Air care for healthy growth

Absolent Air Care Group is a global group that develops products for cleaning process air in a wide range of industries.

2024

Annual Report

Absolent
AIR CARE GROUP

Clean air for people, planet and life

Table of contents

This document is a translation of the Swedish original. In the event of any discrepancies between this translation and the Swedish original, the latter shall prevail.

01 About Absolent Air Care Group

Clean air in production environments

Absolent Air Care Group is a global group that develops products for cleaning process air in a wide range of industries. Our air cleaning products help production companies provide clean and fresh air to their employees, reduce energy costs and increase the productivity. Absolent Air Care Group is listed on NASDAQ First North Growth Market.

Organization

Absolent Air Care Group, with head office in Sweden, operates production facilities in Sweden, the UK, Canada and the Netherlands. Overall, the Group has operations in Sweden, the UK, Canada, China, USA, Germany, the Netherlands, Finland, France, India, Switzerland, Japan, Hong Kong and Italy. Direct sales of our air cleaning products are made through our own subsidiaries as well as through a network of carefully selected distributors in about 50 countries. Absolent Air Care Group's brands consist of Absolent, Aerofil, Airmaid, Avani, Dustcheck, Diversitech, Filtermist, Jeven, Kerstar, Tessu Nu-Air and Quatro. Each brand has its own character and functions as an independent entity in its own field.

Customer segments

Our air cleaning products are used to separate air pollutants in a wide range of industries including the aerospace, automotive, chemical, defense, electronics, pharmaceutical, woodworking and food industries as well as in power generation, contract manufacturing, dental laboratories, and restaurants. The Group's end customers include many world-leading companies, such as Boeing, BYD, Burger King, Caterpillar, McDonald's, KFC, Danfoss, Jaguar Land Rover, Scania, SKF, Volvo Cars and Volvo Trucks.

Applications

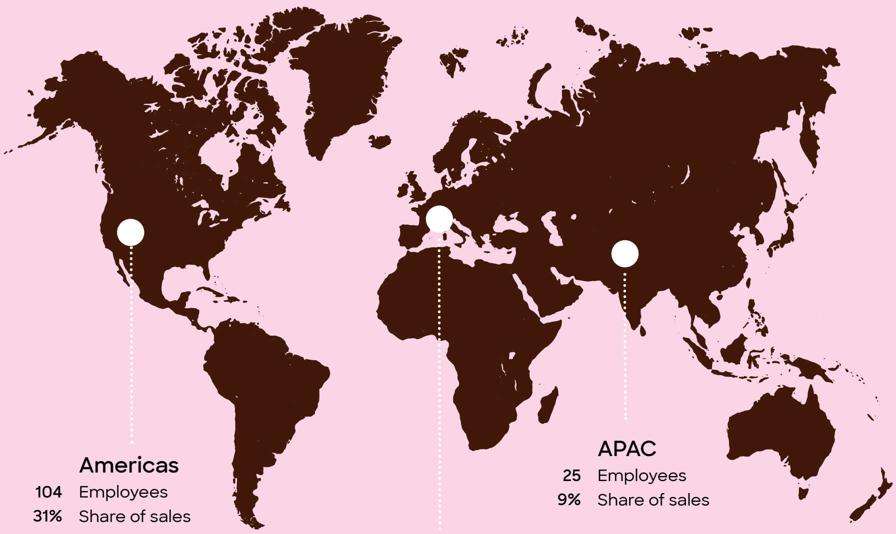
The Group's products are used to clean process air from various types of particles and gases. Typical sources of particulate emissions and gases are manufacturing processes such as milling, turning, rolling, hardening, die casting, welding, laser cutting, grinding, additive manufacturing, frying, roasting and grilling.

Technologies

Absolent Air Care Group has a broad portfolio of filtration technologies to meet our customers' needs with the most suitable and qualitative air cleaning units. The product portfolio covers the majority of all technology platforms for particle and gas filtration. This is relatively unique in the industry and further contributes to our solid knowledge of the technology platforms' strengths and weaknesses and how they complement each other in different application areas.

