

Tegniⁿ

Interim report

Q3: July – September 2025

The Q&A will be held Monday, October 20th at 08:08 CEST.

Questions can be sent in at QA@tegnion.se or live.

Join by clicking [here](#).

Interim report Q3: July – September 2025

Short form report TEQ 2025 Q3

Yes, the turnaround has been slow, but clear improvements is being shown in operational profit and free cash flow for the quarter. FCF amounted to 59,8 MSEK (17,7). EBITA is up to 67,8 MSEK (41,5) and EBITA margin increased to 14,9% (10,9%). Net sales got to 455,6 MSEK (381,8) which is up 19% whereof 1% is organic. Goodwill impairment hits the EBT line with -73 MSEK, therefore EPS is -1,31 SEK (1,59) and profit after tax -22,5 MSEK (27,5). Excluding the impairment the same metrics show EPS of 2,94 and profit after tax of 50,5 MSEK. More work with more improvements is coming.

- Johan Steene, CEO and founder

Events during the quarter

- Birketts Bogmats Ltd was acquired.
- HT Servo Ltd was acquired.

Events after the quarter

- Reward Catering liquidation procedure.
- Goodwill impairment of 73 MSEK in Q3.

Teqni n financial development, MSEK	2025 Q3	2024 Q3	Δ%	2025 YTD	2024 YTD	Δ%
FCF excluding acquisitions	59,8	17,7	+238%	82,8	31,8	+160%
EPS (SEK)	-1,31	1,59	-165%	3,06	4,83	-37%
Diluted EPS (SEK)	-1,31	1,59	-165%	3,06	4,82	-37%
Profit for the period	-22,5	27,5	-182%	52,6	83,1	-37%
Profit before taxes	-4,7	34,1	-114%	86,0	100,1	-14%
EBITA	67,8	41,5	+37%	154,5	124,5	+24%
EBITA margin (%)	14,9%	10,9%	--	11,6%	10,7%	--
Net sales	455,6	381,8	+19%	1 336,3	1 163,3	+15%
Net debt / EBITDA R12*	--	--	--	2,0	1,2	--
RoE R12 (%)*	--	--	--	7,7	20,4	--

About Teqni n

Teqni n AB is an industrial group that acquires stable niche companies with good cash flows to develop and own with an eternal horizon. The subsidiaries are managed decentralized with support from the parent company. We operate in the majority of industries with leading products, which gives us good resistance to economic fluctuations as well as solid industrial know-how. For us, it is central to focus on profitability and long-term sustainable business relationships.

The company's shares, TEQ is listed on Nasdaq First North Growth Market.

Johan's thoughts

Hi Teqniåns,

Teqniion has now completed its strategic overview with the goal of building a more profitable, robust, and scalable group for the years ahead, as previously communicated...

...that's not how a Teqniion letter begins. It doesn't feel right. But what are feelings? Just chemistry in the brain, unpredictable and often unhelpful. And for quite some time, we've felt frustration, anger, and shame over weak returns and our inability to live up to the high ambitions that drive us. Now, though, I feel something new. A tiny hint of pride. Not because things suddenly are resolved, far from it, but because we didn't let those emotions take over. We turned them into fuel which has powered change. The group is larger than ever, and the potential to continue scaling both profitability and growth lies right in front of us. *"It's the shame that hurts the most, you know, but shame, it's in the mind. You can turn that faucet off whenever you want to. Rough business becoming a man, ain't it? Beats the alternative though... come on, let's go to work."* - Lloyd, TV show Yellowstone, S1E5

What is the purpose of Teqniion?

When things are rough, we turn to the fundamentals even though they might seem trivial. Keeping focus on what truly matters. Even though the world is complex and there are countless factors and feelings at play, it helps to answer *"what is the purpose of Teqniion?"*. This to ensure that we are optimizing against the one goal that matters the most – **create the highest possible return for shareholders over the long-term**. That sentence is important. Every word that is in there. Please read it again and spend a second to reflect on the words that are not in there. Now, keep that in mind while reading this letter.

Long distance driver

We chase our goals through two main daily priorities. We acquire companies and we make companies better. A few efforts fall short,

others exceed expectations. Since Teqniion is a collection of niche companies, some will always do worse than expected and some will do much better. Like a stock portfolio, only we get to steer the outcome. That's our game. Have we been good at playing it? You decide. There are a few interesting measures that can help judging the long-term track record:

- Cash-flow to external capital ratio: For the long-term shareholder it matters if the current (and future cashflows) have been achieved with little or a lot of external equity capital. Teqniion has over its lifetime taken in ~290 MSEK in external equity capital and has on R12 an FCF of 129 MSEK, giving us a ratio of ~45% (240 MSEK if you dangerously extrapolate Q3 numbers, turns that ratio to ~83%)

- Portfolio evaluation: We price our acquisitions based on the assumption that we get our money back in five years. Therefore it is natural that we evaluate our cohorts (not individual companies) based on this measure.

- In the short run, last 5 years, we are tracking ahead of this target (which includes Reward Catering which was acquired in 2022). How can that be? While the Reward Catering saga clearly was a mistake, we have a few companies from the 2021-2023 cohort that are currently spitting out 1/3 - 1/2 of their purchase price in free cash flow per year. The 2024 - 2025 cohort is so far also tracking towards their target but most of them were acquired so recently so there are not enough statistics.

- In the longer run it becomes even more interesting. Yes, we do have a few companies where we are struggling, but we know what we are optimizing for and there are no holy cows. There are also numerous companies that were acquired many years ago, where we have slowly developed them to something great – subsidiaries that generates several times their original purchase price in free cash flow per year.



Game on, Solna style.

- Internal capital efficiency: Even though extrapolation is scary, it is helpful for this very exercise. In the quarter we made roughly 60 MSEK in FCF excluding acquisitions. With the same pace, that translates to 240 MSEK per year. The total balance sheet after goodwill impairment is 2 063 MSEK and total equity is 852 MSEK, which would translate to an FCF/total asset ratio of 11,6% or an FCF/total equity ratio of 28%.

You as shareholder or potential shareholder are of course the judge of whether these metrics (or every other metric you chose) are good or not by voting with your hard earned money.

Turnarounds seldom turn around...

... apart from those that does. I am not going to say that we have fixed everything, because we have not. I am not going to say that we never will have dips again, because we will. However, what I can say is that the operational improvements that we have implemented during the year have finally started to show in the numbers this quarter. The improvements come most clearly from bettering the Sweden businesses. At the same time we have acquired better companies and the UK side of things has continued to march on steady.

The actual actions have of course been different for the various subsidiaries in the group. For some, we have installed a new CEO to right the ship, for others we have together with the CEOs developed clear action plans to be implemented and in certain cases, we have become more operational. It's challenging but the results make it worth it. We are not done yet.

On the tough side we've also made a larger goodwill* impairment this quarter that removes 73 MSEK from the balance sheet. Goodwill must be tested regularly for impairment, and each portion is assigned to the cash generating units (CGUs) expected to benefit from it. Over the past few months, we've reviewed our companies and their status. Several have turned the corner thanks to our incredibly hard-working colleagues. However, we identified impairment needs in the CGUs Hem1 and Reward Catering.

The impairment affects this quarter's result, but not our cash flow. In fact, the measures we've activated for these entities should improve cash flow by 18–24 MSEK over the coming year.

A sharper structure

To climb from the plateau described in the previous report, we've refined how we work and how we're organized. Teqniön is now implementing a new governance structure with two divisions, the Nordics and the UK, each led by a segment head reporting to me and Daniel. This setup strengthens accountability, scalability, and local market insight. We're also adding a sourcing office in China to help our companies achieve higher product quality at lower cost, and a central shared services team to drive business development projects across the group. These support structures are already partly up and running and the few initiatives already implemented so far are expected to contribute at least 10–15 MSEK annually.

Our purpose remains crystal clear and unchanged. We support our growing, cash-generating companies and continuously reinvest the capital they generate into new, fairly valued acquisitions with even better financial expectations than the ones we already own. We've plenty to do and our motivated team knows that nothing comes for free. But the direction is set, the culture is intact, and the momentum is back. We're only at the beginning. And that's what makes the future bright.

Run far, be nice!

Johan Steene

CEO and founder

Teqniön ❤️ our subsidiaries

*I wrote an overly long text on goodwill in the Q1 2024 report, if anyone's curious...

We prefer to not adjust figures, but this time we will do an exception and therefore highlight it here. To bring the underlying operations into the light, you'll find charts on pages 6-7 and 11-12 showing both adjusted and unadjusted numbers.

