interest income

Interest income is recognized using the effective interest method.

2.5.3 Capitalized Work on Production

During the period, the company has separately reported the labor cost for self-produced products as other income. Labor costs for manufacturing products during the period are reported as other external costs and personnel expenses in the income statement. They are then fully matched against the entry in other income for the period's manufactured and warehoused products.

The cost of the product is reported only when the product is sold. This is in line with the principle that revenues and associated costs for a sold product should be recognized in the same period.

2.6 Leasing

The Group leases premises, cars and machinery. Leases are recognized as rights of use and a corresponding liability, the date the leased asset is available for use by the Group. Each lease payment is allocated among the repayment of debt and financial expense. The financial expense is distributed across the leasing period so that each accounting period is burdened by an amount equal to a fixed interest rate for the liability reported in each period. The right of use is depreciated straight-line over the shorter of the asset's useful life and the term of the lease.

Assets and liabilities that arise from leases are initially recognized at present value. The leasing liabilities include the present value of the following lease payments:

- fixed charges
- variable lease charges, determined by an index

The leasing payments are discounted with the marginal loan interest rate.

The assets with a ROU are valued at cost and include the following:

- the initial measurement of the leasing liability,
- payments made at or before the time the leased asset is made available to the lessee.

Leases of minor value or a short term (less than one year) are expensed on a straight-line basis in the statement of comprehensive income.

Options to extend or terminate leases

Options to extend leases are included in the majority of the Group's leases for properties. The terms are used to maximize flexibility in the handling of the leases.

2.7 Employee benefits

2.7.1 Short-term benefits

Liabilities for salaries and benefits, including non-monetary benefits and paid leave, which are expected to be settled within 12 months after the end of the financial year, are recognized as current liabilities at the undiscounted amount that is expected to be paid when the liabilities are settled. The expense is recognized as the work is performed by the employees. The liability is recognized as an obligation for employee benefits in the statement of financial position.

2.7.2 Post-employment benefits

Group companies only have defined-contribution pension plans. A defined-contribution pension plan is a pension plan under which the Group pays fixed contributions to a separate legal entity. The Group has no legal or constructive obligations to pay further contributions if this legal entity does not hold sufficient assets to pay all employees the benefits relating to employee service in the current or prior periods. The contributions are recognized as an expense in the profit or loss for the period at the rate they are earned by employees providing service to the company during the period.

2.7.3 Warrants

The company has a warrants program. The warrants have been transferred to the participants for a market value calculated using the application of the Black & Scholes valuation model. Redemption takes place in June of the program's final years. Each warrant gives the right to subscribe for one share in the company.

2.8 Current and deferred income tax

The income tax expense for the period consists of current tax and deferred tax. Tax is recognized in the statement of comprehensive income, except when the tax concerns items that are recognized in other comprehensive income or directly in equity. In such cases, the tax is also recognized in other comprehensive income or against equity.

Current tax is calculated on the period's taxable profit according to the applicable tax rate. The current tax expense is calculated on the basis of the tax regulations enacted or substantively enacted as of the balance sheet date in the countries where the Parent Company and its subsidiaries operate and generate taxable income. Management regularly evaluates statements made in tax returns with respect to situations in which applicable tax regulations are subject to interpretation. When deemed appropriate, it makes provisions for amounts expected to be paid to the tax authorities.

Deferred tax is recognized on all temporary differences arising between the tax value of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred tax liabilities are not recognized, however, if they arise as a result of the initial recognition of goodwill. Deferred tax is also not recognized if it is the result of a transaction that constitutes the initial recognition of an asset or liability that is not a business combination and which, at the time of the transaction, affects neither the recognized profit nor the taxable profit. Deferred income tax is calculated in accordance with the tax rates (and legislation) that apply or have been announced at the balance sheet date and which are expected to apply when the relevant deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax receivables and liabilities are offset when there is a legally enforceable right to do so for the tax receivables and tax liabilities in question, and when the deferred tax receivables and tax liabilities refer to tax charged by the same tax authority and relate either to the same taxable entity or different taxable entities, where the intention exists to settle the balances through net payments.