550

million m³ clean air per hour is delivered by Absolent Air Care Group's filtration units



Americas
104 Employees
31% Share of sales

EMEA
344 Employees
60% Share of sales

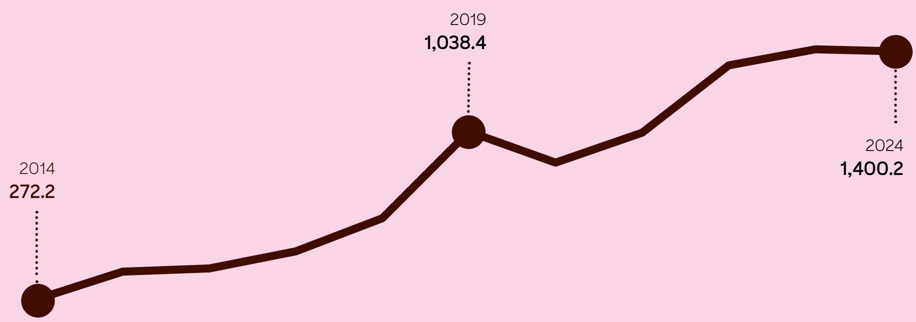
APAC
25 Employees
9% Share of sales

1,400
Net sales, 2024, SEK million

473
Number of employees

50
Sales in number of countries

11
Brands



Net sales development 2014–2024, SEK million

Production countries	Brands	Industries
Sweden, UK, the Netherlands and Canada	Absolent, Aerofil, Airmaid, Avani, Dustcheck, Diversitech, Filtermist, Jeven, Kerstar, Tessu Nu-Air and Quatro	Aerospace, automotive, chemical, defense, electronics, pharma-ceuticals, woodworking and food industries as well as power gene-ration, contract manufacturing, dental laboratories and restaurants

History of the Group

2019
Group turnover exceeds SEK 1 billion

2014
Group Parent company listed on stock market

2010
Filtermist Group in the UK is acquired

2006
Schörling becomes the majority shareholder of the Group

2000
Established on the US market

1993
Absolent AB is founded

Absolent AB, the first company in the Group, was founded by Joakim Westh, still a board member of the Parent company and currently interim CEO, together with two partners in Lidköping, Sweden in 1993. During the period 1994-2000, Absolent AB rapidly grew to become market leader on the domestic market for oil mist filtration. A new product line was also developed during the first years, further increasing the company's competitiveness. Focus on export sales began early in the Group's history. In 1995, the first units were sold to Norway, followed by Finland in 1997 and Germany and Switzerland in 1998. During the following years, distributors were established in several other European countries. About 1998, the first units were delivered to the US, initially through OEM customers and later directly to American distributors. In 2000, the company Absolent Inc. was founded, to serve as a platform for the sales expansion on the American market. The same year, the Parent company Absolent Air Care Group AB was founded, and a few years after, 2002, the Swedish industrialist Carl-Henric Svanberg became one of the company's major shareholders. Carl-Henric Svanberg was an active board member during several years and remained a major shareholder for many years.

In 2006, the investment company Schörling acquired a large share and became the Group's majority shareholder. To increase the Group's product assortment and geographical presence, the British company Filtermist was acquired in 2010. The year after, the Group set up a sales company in China to establish a sales organization on the Chinese market. 2014 marks an important milestone for the Group, as the Parent company was listed on Nasdaq First North. During 2015, Absolent's American distributor, Avani International Inc, was acquired and during the same time, the German sales company Absolent GmbH was established. In 2016, Multifan Systems in the UK was acquired, and during 2017 and 2018 sales companies were established in France, China and India. During 2017, the British dust filter company Dustcheck was acquired.

2019 was an acquisition-intensive year for Absolent Air Care Group, when six acquisitions were completed. In Sweden, the company SMK, a strategically important subcontractor for Absolent products, was acquired. In the UK, two acquisitions were carried out when the DCS Group, with smoke and dust extraction business, and Kerstar, manufacturer of high-vacuum cleaners, were acquired.