Don't expect us to continue with this practice in the future!



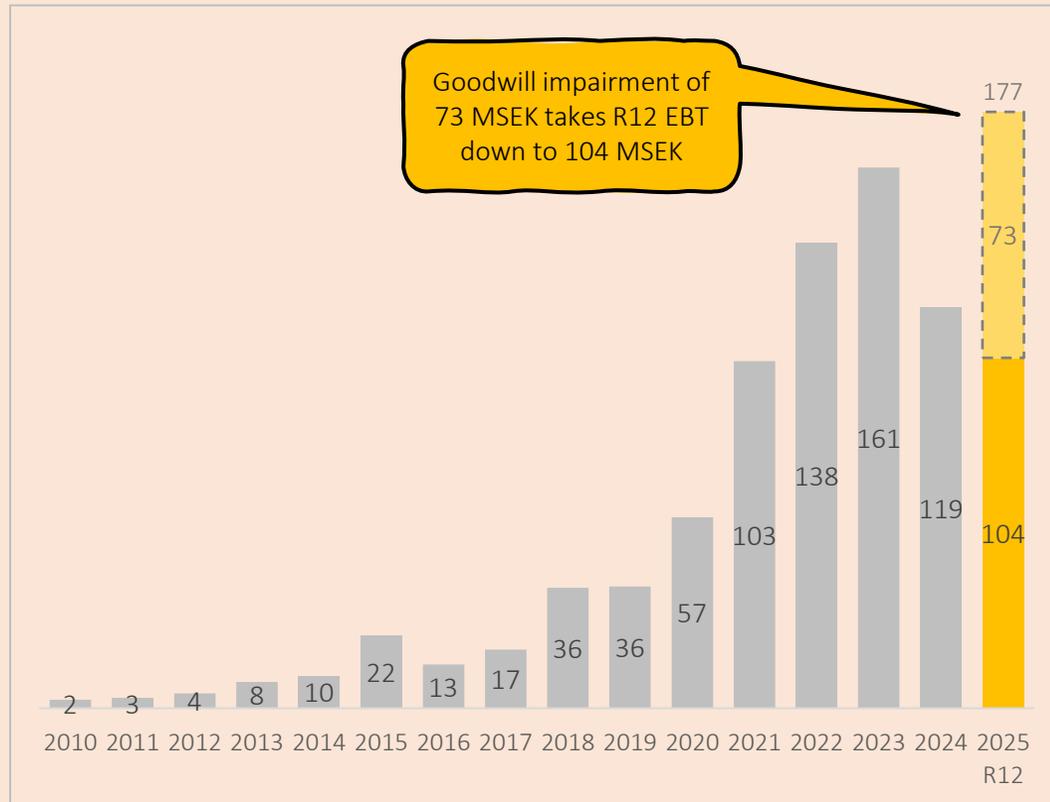
House of Teqni

Acquired 2024 or earlier

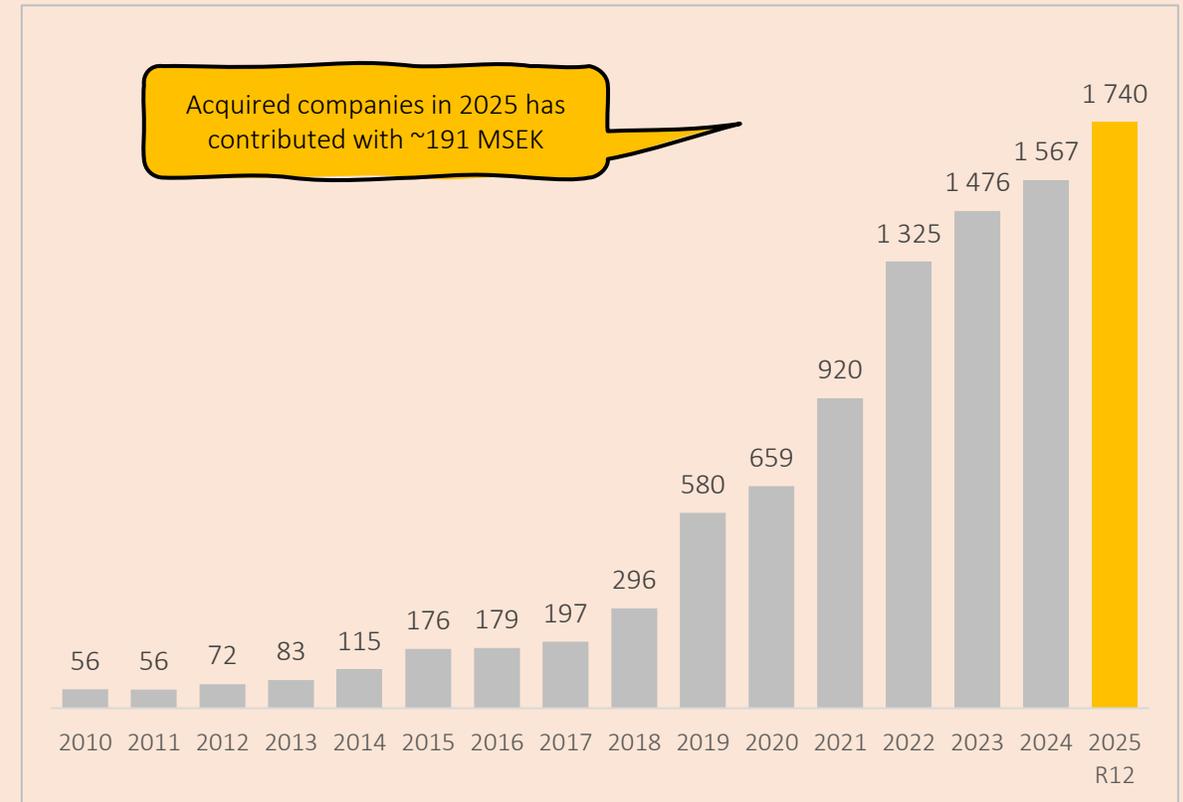
Acquired 2025

Financial development for the group (1/2)

Profit before taxes, MSEK



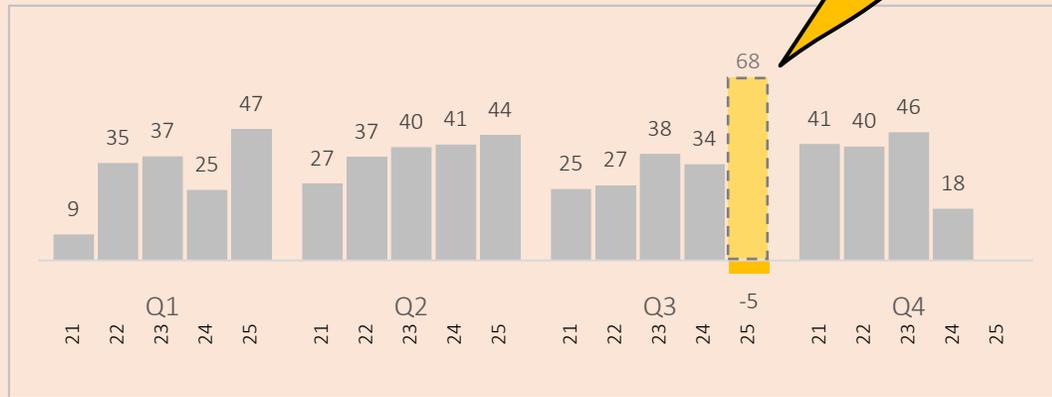
Net sales, MSEK



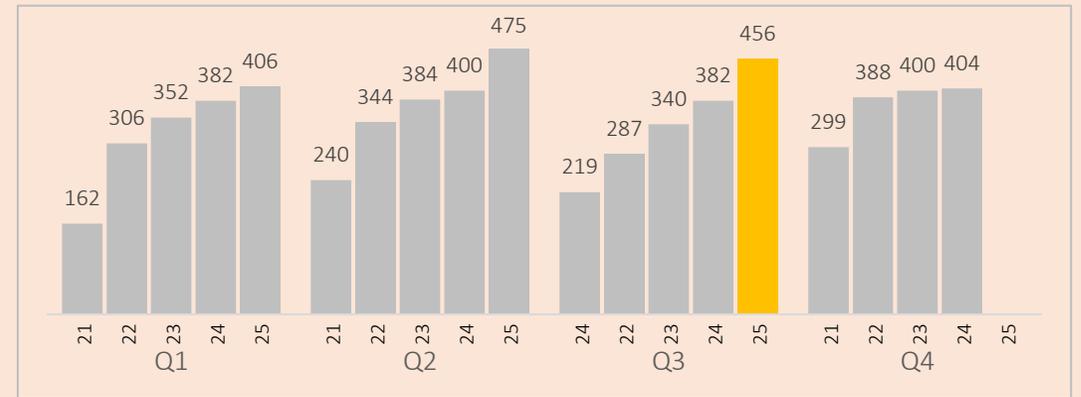
Financial development for the group (2/2)