2.9 Intangible assets

2.9.1 Capitalized expenditure for development work

Costs for maintenance are expensed as they arise. Development expenditures, which are directly attributable to development of Plejd's products and systems that are controlled by the Group, are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the products so they are available for use,
- the company intends to complete them and to use or sell them,
- there are conditions to use or sell them,
- it can be demonstrated how they generate probable future economic benefits,
- adequate technical, financial and other resources to complete development and to use or sell them are available, and
- the expenses directly attributable to them during their development can be measured reliably.

Directly attributable expenses that are capitalized as part of the development work include costs for employees and external consultants.

Other development expenditures, which do not fulfill these criteria, are expensed as they arise. Development expenditures that were previously expensed are not recognized as an asset in a subsequent period.

Capitalized development expenditures are recognized as intangible assets and amortized from the time that the asset is ready to be used.

2.9.2 Patents

Patents acquired separately are recognized at cost. Patents have a definite useful life and are recognized at cost less accumulated amortization and impairment.

2.9.3 Useful lives for the Group's intangible assets

Capitalized development expenditures	5-8 years
Patents	8 years

2.10 Tangible assets

Tangible assets are recognized at cost less depreciation and any impairment losses. Cost includes expenses directly attributable to the acquisition of the asset and putting it into place and in a condition to be fit for use in accordance with the intention of the acquisition.

Additional expenses are added to the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will accrue to the Group and the cost of the asset can be measured reliably. The carrying amount of a replaced part is removed from the balance sheet. All other forms of repairs and maintenance are expensed in the statement of comprehensive income in the period in which they occur.

Assets are depreciated to adjust their cost down to their estimated residual value over their estimated useful life. For tangible assets held under finance leases, depreciation is made over the shorter of the useful life or the lease period.

The useful lives are as follows:

Land and buildings	5 years
Equipment, tools, fixtures and fittings	5 years
Plant and machinery	5 years

The expected useful life and residual value of the assets are tested at the end of every reporting period and adjusted as necessary.

See the accounting principles for leasing above in respect of depreciation periods for ROU assets.

The carrying amount of an asset is also immediately impaired to its recoverable amount if the asset's carrying amount exceeds its estimated recoverable amount.

Gains and losses on the sale of tangible assets are determined by comparing the sale proceeds and the carrying amount, whereby the difference is recognized in Other operating income or Other operating expenses in the statement of comprehensive income.

2.11 Impairment of non-financial assets

Intangible assets that are not ready for use (capitalized development expenditures) are not amortized, but are tested annually for impairment. Assets that are amortized are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may no longer be recoverable. An impairment loss is applied in the amount with which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling expenses and value in use. When assessing impairment requirements, assets are grouped at the lowest level at which there are essentially independent cash flows (cash-generating units). Assets, which have previously been impaired, are tested at each closing date to see if a reversal should be made.

2.12 Financial instruments

2.12.1 Initial recognition

Financial assets and financial liabilities are recognized when the Group becomes a party to the financial instrument's contractual terms. The purchase or sale of a financial asset is recognized on the transaction date, which is the date on which Group commits to buy or sell the asset.

Financial instruments are initially recognized at fair value plus transaction expenses that are directly attributable to the acquisition or issue of financial assets or financial liabilities, such as fees and commissions.

2.12.2 Classification

The Group classifies its financial assets and liabilities in the category of amortized cost.

Financial assets at amortized cost
The classification of investments in debt instruments depends on the Group's business model for the handling of financial assets and the contractual terms for the assets' cash flows. The Group reclassifies debt instruments only in cases where the Group's business model for the instruments changes.

Assets held for the purpose of collecting contractual cash flows and where these cash flows solely consist of principal and interest are measured at amortized cost. The carrying amount of these assets is adjusted with any expected credit losses that have been recognized (see impairment below). Interest income from these financial assets is recognized using the effective interest method and recognized as financial income. The Group's financial assets measured at amortized cost are comprised of the items other non-current receivables, accounts receivable cash and cash equivalents.