The Group further strengthened its offer through the acquisition of the Canadian company Diversitech, market leader in cleaning fumes from welding and cutting. During 2019, the Group also started its investments in commercial kitchen ventilation when Jeven (with operations in Finland and Sweden) and Interzon (with operations in Sweden and Estonia) were acquired. Together with a strong growth, the above-mentioned acquisitions resulted in the Group reporting a turnover exceeding SEK 1 billion for the first time in 2019.

2020 was the year when the Group set the ambitious target that the Group's own operations shall be carbon neutral in 2030 and the Group's value chain shall be carbon negative in 2050. As a way to have control over its carbon reduction technologies, the Group chose to intensify the development of carbon capture solutions.

2021 began with Absolent Air Care Group increasing its commercial kitchen ventilation investment with the acquisition of the Dutch company Tessu Systems. During the year, Absolent strengthened its presence on the European market by establishing a sales company in Italy. During the end of 2021, the Canadian companies Quatro Air Technologies Inc. and Aerofil Inc. were acquired. Quatro develops and markets portable air cleaning solutions for hospitals, schools and offices etc. and Aerofil distributes air purification solutions for industries such as mineral processing and pulp and paper.

During 2022, the Group expanded its investments in the Commercial Kitchen business area through the acquisition of the Dutch company Nu-Air B.V. The company has now been merged with Tessu, acquired by Absolent Air Care Group in 2021, and forms a leading player on the Dutch commercial kitchen ventilation market. In the beginning of 2023, the Swiss company AIRfina AG, a former distributor of Absolent AB, was acquired to strengthen the Group's presence on the Swiss market.

Technology Leadership

It has been an exciting and transformative year for Absolent Air Care Group in terms of product development. We continued to expand our A•erity range, enhancing our ability to meet customer needs in the industrial market with an optimized sizing concept, while also growing our portfolio of connected products to provide even more advanced condition monitoring and real-time insights for both Industrial and Commercial Kitchen.

At the same time, we are laying the foundation for groundbreaking new products that will revolutionize how we serve our customers, offering a very high level of flexibility. Our commitment to digital transformation remains stronger than ever, accelerating our speed to market and enabling innovative, performance-based solutions alongside enhanced customer relationship support.

Customer first

Our modular principles drive our development priorities and are the basis for all clean air products we bring to the market. We call it Customer First - It always starts with the customer. At Absolent Air Care Group, our core mission has always been to support our customers in creating safe and healthy working environments, reducing emissions, and ensuring compliance with environmental regulations. We are deeply committed to understanding and addressing the evolving needs of our customers, dedicating significant time and effort to listening to their challenges and continuously driving improvements to meet their future demands.

With increased focus on machine-mounted filter units and a general direction towards compact solutions, Absolent Air Care Group recognizes that partnering with OEMs (Original Equipment Manufacturers) is a sustainable route to increased share of key global markets. During 2024, great progress was made for several of our brands, including the development of a bespoke mounting interface for both direct and off machine mounts - leading to faster and safer installation and a minimum of production disruption.

Balanced offer through modular product architectures

Our approach on modular product development is an integrated process putting requirements on all aspects of the value chain. It provides several opportunities and customer benefits, such as space and weight-saving, energy efficiency, and enhanced speed and flexibility in everything we do.

Combining strong sustainable customer focus with removal of everything that does not create value for the customer requires a balanced product offer, with the right performance options to satisfy the needs of our customers. We work hard every day to maximize the number of choices for our customers while minimizing internal complexity. A cornerstone in this journey is the development of new modular product architectures, where we will see a continuous launches of new products during 2025. From a product development perspective, a couple of areas can be highlighted.