Goodwill impairment of 73 MSEK in Q3 2025

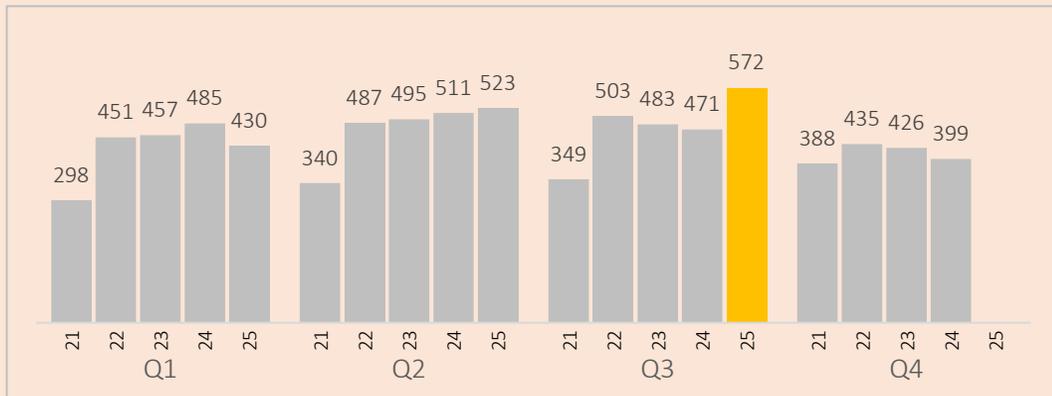
Profit before taxes, MSEK



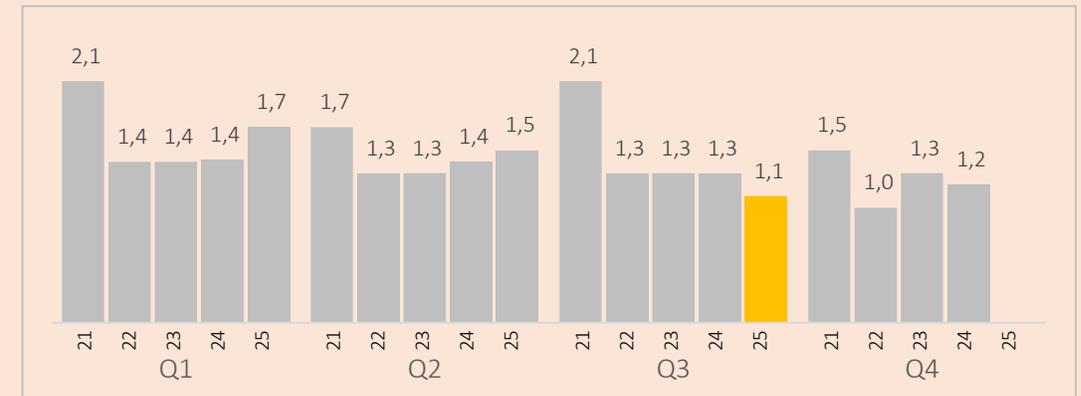
Net sales per quarter, MSEK



Order backlog*, MSEK



Parent company's cost as share of net sales, %



* Order backlog can give a rough indication of future sales but is far from a perfect crystal ball. The operations of our subsidiaries varies greatly – some companies have visibility over a year and some have only spot sales.

Liquidity and debt

Liquidity and debt

Group in summary MSEK	2025 30 Sep	2024 30 Sep	2024 31 Dec
Liabilities to credit institutions	502,6	297,9	302,3
Lease liabilities	139,6	155,8	163,9
Total interest-bearing liabilities	642,2	453,7	466,2
Cash and cash equivalents	139,5	174,0	196,0
Net debt	502,6	279,7	270,2
Net debt excl. leasing liabilities	363,1	123,9	106,3
Net debt / EBITDA	2,0	1,2	1,3

Comment

Liquidity and debt

Our net debt has increased during 2025 due to nine acquisitions. The net debt in relation to EBITDA has increased from 1,2 to 2,0 compared to Q3 2024. There is still headroom to our financial target Net debt / EBITDA < 2.5.

During the quarter, we utilized the accordion feature under its existing credit facility, increasing the available commitment to 575 MSEK.



Vicky and Belle in collaboration showcasing the new-gen platform at Professional Recovery Tow Show in the UK.

To be wiped!

Wipeboard: New thoughts and insights will be presented here each quarter

Total losses have been reduced from Q2 to Q3...



Operational improvements for underperforming companies have started to clearly show in the financials during Q3. Losses in Q3 are ~35% lower than Q2 and ~70% excluding Reward Catering and Hem1.

While there always will be some companies that underperform during a certain quarter, we believe that there is still much to do in this respect.

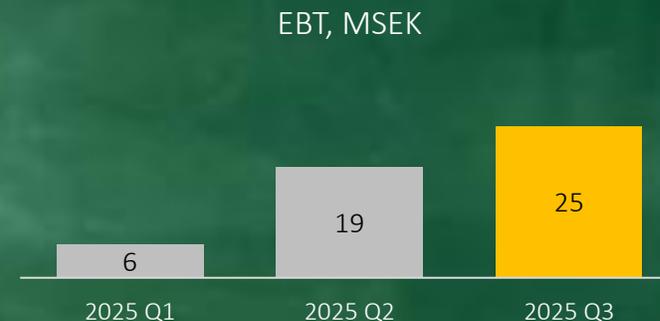
... while the companies that made a profit in Q3, made more than in Q2...



Companies that were in our portfolio for the full duration of Q2 and Q3 2025 and were profitable in Q3 have increased their profits with ~40% compared to Q2.

We will of course always try to make our companies better and better but as with all numbers – please don't extrapolate.

... and the 9 companies acquired in 2025 are adding nice profits



The 50 MSEK that these acquired companies have added for Teqnon in 2025 have an EBT margin of 25%.

The range of the EBT% for the 9 is 14-45%.

Note that the 9 acquired companies were acquired during varying times during the year.

Note that graph 2 and 3 are not additive as some of the acquired companies in graph 3 are also shown in graph 2.

- As previously communicated, Teqnon has 3 parts (2 engines and 1 brake):
1. Acquisitions: Continue to acquire better and better companies.
 2. Companies that perform: this is the bulk and we will support them to grow organically.
 3. Companies that don't perform: we are continuing to shrink this part to acceptable levels.

Business philosophy and financial targets

Teqnion is always in movement. We always start from people and relationship building when targeting profitable business in well-defined industry niches. The mission is to invest our money today so that we have even more money tomorrow. It is a simple goal that is easy to measure. We keep to what we understand and what is tangible. We don't try to predict how the world will change – we are not smart enough for that. We focus on what will not change including human behaviour. We acquire good and specialized companies that are driven by grounded coworkers. During the journey we try to have fun and develop our methods and strengthen our team. If we run astray (which we will continue to do), roll up our sleeves, learn something and continue moving forward.

Our sustainability plan is that Teqnion always should grow. Sustainability for us means that we of course need to take care of the environment and our globe's finite resources at the same time that we shall grow our profits over time. With good profits we can make the right decisions and continuously strengthen our relations with colleagues, customers and suppliers. Teqnion shall always continuously create value for the society so that we can capture part of that value. No matter in which direction and intensity the macro winds are blowing, we move forward.

Teqnion wants to go far. We are only in the beginning of our journey. It is therefore that we guard our culture ferociously. Our leadership team is ridiculously loyal to the company. We are a small team with experience, winner instinct and a never say die attitude.

SURVIVAL ABOVE ANYTHING ELSE. ALWAYS.

As individuals we are always prepared that anything can go south at any moment. This means that we never take risks that we cannot afford to lose. Even if the upside potential in Excel shows an off-the-chart RoIC, we would rather sell mission-critical velocity transducers to the defence industry rather than to hope to hit the jackpot on the next mystery Labubu.*

We ensure that we can always be part of the game, no matter the times. In essence: we will never put us in a debt situation that would hinder us from being in the driver's seat.