Financial liabilities at amortized cost
The Group's financial liabilities are classified as subsequently measured at amortized cost using the effective interest rate method. Financial liabilities consist of long-term liabilities to credit institutions, current and non-current leasing liabilities and accounts payable.

2.12.3 Derecognition of financial instruments

Derecognition of financial assets
Financial assets, or a part of the financial asset, are derecognized from the statement of financial position when the contractual rights to receive the cash flows from the assets have expired or been transferred and either (i) the Group transfers substantially all of the risks and rewards of ownership or (ii) the Group has neither retained nor transferred substantially all of the risks and rewards of ownership and the Group has not retained control of the asset.

Derecognition of financial liabilities
Financial liabilities are removed from the statement of financial position when the obligations have been settled, annulled or otherwise expired. The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of comprehensive income.

When the terms of a financial liability are renegotiated, and are not derecognized from the statement of financial position, a gain or loss is recognized in the statement of comprehensive income. The gain or loss is calculated as the difference between the initial contractual cash flows and the modified cash flows discounted at the original effective interest

2.12.4 Offsetting financial instruments

Financial assets and liabilities are offset and recognized in a net amount in the statement of financial position only when there is a legal right to offset the carrying amounts and when there is intent to settle the items with a net amount or to simultaneously sell the asset and settle the liability. The legal right may not depend on future events and it must be legally binding for the company and counterparty both in normal business and in cases of payment cancellation, insolvency or bankruptcy.

2.12.5 Impairment of financial instruments

Assets recognized at amortized cost
The Group assesses the future expected credit losses linked to assets recognized at amortized cost. The Group recognizes a credit reserve for such expected credit losses at each reporting date. For accounts receivable, the Group applies the simplified approach for credit reserves, meaning that the reserve will correspond to the expected loss over the entire lifetime of the account receivable. In order to measure the expected credit losses, accounts receivable have been grouped based on allocated credit risk characteristics and days overdue. The Group uses future-oriented variables for expected credit losses. Expected credit losses are recognized in the consolidated statement of comprehensive income in the item "Other external expenses".

2.13 Inventories

Inventory is recognized, in accordance with weighted average price principle, at the lower of cost and net realizable value. The net selling price is the estimated selling price in the operating activities less applicable variable selling expenses.

2.14 Accounts receivable

Accounts receivable are amounts attributable to customers for goods sold in the operating activities. Accounts receivable are classified as current assets. Accounts receivable are initially recognized at the transaction price. The Group holds accounts receivable for the purpose of collecting contractual cash flows and therefore measures them at subsequent recognition times at amortized cost with application of the effective interest method.

2.15 Cash and cash equivalents

In both the statement of financial position and the statement of cash flows, cash and cash equivalents include cash and bank balances.

2.16 Share capital

Ordinary shares are classified as equity. Transaction costs that can be directly attributed to the issue of new ordinary shares are recognized net after tax in equity as a deduction from the issue proceeds.

2.17 Accounts payable

Accounts payable are financial instruments and relate to obligations to pay for goods and services purchased from suppliers as part of the operating activities. Accounts payable are classified as current liabilities if they fall due within one year. Otherwise, they are recognized as non-current liabilities.

The liabilities are initially recognized at fair value and subsequently at amortized cost by applying the effective interest method.

2.18 Cash flow statement

The cash flow statement is prepared in accordance with the indirect method. The recognized cash flow includes only transactions that entailed receipts and disbursements.

2.19 Earnings per share

(i) Earnings per share before dilution
Earnings per share before dilution are calculated by divide:

- profit attributable to Parent Company shareholders
- with a weighted average number of ordinary shares outstanding during the period.

(ii) Earnings per share after dilution
For the calculation of earnings per share after dilution, the amounts used for calculating earnings per share before dilution are adjusted by taking into account:

- the effect, after tax, of dividends and interest expenses on potential ordinary shares, and
- the weighted average of the additional ordinary shares that would have been outstanding in a conversion of all potential ordinary shares.