State-of-the art filtration technology

The heart and main purpose of a filter unit is the separation of harmful particles from the polluted air. Our unique composition of fibre materials in our filters with the patented Catch & Release® self-draining function already provides us with the most efficient technology in the world for oil mist and oil smoke filtration, and we are investing heavily to further solidify our leading position. We use our highly efficient filtration technology both to solve the most demanding application challenges with high concentration of super small particles, and also to make it possible for customers to get clean air with smaller filter units than current standards in the market. We call this Filtration Power Density.

Standardized interfaces

We use our knowledge about the customer needs and our focus on offer efficiency to select and right-size our assortment of components and modules. A key challenge in our development work is to develop standardized interfaces between components and modules to maximize our flexibility to configure the right filter solution for each customer. With our modular product architectures, our configurators and a well-established supply chain, we can offer customized solutions, with standard components, high availability and short lead times.

Machine-mounted filters

There are several reasons for mounting filter units on cutting and grinding machines or even integrating them into the machine. Absolent Air Care Group is continuing to strengthen our broad range of machine-mounted filters, both with new products and

improved efficiency in our value chain. During 2025, we will complement our Filtermist centrifugal filter range and our A·Line range with new products.

In 2024, Filtermist operations underwent a major transformation, enhancing efficiency through Lean and Just-In-Time (JIT) methodologies, resulting in a significant (20%+) improvement in schedule adherence and thus customer satisfaction. In addition, the company re-organized material supply-chain resulting in outsourcing of components, optimizing internal resources for high-value production while improving supply chain flexibility. These improvements strengthened operational agility, cost efficiency, and competitiveness, positioning the company for sustained growth and solid partnerships with our customers.

Digital transformation

Absolent Air Care Group helps customers all around the world with clean air products and services. Respecting the needs of all these different customers, both when it comes to being able to deliver products fitting their specific needs but also to deliver a high level of service, puts high requirements on our digital infrastructure. As a result, we have dedicated significant focus in 2024 to our digital transformation journey, with a primary emphasis on enhancing our ability to serve customers promptly, reduce waste, and increase adaptability. This is a key foundation of our strategy execution, and an investment which will solidify our position as the clean air partner for our customers, today and tomorrow.

It starts with the customer. Customers are different; they have different drivers and values, they operate in different industries in different countries, under different legislations and company policies. Their manufacturing processes produce different types of airborne pollution in different quantities and size. Their maintenance procedures differ, as well as their need of connectivity and information. What unites all our customers is that they have pain points related to unclean air. They want clean air to sustainably protect their employees, protect the environment, protect the process quality, and protect their businesses.
Responding with speed to this variety in customer needs puts many requirements on us as a supplier, and partner. Our new products are built on modular architectures, offering an unmatched flexibility to customize solutions for our customers. Complementing this, we are digitalizing our world-leading knowledge and organizing our work to stay at the forefront of air filtration. By investing in sales configuration software development, we are transforming how we configure, sell, and optimize our products. We are digitalizing many years of practical experience and application knowledge, making this available to sales engineers and customers in all parts of the world.
Our sales configurator automates complex configurations, reducing waste and enhancing efficiency since we give substantially better support to sales engineers and customers to select a solution meeting real needs, in real time. With the customer at the heart of every solution, it ensures the best possible fit for their specific needs while optimizing energy use and space savings. By integrating digital tools into our processes, we accelerate product development, improve scalability, and future-proof our operations.

In addition to the sales configuration software, we are investing in development of our system for CRM (Customer Relationship Management). This further increases sales process efficiency by full system integration and is consequently a key foundation of our “No Touch Flow” vision, where we strive to minimize repetitive and low value-added manual activities. Full system integration will also provide us with market intelligence as well as customer data and profitability analysis. By systematically collecting and analyzing data from each product configuration and quote, we continuously gain valuable insights into market trends and customer preferences, providing fundamental input to continuous development of our customer offer.

Master of Products

Our focused strategy on always being able to provide the best possible solution for our customers is a cornerstone in our strive to further solidify our leading position within process air filtration.

We understand that the greatest impact we have on sustainability comes from the use of our products, and we continue to make important progress in game-changing areas such as CO_2 capturing, where we test and refine our prototypes, with very satisfying results.