CREATE VALUE AND CAPTURE VALUE

In order for Teqnion and our subsidiaries to have a clear right of existence we need to create value for our customers and their customers. By loving sales and always focus on customer value we can translate the move of physical products to sales with good margins. By always focusing on customer value creation, a symbiosis is created between us, customers, suppliers and the society where value is created and shared. That is sustainability. Our simple way of measuring our right to exist is our operating margin. Why would we exist if no one wants to pay for our products, services and solutions? We never want to grow for the sake of growing. We only like our topline to go up if it is driven by profit expansion. Teqnion is the anti thesis of Silicon Valley's hyper growth philosophy and our mantra is "if they come – we build". The focus on profitability motivates us to really focus on each krona in expense. As the old Swedish saying goes: "varje sparad krona är en tjänad krona".

CREATE SHAREHOLDER VALUE.

When we have stability and earn good money, which is a state we do what we can to always be in – then we focus wholeheartedly on growing the earnings per share, which is the measure that over time most clearly drives the share price.

In practice, it means that we acquire further profitable industrial product companies with great people, low business risk and wonderful cash flow – at a fair price. The last piece is important. To acquire wonderful business can be both value creating or value destructive, depending entirely on the size of the money pile you give up. We focus on the long-term and lean on the compounding effect of our capital by effectively allocating your capital – we are stewards of it.

We don't work with forecasts or annual targets because we never want to be in a situation we will be forced to make a deal for the sake of making a deal – that creates shorttermism. We prefer a time horizon of 5 years in which we want to have doubled our earnings per share. Our ambition is higher and our true time horizon is much longer. We have just left the starting line. Our journey will be long.

This page has been written with the hope to clarify what we prioritize for Teqnion. We invite all on the same wavelength along for our grand adventure.

/TEQ-team

Do not wipe

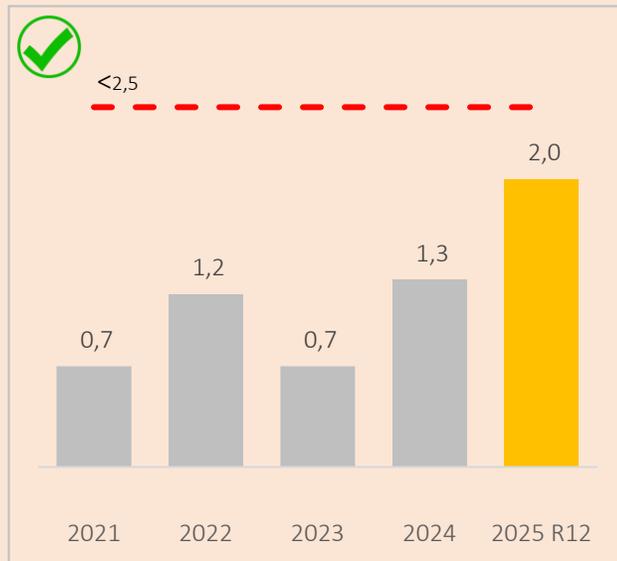
* By the same... our subsidiary HT Servo can supply aerospace and defence companies with DC motors, velocity transducers, position transducers, motor control electronics, high precision actuators, submersible motors and high precision ball bearings etc.

Follow-up of financial targets

1. STABILITY

To never risk permanent loss of capital and ensure that we can grow sustainably we believe that we need a financial stability as a basis for everything that we do. This goal should always be in place.

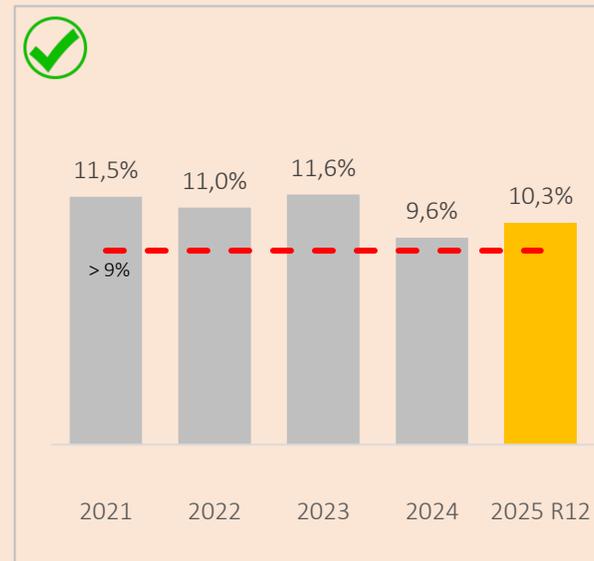
Financial target 1: Net debt / EBITDA < 2,5



2. PROFITABILITY

We always work grittily with our profitability. Focus is to always strive for projects and acquisitions that will help us raise the bar.

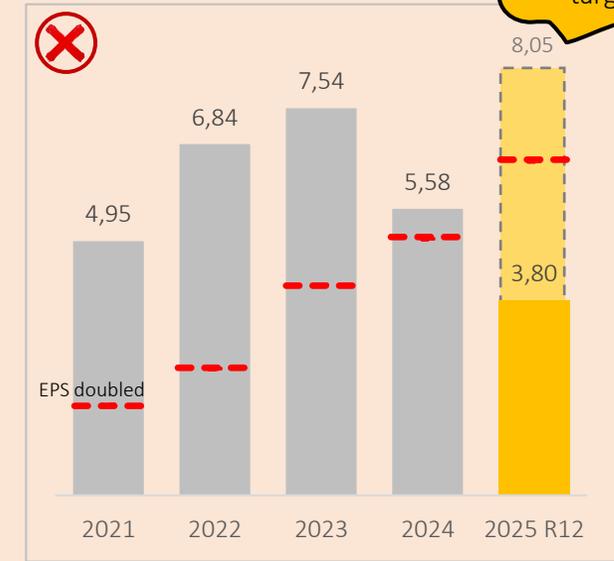
Financial target 2: EBITA margin > 9%



3. SHAREHOLDER VALUE

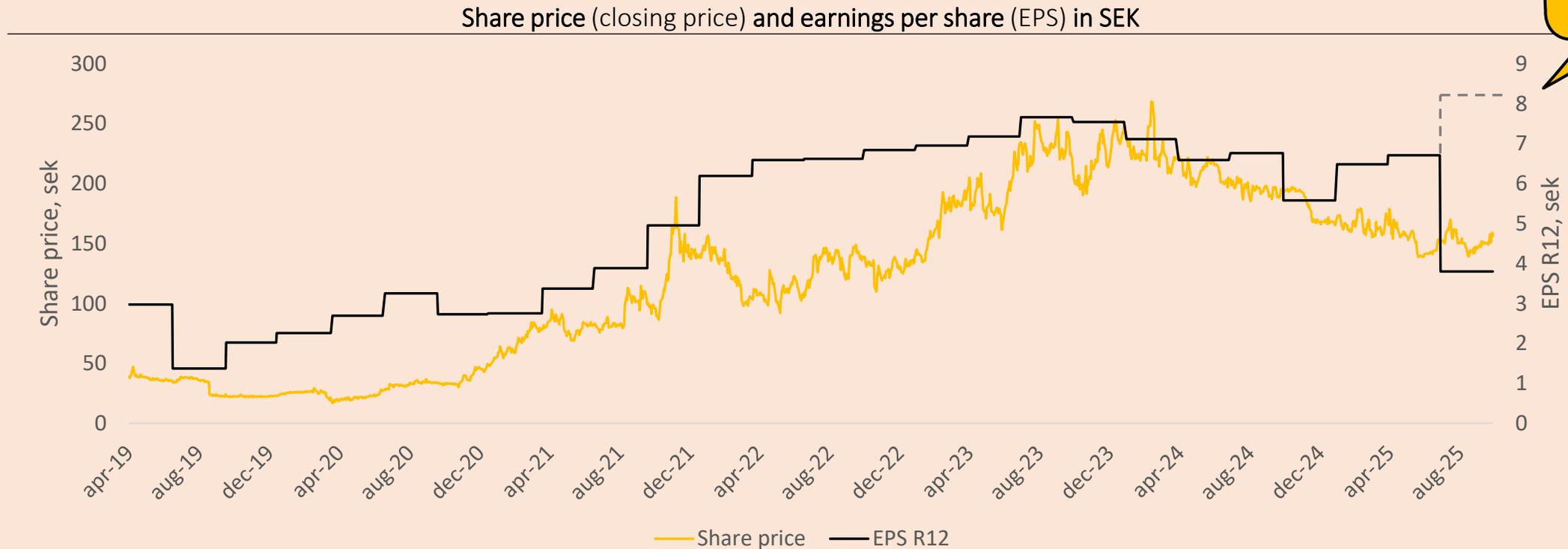
When target 1. and 2. are in place we put our whole soul into creating long-term shareholder value through increasing the earnings per share. This is primarily achieved through acquiring new niche companies at good valuations.