Note 3 | Critical estimations and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Intangible assets
Development expenditures that are directly attributable to the development of the Group's products are subject to judgments and estimates. The expenditures are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete them so they are
- available for use,

- the Group intends to complete them and to use or sell them,
- there are conditions to use or sell them,
- it can be demonstrated how they generate probable future economic benefits,
- adequate technical, financial and other resources to complete development and to use or sell them are available, and
- the expenses directly attributable to them during their development can be measured reliably.

(b) Examination of impairment requirements for capitalized expenditures for development work
The Group examines annually whether there is any need for impairment of capitalized expenditure on development work. An assessment is made to determine if there are indications of a need for impairment, in accordance with the accounting principle described in note 2. If indications of a need for impairment have been identified, the recoverable amounts for cash-generating units are determined by calculating their value in use. These calculations require certain estimates to be made. No need for impairment has been identified in 2023.

(c) Impairment testing of goodwill
The Group annually tests whether there are any impairment requirements for goodwill. No such indication has been identified in 2023.

(d) Lease length
When the lease's length is determined, management takes into account all available information that provides a financial incentive to use an extension option, or to not use an option to terminate a lease. Possibilities to extend a lease are only included in the lease's length if it is reasonable to assume that the lease will be extended (or not terminated). The assessment is reviewed if any material event or change in circumstances that affects this assessment occurs and the change is within the lessee's control.

Note 4 | Risk factors

(a) Financial risk factors
The Group's activities expose it to a variety of financial risks such as: market risk, credit risk and liquidity risk. The Group aims to minimize potential unfavorable impacts on the Group's financial performance. The objective of the Group's financial operations is to:

- ensure that the Group is able to meet its payment commitments;
- manage financial risks;
- ensure access to the necessary financing; and
- optimize the Group's net financial income.

The Group's risk management is handled by the company's finance department, which identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. Responsibility for managing the Group's financial transactions and risks is centralized with the Parent Company.

Market risk
The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Norwegian kronor (NOK), euros (EUR) and dollars (USD).

Credit risk
Credit risk arises from deposits with banks and credit institutions as well as customer credit exposures including outstanding receivables. Credit risk is managed by Group management.

Credit risk is managed at the Group level. Each Group company is responsible for monitoring and analyzing the credit risk of each new customer. When no independent credit rating is available, a risk assessment is made of the customer's creditworthiness in which their financial position is considered as well as previous experience and other factors. Individual risk limits are set based on internal or external credit ratings in accordance with the limits set by the Board. The use of credit limits is regularly followed up.

No credit limits were exceeded during the reporting period, and management does not expect any losses due to non-payment by these counterparties. The Group's calculation of expected credit losses on accounts receivable amounts to insignificant amounts and thus no adjustment has been made in the accounts.

Liquidity risk
Through a cautious liquidity management, the Group ensures that the there are sufficient liquid resources to meet the needs of the operating activities. At the same time, it is ensured that the Group has sufficient room in agreed credit facilities so that payment of liabilities can be made when these mature. Management monitors rolling forecasts of the Group's liquidity reserve (including unused credit facilities) and cash and cash equivalents based on anticipated cash flows. The analyses are normally carried out by the operating companies, taking into account the guidelines and limitations established by Group management. Available credit facility amounts to SEK 80 million per balance sheet date.

(b) Other risk factors
The company's operations are exposed to certain risks that may have varying impacts on earnings and financial position. When assessing the Group's future development, it is important to take into account the risk factors, alongside any opportunities for profit growth.

Legal and intellectual property risks
The company is at risk of being involved in legal or administrative proceedings within the framework of the operating activities, and in so doing risks also being subject to claims regarding contractual issues, product liability and alleged errors in the delivery of the company's products and services, which may relate to damage claims or other claims for payments, including damage claims from customers or competitors for breaches of competition law and patent and trademark issues. There are inherent difficulties in anticipating the outcome of legal, regulatory and other negative outcomes or claims and if the outcome of any future legal and administrative proceedings becomes unfavorable to the company, this may have a negative effect on the Group's financial position and operating profit.