A couple of examples of development achievements during 2024:

A•erity expansion

A•erity, our newest range of modular oil mist filters, was launched in 2023. Since the launch we have continuously expanded our range, making it possible for us to meet an increasing variety in customer needs, and being able to customize specific offers to a broad range of industrial applications.

In 2024 we introduced A•erity Compact to enhance our ability to deliver to customers with the right size performance. The product provides a flexible and efficient solution, designed for applications requiring a smaller footprint with high filtration capability.

To offer even greater flexibility and efficiency, we have extended our fan range for A•erity with energy efficient brushless motors. Now the customers are given the option to select the right air volume needed, where the modular architecture allows us to optimize solutions tailored to each customer's specific needs. More electrical connectivity options for Plug & Play solution were also introduced to increase the speed, flexibility and efficiency at our customers for a smoother experience.
Using the modularity of the A•erity range, we launched A•erity Carbon in the beginning of 2025. This unit provides a flexible option for customers to add necessary capture of VOC’s (Volatile Organic Compound) to their extraction system, without decreased flow.

A•erity Light Smoke broadened our coverage of applications that require air flows above 2,000 m^3/h. This strengthened our position by lowering the investment for customers that did not need a product in our heavier smoke assortment A•Smoke. And more is to come – in 2025 we will make a major expansion of our A•erity range, being able to support even tougher oil smoke pollution and higher air flows. This is being achieved by utilizing the modular construction and fully integrating our leading fibre bed filtration technology into the A•erity envelope.

"Our focused strategy is to always be able to offer the best possible solution for our customers."

Connected products

At the beginning of 2024, Filtermist launched F Monitor Essential, a brand-new monitoring device, which has seen an encouraging take-up, particularly from customers in the EMEA region. F Monitor Essential is an easy-to-fit, easy-to-use, visual indicator that measures velocity pressure to check that the airflow through the unit is correct. Like other Filtermist monitors, the F Monitor Essential uses a globally recognized traffic light system to advise if the Filtermist unit needs servicing, or if there may be an airflow issue that needs attention. The new monitor is designed to be very simple to install and no electrical connection is required.

In 2024, Absolent upgraded the A·smart system with even more features to help our customers gain control of both their production environment and filter unit performance. The upgraded dashboard provides easy access to real-time insights and data that can help our customers optimize their processes. As with the previous version of the A·smart system, it is completely independent and decoupled from the existing network, providing world-class data security.

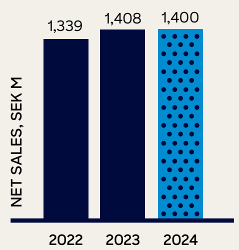
02 The year in brief

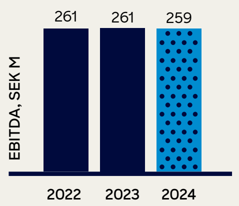
Net sales
Net sales for the year amounted to SEK 1,400.2 (1,408.5) million, which corresponds to a growth of -0.6 (5.2) %.

Result
Operating result before depreciations and amortizations (EBITDA) amounted to SEK 258.7 (261.3) million and a margin of 18.5 (18.6) %. Operating result (EBIT) amounted to SEK 204.9 (214.7) million, corresponding to a margin of 14.6 (15.2) %. Result after tax amounted to SEK 143.9 (140.2) million, and earnings per share amounted to SEK 12.71 (12.39).

Cash flow
Cash flow from operating activities after changes in working capital amounted to SEK 146.1 (214.1) million.

Dividend
The Board of Directors has decided to propose to the Annual General Meeting a dividend of SEK 3.25 (3.00) per share.