Financial target 3: > Double EPS every five years*



* The red line shows the level of EPS needed per year to double the EPS compared to 5 years ago.

Share price and earnings per share since IPO



Excluding the goodwill impairment of 73 MSEK, the EPS would have been 8,05

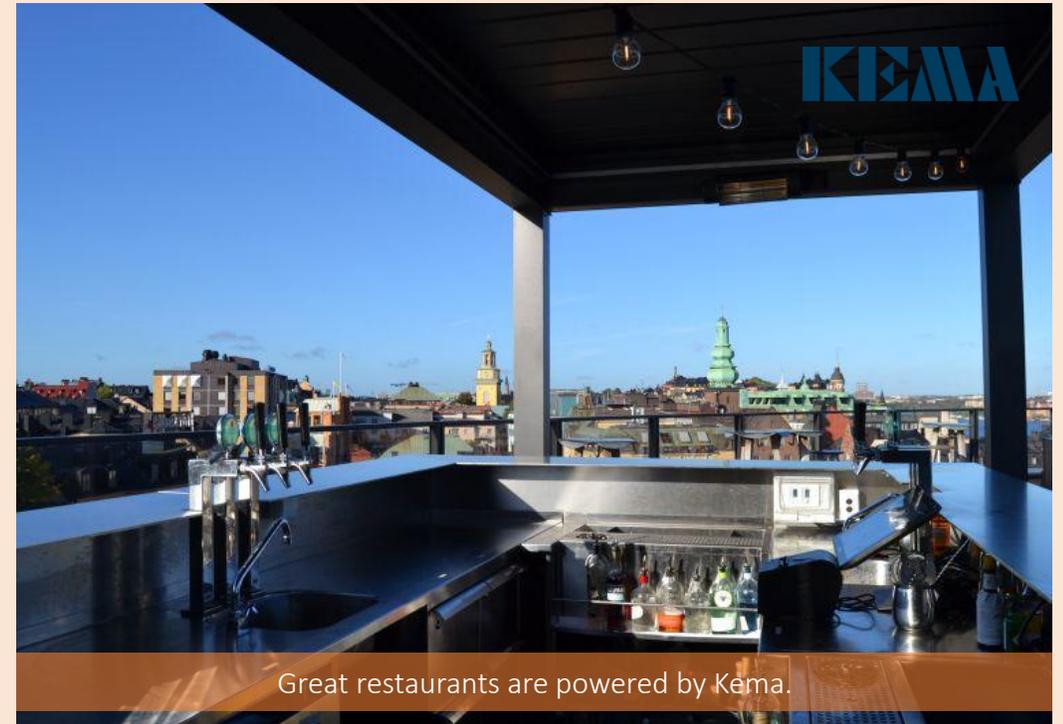
Our conviction is that our share price in the longer perspective will follow our earnings per share*. That is the reason our focus is on increasing the earnings per share. The graph above shows the historical connection.

* Actually, we believe that share price more closely follows TCFpDSeM&ABPRISR&D or Total Cash Flow per Diluted Share excluding Mergers and Acquisitions, Borrowing, Principal Repayment, Stock Issue, Share Repurchase and Dividends. But for simplicity, let's track EPS instead...

Our 10 most recent acquisitions

We continuously and tirelessly meet new companies (100-150 per year) but only a few passes all of our screening criteria. Legend has that it is easier to win the Euro jackpot than being acquired by Teqni. Our pace of acquisition will vary during the year and between the years – we will never acquire a business for the sake of acquiring something. For a deal to be reached, the company needs to show high quality & have a good culture in place. At the same time, we need to agree with the vendor on a price tag that we are both happy with.

Acquisition	Completion	Net sales * (according to press release, MSEK)
HT Servo Ltd	2025 September	60
Birketts Bogmats Ltd	2025 September	70
Norlin Polymers (UK) Ltd	2025 May	30
MITAB i Forsbacka AB	2025 April	65
Edurus Gravstenar AB	2025 March	45
Thermasolutions International Ltd	2025 March	35
Merridale Ltd	2025 February	35
Awarded 2U Ltd	2025 February	35
Midlands Special Fasteners Ltd	2025 February	30
UK Lanyard Makers Ltd	2024 July	20



Great restaurants are powered by Kema.

* Note that the net sales according to the press release is the average of the last 3 years. The numbers have been rounded to the nearest 5 MSEK.

TEQ Group Management



Johan Steene

Teqniön since 2006
 CEO, founder and board member
 Born 1973
 M. Sc. Mechanical Engineering, KTH
 Outside of Teqniön: runs far
 Holdings: 861 471 shares + 6 000 options



Daniel Zhang

Teqniön since 2021
 CXO
 Born 1989
 B. Sc. Business Administration and Economics, SSE
 Background: McKinsey, Bain and Textilia
 Holdings: 108 000 shares + 0 options



Jonathan Alexandersson

Teqniön since 2024
 Chief Controlling Officer (CCO)
 Born 1993
 M. Sc. Business Administration and Economics, Kau
 Background: Authorized Public Accountant from PwC
 Holdings: 850 shares + 3 000 options



Teltek C80 checkweights in action to ensure that every can has the right amount of content at Dugges.

Teqniion consolidated income statement and statement of comprehensive income

MSEK	2025 Q3	2024 Q3	2025 YTD	2024 YTD	2025 R12	2024 Calendar year
Net sales	455,6	381,8	1 336,4	1 163,3	1 740,2	1 567,0
Operating costs						
Change in inventories of PIP, finished goods and WIP	-5,4	1,1	4,3	6,1	-9,5	-7,7
Raw materials and consumables & Merchandise	-222,6	-212,2	-708,7	-638,4	-925,2	-854,8
External costs	-45,2	-32,7	-134,1	-99,9	-170,6	-136,3
Employee benefit costs	-100,3	-83,5	-320,0	-271,9	-420,9	-372,7
Depreciation and amortization	-91,1	-16,4	-126,0	-45,2	-145,3	-64,4
Other operating income and expenses	2,6	2,6	27,0	8,8	34,7	16,4
Total operating costs	-462,0	-340,9	-1 257,6	-1 040,4	-1 636,8	-1 419,5
Operating profit	-6,4	40,9	78,8	122,9	103,4	147,5
Financial income	9,4	-0,2	30,5	4,3	36,7	10,5
Financial expenses	-7,7	-6,6	-23,2	-27,0	-35,7	-39,5
Net financial items	1,7	-6,8	7,3	-22,8	1,0	-29,0
Profit before tax	-4,7	34,1	86,0	100,1	104,4	118,5
Income tax	-17,8	-6,6	-33,4	-17,0	-39,1	-22,7
Profit for the period	-22,5	27,5	52,6	83,1	65,3	95,8
Other comprehensive income for the period						
Translation differences for the period	-19,1	-2,0	-61,0	14,5	-49,8	25,7
Total comprehensive income for the period	-41,6	25,5	-8,4	97,5	15,5	121,4
Owners of the parent	-41,7	25,4	-8,5	97,3	15,4	121,3
Non-controlling interests	0,1	0,1	0,1	0,2	0,1	0,1

Teqni consolidated balance sheet

MSEK	2025 30 Sep	2024 30 Sep	2024 31 dec
Assets			
Non-current assets			
Goodwill	985,6	724,0	731,3
Other intangible non-current assets	61,0	25,9	27,9
Buildings and land	27,0	12,9	12,8
Equipment, tools, fixtures and fittings	37,5	27,2	26,6
Right-of-use-assets	140,0	157,3	165,6
Other receivables	0,4	0,4	0,4
Total non-current assets	1 251,5	947,6	964,5
Current assets			
Inventories	316,6	268,6	261,6
Trade receivables	258,5	216,5	231,1
Tax assets	21,3	15,9	8,7
Accrued revenue	20,6	12,6	19,2
Other receivables	26,5	15,2	17,6
Prepaid expenses and accrued income	25,9	26,3	23,1
Cash and cash equivalents	139,5	174,0	196,0
Total current assets	808,9	729,0	757,3
TOTAL ASSETS	2 060,3	1 676,9	1 721,8