Quality risks
Quality problems are a normal risk for a rapidly growing technology company, but it is extra sensitive in the industry that the company is active in, where trust among electricians is incredibly important. The background of this assumption is that a potential return visit to a customer due to faulty products is costly for both the electrician and end user, which makes operational reliability a key factor in the selection of suppliers. As yet, the company has not had any quality problems of an impacting nature and it works with very strict quality control throughout the development work to manage this risk.

Component shortages
In the event of a component shortage that affects the availability of components on the market, the company takes actions to secure its delivery capability. This is done through a combination of good inventory levels and production-close processes, which allows the company to more easily control and redesign products to work with more components. This gives the company greater choice in purchasing and reduces the risk of component shortages.

Note 5 | Segment information

Description of the segments and their principal activities: Plejd's CEO corresponds to the chief operating decision maker for the Group and evaluates the Group's financial position and earnings and makes strategic decisions. The CEO has determined the operating segments based on the information processed and used as a basis for allocating resources and assessing earnings. The CEO monitors and evaluates the Group based on one operating segment, which is the Group as a whole. The CEO primarily uses operating profit in the assessment of the Group's earnings.

The Group as a whole constitutes an identified reporting segment.

The CEO uses operating profit.

	31 Dec 2023	31 Dec 2022
Operating profit	59,520	79,407
Total operating profit	**59,520**	**79,407**

For information on revenue distribution by segment, see Note 6 "Net sales".

Note 6 | Net sales

Revenues

As the revenues from parties are reported to the CEO, they measured in the same way as in the consolidated statement of comprehensive income. All revenues are recognized at one point in time.

Revenues from customers by type of product and service:	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Products for lighting control	513,387	430,823	471,955	406,648
Total	**513,387**	**430,823**	**471,955**	**406,648**

Revenues from customers distributed by country, based on where the customers are located:	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Sweden	306,753	303,774	306,753	303,774
Norway	173,465	108,926	132,032	84,751
Finland	15,019	10,026	15,019	10,026
The Netherlands	9,404	4,521	9,404	4,521
Germany	469	0	469	0
Other countries	8,278	3,576	8,278	3,576
Total	**513,387**	**430,823**	**471,955**	**406,648**

Note 7 | Remuneration of auditors

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Remuneration of auditors	1,539	1,289	1,335	871
Audit activities beyond audit engagements	230	0	190	0
Other services	116	247	50	108
Total	**1,885**	**1,536**	**1,575**	**979**

Note 8 | Remuneration, employees and personnel costs

Variable remuneration is paid to the CEO and certain senior executives, in addition to fixed monthly salary. The remuneration of the CEO is determined by the Board; remuneration of other senior executives is determined by the CEO. During the financial year, variable remuneration amounted to TSEK 1,264 (1,079) for the CEO and TSEK 1,006 (810) for the other senior executives.

Other benefits of TSEK 730 (459) consist of benefits for health care insurance and car benefits.

The mutual notice period between the company and the CEO is six months. No agreement has been made on severance pay.

Other senior executives have up to three months' mutual notice.

For information on the current warrants program, see page 25 “changes in equity".

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Remuneration and other benefits				
Board of Directors and CEO	4,257	3,717	4,257	3,717
Other employees	115,633	98,525	100,059	87,345
	119,890	**102,242**	**104,316**	**91,062**
Social security costs				
Pension expenses for CEO and senior executives	637	692	637	692
Pension expenses for other employees	10,720	8,792	8,996	7,643
Other statutory and contractual social security contributions	28,595	23,977	24,970	21,455
	39,952	**33,461**	**34,602**	**29,789**
Total salaries, remuneration, social security contributions and pension expenses	**159,842**	**135,703**	**138,919**	**120,851**

Group	2023		2022	
Average number of employees	Number of employees	% women	Number of employees	% women
Parent Company				
Sweden	181	22	166	19
Subsidiaries				
Norway	14	7	13	-
Finland	2	-	2	-
The Netherlands	3	-	1	-
Germany	2	-	-	-
Group total	**202**	**20**	**182**	**19**