Key figures

	2024	2023	2022
Net sales, SEK thousands	1 400 199	1 408 464	1 339 321
Sales growth, %	-0.6	5.2	30.1
Operating result before amortizations and depreciations (EBITDA), SEK thousands	258 700	261 326	260 567
Operating margin before amortizations and depreciations, %	18.5	18.6	19.5
Operating result, SEK thousands	204 928	214 650	220 001
Operating margin, %	14.6	15.2	16.4
Cash flow from operating activities, SEK thousands	146 106	214 095	196 141
Total assets, SEK thousands	1 678 177	1 679 360	1 665 931
Equity ratio, %	56.2	48.0	41.7
Net cash (+) / net debt (-), SEK thousands	-240 952	-296 861	-293 128
Earnings per share, SEK	12.71	12.39	13.40
Equity per share, SEK	83.36	71.20	61.33
Number of outstanding shares at the balance sheet date	11 320 968	11 320 968	11 320 968
Number of employees	473	466	457

03 CEO comments

Stable year despite uncertainty in some markets

Overall for the Group, 2024 was a stable year, with sales and result broadly in line with 2023. Our largest business area, Industrial, reported growth of 4.0 %, despite subdued demand in the Chinese market for much of the year and weak market conditions in the European automotive industry. The Americas region showed the strongest growth, with a year-on-year increase of 13.2 %. For our Commercial Kitchen business area, it was a more challenging year, with sales down 17.9 %, largely driven by the weak Nordic markets. However, a positive event during the year was the delivery of our TurboSwing technology to the first McDonald's restaurant outside the Nordics, a success for the business area's focus on the Quick Service Restaurants segment.

Increased focus on product development

2024 was a year in which we focused more than ever on product development, with the aim of launching several new product groups in 2025 in areas such as oil mist and dust. Much of the product development is focused on modular product architectures, which means that products can be more effectively adapted to customers' individual needs. I am eagerly looking forward to the launches of these new product groups in 2025, and I am convinced that they will be a crucial building block in our continued development going forward.

Change of CEO and new organization

In July, our then CEO and President Axel Berntsson announced his intention to leave the company. I would like to take this opportunity to thank Axel for his efforts during his seven years as CEO. In the fourth quarter, the Board of Directors appointed Anders Hülse as the new President and CEO, effective in the second quarter of 2025.

Towards the end of the year, we also introduced a new organizational structure, with increased decentralization and a greater customer focus. We see this change as an important step in further improving our conditions for future profitable growth, by allocating more responsibility to the organization and thereby also putting the customer even more in focus.

The reorganization has also led to changes in Group management, where the larger producing units in the Industrial business area are now represented with increased responsibility for the entire business with customers.

Moving forward

The start of 2025 has brought increased uncertainty in our operating environment, both in terms of geopolitical risks and risks of trade barriers. With this in mind, together with the somewhat hesitant demand we see in some markets in Industrial and the weak Nordic markets in Commercial Kitchen, we maintain a cautious outlook on short-term developments. With the abovementioned product launches and our new organizational structure, we are well placed to continue our profitable growth and increase our contribution to clean air for more and more people around the world. It is estimated that our filter units deliver over 550 million m^3 of clean air to our customers every hour!

As interim CEO and President, these are my first CEO comments in our annual report. As co-founder and board member, I have followed Absolent Air Care Group on a fantastic growth journey through the more than 30 years we have been active, and it is with anticipation and confidence I soon hand over the operational responsibility to our new CEO and President Anders Hülse. I feel confident that Anders is the right person to take Absolent Air Care Group further on our continued growth journey.

Finally, I would like to thank all our employees, customers and other stakeholders for 2024. Together, we will continue to develop in 2025 and beyond.

Joakim Westh
Interim CEO and President
Gothenburg, in April 2025

04 Market and trends

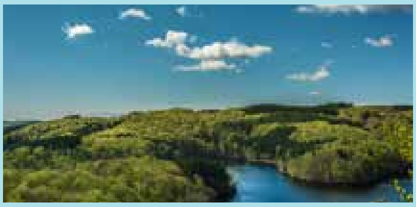
Market with strong growth

The global market for products and services for industrial air filtration and commercial kitchen ventilation is estimated to be worth approximately SEK 300 billion per year. The growth rate for the global market is on average approximately 5% per year, while the growth rate differs between different geographical, product and service areas.