MSEK	2025 30 Sep	2024 30 Sep	2024 31 dec
Equity			
Share capital	1,2	0,9	0,9
Other capital provided	289,8	288,9	294,7
Translation reserve	86,7	14,5	16,7
Retained earnings including profit for the year	442,7	529,8	545,7
Equity attributable to owners of the parents	850,4	834,1	858,0
Non-controlling interests	1,4	1,4	1,3
Total equity	851,8	835,4	859,3
Liabilities			
Non-current liabilities			
Liabilities to credit institutions	502,6	275,2	302,3
Non-current lease liabilities	98,4	114,2	116,2
Deferred tax liabilities	46,1	35,5	34,3
Other non-current financial liabilities	127,3	68,6	30,5
Other provisions	3,9	4,6	4,4
Total non-current liabilities	778,2	498,0	487,7
Current liabilities			
Liabilities to credit institutions	0,0	22,7	0,1
Current lease liabilities	41,2	41,6	47,7
Other current financial liabilities	85,7	59,3	84,4
Trade payables	144,7	107,8	119,5
Tax liabilities	14,2	11,6	11,8
Invoiced revenues not worked-up	4,4	4,5	6,5
Other liabilities	73,5	41,9	45,3
Accrued expenses and deferred income	66,7	54,3	58,8
Total current liabilities	430,4	343,4	374,8
TOTAL EQUITY AND LIABILITIES	2 060,3	1 676,9	1 721,8

Teqni consolidated statement of changes in equity

Attributable to equity holders of the parent company	2025	2024	2024
MSEK	30 Sep	30 Sep	31 dec
Opening equity (1 Jan)	858,0	733,9	733,9
Total comprehensive income for the period	-8,5	97,3	121,3
New issues	-	2,8	2,8
Option premiums	0,9	-	-
Closing equity	850,4	834,1	858,0
<i>Equity attributable to:</i>			
Owners of the parent	850,4	834,1	858,0
Non-controlling interests	1,4	1,4	1,3
	851,8	835,4	859,3

	2025	2024	2024
Outstanding shares	30 Sep	30 Sep	31 dec
Average number of shares outstanding before dilution YTD	17 165 756	17 149 885	17 153 696
Average number of shares outstanding after dilution YTD	17 166 558	17 180 756	17 160 449
Number of shares outstanding at the end of the period YTD	17 165 756	17 165 756	17 165 756
Average number of shares outstanding before dilution Q3	17 165 756	17 165 756	--
Average number of shares outstanding after dilution Q3	17 165 756	17 180 756	--



Teqni consolidated cash flow statement

MSEK	2025 Q3	2024 Q3	2025 YTD	2024 YTD	2025 R12	2024 Calendar year
Operating profit	-6,4	40,9	78,8	122,9	103,4	147,5
Adjustments for non-cash items	91,1	12,6	96,3	34,7	108,4	46,9
Interest and other financial items, net	-6,1	-6,5	-19,4	-18,7	-21,7	-21,0
Paid tax	-12,5	-12,5	-50,8	-48,7	-53,5	-51,3
Change in working capital	-5,0	-9,8	-12,0	-42,0	4,3	-25,8
Cash flow from operating activities	61,1	24,7	92,9	48,2	140,9	96,2
Net capital expenditure in non-current assets	-1,4	-7,0	-10,1	-16,5	-12,1	-18,5
Company acquisitions and divestments	-149,7	-54,9	-302,0	-112,3	-310,3	-120,7
Cash flow from investing activities	-151,1	-61,8	-312,1	-128,8	-322,4	-139,1
Net issues	-	-	-	2,8	-	2,8
Option premiums paid	0,1	-	0,9	-	0,9	-
Dept/repayment of debt, net	94,6	35,3	168,8	47,3	150,1	28,5
Dividend paid to non-controlling interest	-	-	-	-0,5	-	-0,5
Cash flow from financing activities	94,7	35,3	169,7	49,7	150,8	30,8
CASH FLOW FOR THE PERIOD	4,7	-1,8	-49,6	-30,9	-30,7	-12,1
Cash and cash equivalents at the start of the period	137,4	176,8	196,0	199,8	174,0	199,8
Exchange differences in cash and cash equivalents	-2,7	-0,9	-7,0	5,1	-3,8	8,2
Cash and cash equivalents at the end of the period	139,5	174,0	139,5	174,0	139,5	196,0

Parent company income statement and statement of comprehensive income

MSEK	2025 Q3	2024 Q3	2025 YTD	2024 YTD	2025 R12	2024 Calendar year
Net sales	21,7	14,2	59,9	40,0	76,4	56,5
Operating costs						
External costs	-3,2	-1,3	-7,5	-4,0	-9,0	-5,4
Employee benefit costs	-5,1	-2,9	-15,4	-15,0	-20,3	-19,9
Depreciation and amortization	0,0	0,0	-0,1	0,0	-0,1	0,0
Other operating income and expenses	2,0	0,2	2,2	-1,1	1,2	-2,1
Total operating costs	-6,3	-4,1	-20,8	-20,0	-28,2	-27,4
Operating profit	15,4	10,2	39,0	20,0	48,2	29,2
Profit from investments in group companies	9,1	0,9	45,6	17,6	69,9	41,9
Financial income	7,7	-0,3	26,6	0,4	33,4	7,2
Financial expenses	-4,4	-4,2	-12,7	-21,0	-25,0	-33,4
Net financial items	12,4	-3,6	59,5	-3,1	78,3	15,8
Profit after financial items	27,9	6,5	98,5	16,9	126,6	44,9
Appropriations	-	-	-	-	-10,4	-10,4
Group contributions	-	-	-	-	53,7	53,7
Income tax	-4,0	-1,1	-11,1	-0,3	-21,0	-10,2
Profit for the period	23,9	5,4	87,5	16,6	149,0	78,1
Other comprehensive income for the period						
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the period	23,9	5,4	87,5	16,6	149,0	78,1

Parent company balance sheet

MSEK	2025 30 Sep	2024 30 Sep	2024 31 dec
Assets			
Non-current assets			
Equipment, tools, fixtures and fittings	0,1	0,2	0,1
Participations in group companies	1 551,6	1 068,6	1 059,8
Other receivables	0,2	0,2	-
Receivables from group companies	0,0	0,0	0,2
Total non-current assets	1 551,9	1 069,0	1 060,1
Current assets			
Trade receivables	-	-	-
Receivables from group companies	109,2	12,7	66,6
Tax assets	9,8	6,6	1,0
Other receivables	12,4	0,0	0,0
Prepaid expenses and accrued income	0,5	0,5	0,4
Cash and cash equivalents	12,4	78,3	103,0
Total current assets	144,3	98,0	171,0
TOTAL ASSETS	1 696,2	1 167,0	1 231,1

MSEK	2025 30 Sep	2024 30 Sep	2024 31 dec
Equity			
Restricted equity	2,2	2,2	2,2
Unrestricted equity	699,9	550,1	611,6
Total equity	702,1	552,3	613,7
Untaxed reserves			
Tax allocation reserves	95,8	85,5	95,8
Total untaxed reserves	95,8	85,5	95,8
Contingencies			
Contingencies for acquired companies	213,0	128,0	114,6
Total contingencies	213,0	128,0	114,6
Liabilities			
Non-current liabilities			
Liabilities to credit institutions	499,6	271,5	298,5
Liabilities to group companies	138,8	85,0	62,5
Total non-current liabilities	638,4	356,5	361,0
Current liabilities			
Liabilities to credit institutions	0,0	22,4	0,0
Liabilities to group companies	37,3	12,6	36,5
Trade payables	0,2	0,4	0,3
Tax liabilities	-	-	-
Other liabilities	3,0	2,8	2,6
Accrued expenses and deferred income	6,4	6,6	6,7
Total current liabilities	46,9	44,8	46,1
TOTAL EQUITY AND LIABILITIES	1 696,2	1 167,0	1 231,1

Other financial information

Note 1 Reporting principles

Tegnon applies International Financial Reporting Standards (IFRS). This report is created in accordance with IAS 34 and RFR 1. The parent company applies RFR 2. The group and the parent company have the same accounting principles and assumptions for calculations as in the latest annual report. There are no newer by EU adopted IFRS standards or IFRIC statements that are applicable for Tegnon or would have any significant effect on the group's profits or financial position.

All numbers are stated in millions SEK (MSEK) if nothing else is specified. Roundings of numbers occur which can result in that the sum of the parts not always is the same as the total.

For a more detailed description of the accounting principles that have been applied for the group and the parent company in this interim report, please see note 1 in the annual report for 2024.