Group	2023		2022	
Board members and other senior executives	No. of	% women	No. of	% women
Board members	5	40	7	29
CEO and other senior executives	6	17	6	17

Remuneration and other benefits in 2023	Basic salary/ Board fees	Variable remuneration	Other benefits	Pension expenses	Total
Chairman of the Board	403	-	-	-	403
Other Board members	621	-	-	-	621
President and CEO	1 970	1 264	271	17*	3 521
Other senior executives	4 638	1 006	459	621	6 723
Total	7 632	2 269	730	637	11 268

Remuneration and other benefits in 2022	Basic salary/ Board fees	Variable remuneration	Other benefits	Pension expenses	Total
Chairman of the Board	325	-	-	-	325
Other Board members	593	-	-	-	593
President and CEO	1 920	1 079	150	24*	3 173
Other senior executives	4 372	810	309	668	6 159
Total	7 209	1 889	459	692	10 250

*Pension provisions are reduced as a result of salary exchange for higher wages.

Note 9 | Income tax

	Group		Parent Company	
	31 Dec 2023	**31 Dec 2022**	**31 Dec 2023**	**31 Dec 2022**
Tax on net profit for the year				
Current tax	-12,381	-16,822	-9,596	-15,728
Change in deferred tax	-54	483	-	-
Tax on net profit for the year	**-12,435**	**-16,339**	**-9,596**	**-15,728**
Recognized profit/loss before tax	**57,394**	**78,331**	**45,419**	**74,946**
Tax according to applicable tax rate	-12,066	-16,535	-9,356	-15,439
Tax effect of tax-exempt income	9	-	9	-
Tax effect of non-deductible expenses	-403	-289	-326	-289
Tax effect of foreign tax	-	2	-	-
Recognized tax expense	**-12,460**	**-16,822**	**-9,674**	**-15,728**
Tax adjustments for prior years	78	-	78	-
Change in deferred tax	-54	483	-	-
Tax on net profit for the year	**-12,435**	**-16,339**	**-9,596**	**-15,728**

Note 10 | Investments in subsidiaries

The Group had the following subsidiaries on 31 December 2023:

Name	Corp. ID no.	Book value	Country of registration and operation	Proportion of ordinary shares owned directly by the Parent Company (%)	Proportion of ordinary shares owned directly by the Group (%)
Plejd Services AB	556913-1443	77	Sweden	100	100
Pluspole AB	556840-5905	2,972	Sweden	100	100
Plejd AS	920800-211	32	Norway	100	100
Plejd OY	2940129-7	26	Finland	100	100
Plejd BV	87039435	27	The Netherlands	100	100
Plejd GmbH	HRB 130935	282	Germany	100	100
Total		3,416			

Note 11 | Capitalized development expenditures

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Opening cost	194,802	133,683	194,802	133,683
Acquisitions during year	80,113	61,119	80,113	61,119
Closing cost	**274,915**	**194,802**	**274,915**	**194,802**
Opening depreciation	-53,495	-38,391	-53,495	-38,391
Depreciation for the year	-23,565	-15,104	-23,565	-15,104
Closing accumulated depreciation	**-77,060**	**-53,495**	**-77,060**	**-53,495**
Closing carrying amount	**197,856**	**141,308**	**197,856**	**141,308**

Note 12 | Patents

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Opening cost	3,545	2,828	3,545	2,828
Purchases for the year	1,013	717	1,013	717
Closing cost	**4,558**	**3,545**	**4,558**	**3,545**
Opening depreciation	-1,207	-954	-1,207	-954
Depreciation for the year	-274	-253	-274	-253
Closing accumulated depreciation	**-1,481**	**-1,207**	**-1,481**	**-1,207**
Closing carrying amount	**3,077**	**2,338**	**3,077**	**2,338**

Note 13 | Goodwill

Group	31 Dec 2023	31 Dec 2022
Opening cost	23,000	23,000
Purchases for the year	-	-
Closing cost	**23,000**	**23,000**
Opening amortization	-5,435	-5,435
Amortization for the year	–	–
Closing accumulated amortization	**-5,435**	**-5,435**
Closing carrying amount	**17,565**	**17,565**

Impairment testing of goodwill

The recoverable amount for goodwill has been determined through calculations of value-in-use. The CEO has assessed that sales growth, EBITDA margin, discount rate and long-term growth are the most important assumptions in the impairment test. The calculations of value in use are based on estimated future cash flows before tax based on financial budgets that were approved by company management and cover a five-year period. The calculation is based on the management's experience and historical data.

Sensitivity analysis for goodwill: The recoverable amount exceeds the carrying amounts of goodwill by a good margin. This also applies to assumptions if the discount rate changes by +1% or if changes in growth occur which thus does not generate any impairment requirement.

Note 14 | Land and buildings

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Opening cost	1,782	1,369	1,782	1,369
Purchases for the year	404	414	404	414
Closing cost	**2,186**	**1,782**	**2,186**	**1,782**
Opening depreciation	-602	-310	-602	-310
Depreciation for the year	-421	-292	-421	-292
Closing accumulated depreciation	**-1,024**	**-602**	**-1,024**	**-602**
Closing carrying amount	**1,162**	**1,180**	**1,162**	**1,180**

Note 15 | Plant and machinery

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Opening cost	35,977	14,861	37,757	16,675
Acquisitions during year	1,482	21,116	1,482	21,082
Construction in progress	1,960	1,608	1,960	1,608
Closing cost	**39,419**	**37,585**	**41,199**	**39,365**
Opening depreciation	-10,632	-5,743	-10,632	-5,743
Depreciation for the year	-6,723	-4,889	-6,723	-4,889
Closing accumulated depreciation	**-17,356**	**-10,632**	**-17,354**	**-10,632**
Closing carrying amount	**22,063**	**26,953**	**23,845**	**28,733**

*Ongoing capital projects are reported separately and are not included in the opening balance.

Note 16 | Equipment, tools, fixtures and fittings

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Opening cost	2,823	1,150	2,178	1,054
Purchases for the year	10,566	1,673	10,571	1,124
Closing cost	**13,389**	**2,823**	**12,748**	**2,178**
Opening depreciation	-1,313	-880	-1,118	-842
Depreciation for the year	-1,700	-433	-1,511	-276
Closing accumulated depreciation	**-3,014**	**-1,313**	**-2,628**	**-1,118**
Closing carrying amount	**10,375**	**1,511**	**10,120**	**1,060**

Note 17 | Other non-current receivables

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Deposit rent Plejd AS	71	63	-	-
Deposit credit card Plejd AS	15	16	-	-
Deposition rent Plejd AB	119	119	119	119
Deposit for temporary personnel Plejd AB	763	1,257	763	1,257
Closing carrying amount	**967**	**1,455**	**882**	**1,376**

Note 18 | Leasing

The following amounts related to leases are recognized on the balance sheet:

Right of use assets	31 Dec 2023	31 Dec 2022
Premises	30,387	38,212
Production machinery	13,296	16,745
Vehicles	8,899	3,600
Total	**52,582**	**58,556**

Leasing liabilities	31 Dec 2023	31 Dec 2022
Non-current	28,867	35,431
Current	19,765	18,508
Total	**48,632**	**53,939**

The following amounts related to leases are recognized in the income statement:

Depreciation on right of use assets	31 Dec 2023	31 Dec 2022
Premises	14,419	9,868
Production machinery	5,417	5,613
Vehicles	3,667	3,396
Total	**23,502**	**18,877**

No material variable lease payments that are not included in the lease liability have been identified.