Note 2 Risks and uncertainty factors

Please review the annual report for 2024. No new material risks or uncertainty factors have been identified since the publication.

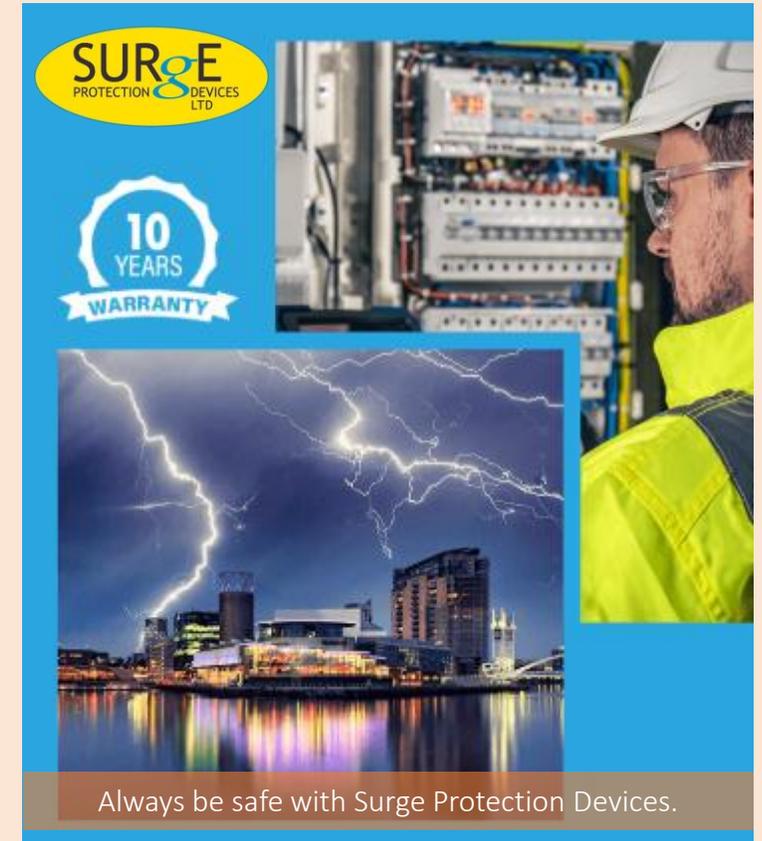
Note 3 Transactions with related parties

Transactions with related parties are described in the annual report for 2024 in note 25. No new types of significant related party transactions have taken place during the period.

Note 4 Financial instruments – fair value accounting

Conditional payments for acquisitions presented as fair value in the balance sheet. Fair value is based on a discounted cash flow model where anticipated payments two years or longer from now have been discounted to present value.

MSEK	2025 31 Sep	2024 31 Sep	2024 31 Dec
Opening book value	114,6	120,8	120,8
Acquisitions during the year	169,9	46,0	46,0
Consideration paid	-40,7	-34,1	-42,4
Reclassified via income statement	-21,5	-10,2	-17,8
Interest expenses	1,9	1,3	1,6
Exchange rate differences	-11,2	4,1	6,4
Closing book value	213,0	128,0	114,6



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Note 5 Business combinations

Acquisitions completed in 2025

During 2025 the following acquisitions have been completed; Midlands Special Fasteners Ltd, Awarded 2U Ltd, Merridale Ltd, Thermasolutions International Ltd, Edurus Gravstenar AB, MITAB i Forsbacka AB, Norlin Polymers (UK) Ltd, Birketts Bogmats Ltd and HT Servo Ltd.

On 4 February 2025, Midlands Special Fasteners Ltd was acquired. Based in Walsall, is as the name suggests focused on supplying special fasteners for challenging applications. MSF was born out of the simple idea of solving customers' difficult challenges when it comes to finding special fasteners no matter if the application is holding together components in outer space, engines in supercars or keeping submarines intact.

On 20 February 2025, Awarded 2U Ltd was acquired. Based in Herefordshire is one of UK's leaders when it comes to providing corporate customers with custom-made awards. The company is handling every step of the process in-house, from design to final production. The success of the company stems from their customer-centric focus, long-proven reliability and creativity.

On 4 March 2025, Merridale Ltd was acquired. The company is one of the UK's leading commercial fueling system providers. They design, manufacture and install complete ranges of fueling equipment from a single pump to a total turnkey package. The Merridale range includes fuel pumps, fuel management systems, tank gauges and ancillaries that are suitable for anyone from small operations to large fleets with multiple depots.

On 21 March 2025, Thermasolutions International Ltd was acquired. The company was founded with the idea of increasing energy efficiency in supermarkets and the retail industry. The company has evolved into a leader in the design and manufacturing of high-quality refrigeration products for supermarkets, hospitality and restaurants. Located in Northamptonshire, the company supply both the UK and international markets.

On 24 March 2025, Edurus Gravstenar AB was acquired. Located in Malung and Stockholm, with roots stemming back to 1999 is the market leader in Sweden within the niche segment of dimensioned stone industry. The company mainly provides headstones, stone figurines and second name engraving to and through funeral homes. The success of the company stems from its reputation of always delivering the right quality at the right time, its operational efficiencies and its understanding of customer needs.

On 2 April 2025, MITAB i Forsbacka AB was acquired. MITAB has been a trusted provider of cremation installations since 1995, supplying advanced furnaces and related equipment across the Nordic region. With deep expertise in design, construction, and installation, MITAB supports both new builds and renovations of crematoriums.

On 24 March 2025, Norlin Polymers (UK) Ltd was acquired. Norlin is a Bolton based specialist compounder of technical polymers for primarily medical device and pharmaceutical applications across Europe. The compounds are all bespoke and mixed to each customers' unique product needs, legal guidelines and regulations, including the FDA.

On 10 September 2025, Birketts Bogmats Ltd was acquired. Birketts Bogmats Ltd is a UK-based, family-run business specialising exclusively in the supply of hardwood timber bog mats. From their depot in Stratford-upon-Avon, they support industries including construction, civil engineering, plant hire, and energy with dependable ground protection and temporary access solutions. With years of experience that stems from 1974 and a strong focus on customer service, Birketts have built a reputation for reliability, straightforward dealings, and consistent product quality. Their hardwood mats are widely used across the UK on infrastructure projects, utilities, and environmentally sensitive sites, ensuring safe and efficient access even in the most challenging ground conditions.

Note 5 Business combinations

Acquisitions completed in 2025

On 24 September 2025, HT Servo Ltd was acquired. HT Servo counts many of the UK's leading aerospace and defense companies among its customers, who choose to procure their motion components - from velocity and position transducers to brushed and brushless DC motors, electro-mechanical actuators, and precision gearing systems - thanks to the company's technical expertise, robust and reliable solutions and service-minded team. The company has roots from the 1980's and the current form was established in 2001.

Acquisitions completed in 2025	Completion	Acquired share, %	Net Sales, MSEK*
Midlands Special Fasteners Ltd	4 February 2025	100	30
Awarded 2U Ltd	20 February 2025	100	35
Merridale Ltd	4 March 2025	100	35
Thermasolutions International Ltd	21 March 2025	100	35
Edurus Gravstenar AB	24 March 2025	100	45
Mitab i Forsbacka AB	2 April 2025	100	65
Norlin Polymers (UK) Ltd	28 May 2025	100	30
Birketts Bogmats Ltd	10 Sep 2025	100	70
HT Servo Ltd	24 Sep 2025	100	60

**) Average of the last three years before acquisition (rounded)*



Note 5 Business combinations

Assets and liabilities acquired in 2025

The acquisitions completed in 2025 have the following effects on the Group's assets and liabilities. The purchase price allocations have not been finalized as the Group has not received finalized information from the acquired entities. Any adjustments in connection with the final acquisition analysis are not expected to have a material impact on the Group's results or financial position.

The assets and liabilities included in the period's acquisitions according to the purchase price allocation are as follows:

<i>Preliminary purchase price allocations</i>	
Fair value	MSEK
Intangible assets	35,4
Tangible fixed assets	26,8
Inventories	44,9
Trade and other receivables	64,7
Cash and cash equivalents	131,9
Provisions	0,0
Deferred tax	-12,8
Trade and other payables	-93,4
Net identifiable assets	197,5
Goodwill	365,1
Considerations	562,6
Of which	
paid in cash	388,7
contingent consideration	146,7
deferred payment	27,2

Goodwill is collectively justified by the expected future profitability, the business model, the skills and commitment of the staff, and the organizations' culture of business acumen and drive. The goodwill is not tax deductible.