Note 19 | Inventories

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Advances to suppliers	10,000	15,000	10,000	15,000
Work in progress	3,794	2,575	3,794	2,575
Finished products	22,492	30,869	20,444	28,003
Components	122,820	104,482	122,820	104,482
Total	**159,106**	**152,926**	**157,058**	**150,060**

Note 20 | Accounts receivable

	Group		Parent Company	
	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
Accounts receivables	130,711	52,628	88,030	29,825
Total	**130,711**	**52,628**	**88,030**	**29,825**

	Group		Parent Company	
Carrying amounts, per currency, for the Group's accounts receivable are as follows:	31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
SEK	82,443	26,611	82,443	26,611
NOK	42,681	22,803	0	0
EUR	5,373	3,187	5,373	3,187
PLN	-	27	-	27
CHF	214	-	214	-
Total	**130,711**	**52,628**	**88,030**	**29,825**

Note 21 | Earnings per share

	31 Dec 2023	31 Dec 2022
SEK		
Earnings per share before dilution	4.11	5.79
Earnings per share after dilution	4.11	5.62
Earnings measurements used in the calculation of earnings per share		
Profit attributable to Parent Company shareholders used in the calculation of earnings per share before and after dilution	44,958	61,991
Profit attributable to Parent Company shareholders	44,958	61,991
No. of		
Weighted average number of ordinary shares used in calculating earnings per share before dilution	10,945,953	10,706,720
Options		
Adjustments for calculation of earnings per share after dilution regarding warrants	0	329,490
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in the calculation of earnings per share after dilution	10,945,953	11,036,210

Note 22 | Changes in liabilities belonging to financing activities

	1 Jan 2023	Non-cash items	Cash outflows	31 Dec 2023
Leasing liabilities	53,939	17,549	-22,856	48,632
Total	**53,939**	**17,549**	**-22,856**	**48,632**

	1 Jan 2022	Non-cash items	Cash outflows	31 Dec 2022
Leasing liabilities	50,280	22,365	-18,706	53,939
Total	**50,280**	**22,365**	**-18,706**	**53,939**

Note 23 | Pledged assets

For liabilities to credit institutions	31 Dec 2023	31 Dec 2022
Floating charges	80,000	30,000
Total	**80,000**	**30,000**

Not 24 | Significant events after the financial year

- Plejd’s nominating committee proposes Magnus Zederfeldt as a new board member on February 2.

Note 25 | Transactions with related parties

No related party transactions have occured during the period.

Certification

The consolidated income statement and balance sheet will be presented for adoption at the Annual General Meeting to be held on 23 April 2024.

The Board of Directors and CEO certify that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and provide a true and fair view of the Group's position and performance. The annual accounts have been prepared in accordance with generally accepted accounting principles in Sweden and provides a true and fair view of the Parent Company's position and performance.

The administration report for the Group and the Parent Company provides a true and fair overview of the development of the Group's and Parent Company's operations, position and performance and describes significant risks and uncertainty factors faced by the Parent Company and the companies included in the Group.

Mölndal, the day that appears from my electronic signature

Ylwa Karlgren
Chairman of the Board

Erik Calissendorff
Board member

Nico Jonkers
Board member

Halldora von Koenigsegg
Board member

Anders Persson
Board member

Babak Esfahani
CEO

Our auditor's report has been submitted on the day shown in our electronic signature

Öhrlings PricewaterhouseCoopers AB

Johan Malmqvist
Auditor in charge
Authorized Public Accountant

Daniel Körner Rask
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of Plejd AB, corporate identity number 556790-9477

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Plejd AB for the year 2023.The annual accounts and consolidated accounts of the company are included on pages 21-44 in 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 parent company as of 31 December 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 31 December 2023 and their 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 statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Basis for Opinions

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

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

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 1-10. The Board of Directors and the Managing Director are responsible for the other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the 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 that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is 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 accounts, The Board of Directors and the Managing Director 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 related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts 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 is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken 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 accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is 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 Plejd AB for the year 2023 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration 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 conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this 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, 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 among other things 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, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

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 to the company, or
- in any other way has 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 reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to 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 Revisorsinspektionen's websitewww.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

Göteborg, the date shown in our electronic signature

Öhrlings PricewaterhouseCoopers AB

Johan Malmqvist
Authorized Public Accountant
Auditor in charge

Daniel Körner Rask
Authorized Public Accountant

Plejd AB (publ)
Krokslätts Fabriker 27A
431 37 Mölndal
Sweden

Phone | +46 10 207 89 01
web | plejd.com
info@plejd.com