Contingent consideration is defined per acquisition and divided into two or more parts and is dependent on future results achieved in the respective companies during the period from February 2025 to August 2028 at the latest. All contingent considerations have a fixed maximum level. The fair value of the contingent considerations amounted to 146,7 MSEK at the acquisition dates of the specified acquisitions. Initially, contingent considerations are valued at the probable outcome.

Acquisition-related costs for the year's acquisitions, which are reported under other external costs, amount to 2,5 MSEK.

Impact on the income statement	
January-September 2025	MSEK
Net sales	190,8
EBITA	49,6

Impact on the income statement if the acquisitions	
been part of the Group from January 1, 2025	MSEK
Net sales	315,7
EBITA	76,2

Looking for the next dream team!

CONTACT AD

We love talented entrepreneurs and are constantly on the lookout for more nice companies with great people that want to join kindred spirits and build the best company group on earth. Do you know someone that has a company that could be interesting for us, or have you built one yourself, please contact Daniel (daniel@teqni.se or +46 721 555 695). If it is interesting enough for a meeting, we will send you a small gift of gratitude for your advice. Our preferred holding period is forever.

WHAT ARE WE LOOKING FOR?

- Stable earnings level of 10-30 MSEK post tax (real money, we don't believe in adjusted EBITDA).
- Proven profitability of at least 15% on the bottom line (bold forecasts and turn-arounds are not our cup of tea).
- Great return on capital (we want to use cash flow to acquire new nice businesses – not to buy new machines or inventories).
- Product companies that are leaders in a clear niche that do not compete with price.
- Clear moats so that the companies can thrive for the decades to come.
- Driven and ran by grounded individuals that want to continue to develop the company.
- Simple and easy to understand business model. If it is complicated, we walk away...



Definitions

RoE R12	Net profit for the period on a moving 12-month basis divided by average shareholders' equity calculated as the average between opening and closing balance during the period.
FCF excluding acquisitions	Free Cash Flow for the period excluding payments to vendors for company acquisitions and divestments
Change in inventories of PIP, finished goods and WIP	Change in inventories of products in progress, finished goods and work in process
EBITDA	Operating profit before depreciation and amortization.
EBITA	Operating profit before amortization.
EBITA margin	EBITA divided by net sales.
Shareholders equity per share	Shareholder equity, including holdings without controlling influence divided by number of outstanding shares by the end of the period.
Net debt	Interest bearing liabilities less cash and cash equivalents
Net debt/EBITDA	Net debt by the end of the period divided by EBITDA on rolling 12 months basis.
Organic growth	Changes in net sales excluding acquisitions and divestitures compared to the same period the previous year.
Earnings per share (EPS)	Net profit for the period attributable to owners of the parent divided by the average number of shares outstanding.
Diluted EPS	Net profit for the period attributable to owners of the parent divided by the average number of shares outstanding after dilution.
R12	Rolling 12 months
Parent company's cost as share of net sales	Total cost for the parent company, excluding cost for variable pay and accounting currency effect divided by the group's total net sales.
Contingent earnouts	Payments for acquisitions that will be paid out contingent on that the vendor and/or the company performs according to certain pre-determined future goals. The total purchase price including the conditional payments are included in the balance sheet according to purchase price allocation. In the case that the contingent payments become higher or lower than estimated, cost or revenue will be recorded under "other operating income and expenses" in the income statement. This income or cost has no cashflow impact.

Financial calendar

2025 Q1 interim report	23 rd of April 2025 (Wednesday)
2025 AGM	23 rd of April 2025 (Wednesday)
2025 Q2 Interim report	19th of July 2025 (Saturday)
2025 Q3 Interim report (this report)	18th of October 2025 (Saturday)
2025 Year-End report	14 th of February 2026 (Saturday)
2025 Annual report	21 nd of March 2026 (Saturday)
2026 AGM	23 rd of April 2026 (Wednesday)
2026 Q1 Interim report	23 rd of April 2026 (Wednesday)

All reports will be published on Teqnion's website:

www.teqnion.se/investor-relations/finansiella-rapporter/

For more information, please contact

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Daniel Zhang, CXO, 0721 555 695, daniel@teqnion.se

To send in questions to the Q&A, please use QA@teqnion.se

Review

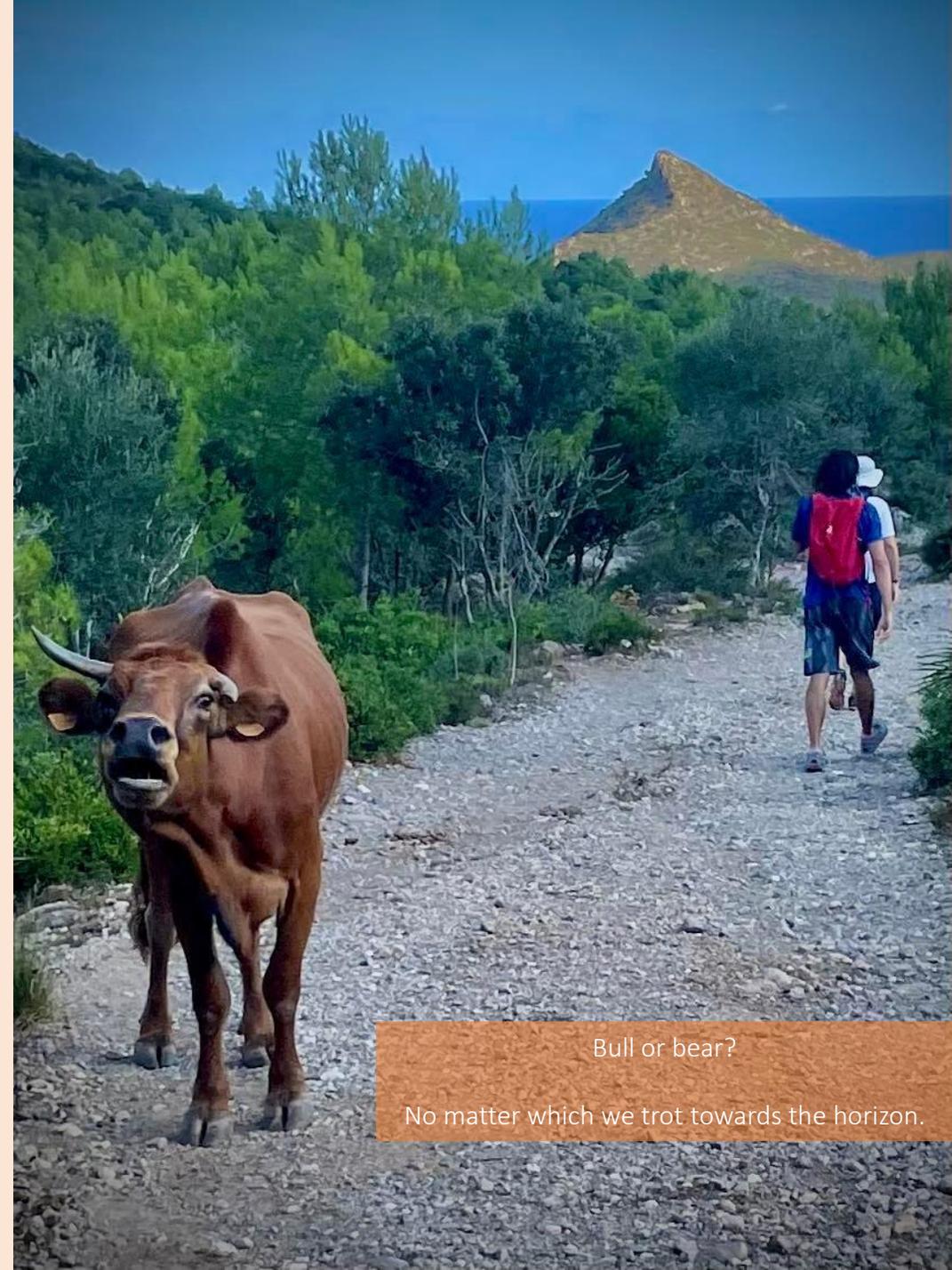
This report has not been reviewed by the company's auditor.

Certified Adviser

Redeye AB



Psst... On <https://www.teqnion.se/investor-relations/presentationer-och-diskussioner/> or via the QR code you can learn a little bit more about Teqnion through different company presentations and interviews in podcasts and text...



Bull or bear?

No matter which we trot towards the horizon.

Teqnon interim report

Q3: July – September 2025

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