Fragmented market

The global market for industrial air filtration and commercial kitchen ventilation is fragmented and many of our competitors are small local companies in each country. There are a few global actors, including Donaldson, Camfil, and Halton. Absolent Air Care Group's brands hold established positions in their market segments. The Group's main strengths are based on our specific product and application knowledge in the cleaning of polluted process air that has been accumulated over time as thousands of customer-specific products have been installed.

Trends



Automation and digitalization

Manufacturing companies invest in automation and digitalization solutions to enable cost-effective production by increasing the utilization rate of machines and realizing productivity increases. The air pollutants that arise in a manufacturing process can accumulate and stick to other components, thereby creating problems for sensitive electronic equipment, which increases the risk for down time and tolerance problems. The significant role of air quality in the availability and productivity of machines means that automation is a trend that supports the demand for air cleaning solutions. Digitalization contributes to new opportunities such as developing additional services related to remote monitoring, predictable maintenance, and pollution-optimized air cleaning solutions.

Local value chains

As a result of increased global trade barriers, there is a shift from global to local value chains where an increasing number of companies are placing their production closer to its customers. The shift towards shorter local value chains means a globally increased pace of construction of new factories, resulting in a growing need for air cleaning solutions. Newly built factories generally place higher demands on air quality, which requires more advanced air cleaning solutions - a trend that benefits Absolent Air Care Group's broad product portfolio.

Sustainability

Increased focus on sustainability, minimized environmental impact and social responsibility is a trend that supports the demand for air cleaning solutions. Companies that manage risks and try to find opportunities related to sustainability are becoming increasingly attractive to potential investors as associated risks are reduced. As European requirements become more stringent, reporting and monitoring requirements are increasing, which means that many companies need broader support related to air quality. Absolent Air Care Group's air cleaning products help customers minimize air pollution emissions, improve the working environment, optimize energy use and reduce emissions. In addition, the products provide valuable data that can be used for reporting and developing processes in the customers' operations.

5%

The global market for products and services for industrial air filtration and commercial kitchen ventilation is estimated to be worth approximately SEK 300 billion per year. The growth rate for the global market is on average approximately 5% per year.

05 Strategy and vision

The strategy of Absolent Air Care Group is, and has always been, to provide the best products in the market, based on world-leading filtration technology. Our challenge is to always put the customer first, but with minimum waste, and with minimum negative or maximum positive impact on our planet. Given that we have customers in a broad range of industries and with many different application areas, and the fact that customers' needs are very different, this requires a structured approach on product development, and sustainability well embedded in our strategy.

We use modular product excellence principles to be able to offer products with unmatched flexibility and unmatched speed, where we strive to excel in what is important for the customer, and remove the rest. We increase filtration power density in our filters, being able to deliver required performance with smaller products and minimum material usage. And we make sure that we always are the best commercial alternative for the customers looking to sustainably improve their business. Complementing our products, we offer focused services in the form of consultation, installation and service to give the customers best possible value for their investment. We were the first in the business to ensure that we sell the right filter equipment to the right customer by measuring the customers' process air at an early stage of the sales process, which is still an important part in our sales process.

The Group's growth strategy is based on our ability to deliver organic growth higher than the industry average as well as growth through acquisitions. The strategy is built on the Group strengthening its position within the two business areas Industrial and Commercial Kitchen. Within the business areas, there are prioritized application areas chosen based on their attractiveness and our ability to offer and deliver value-creating products. Common to all areas is the fact that by helping customers with products for process air management, we help reduce their climate impact, provide employees with a better working environment and increase the customers' productivity.

Organizationally, Absolent Air Care Group is built on our highly skilled and committed employees. We are organized to be agile and to easily integrate new companies in our operations, and our culture is based on always responding to people and challenges with respect, curiosity and with a solution-oriented approach.

Prioritized application areas within Industrial

Machining

Metal fumes

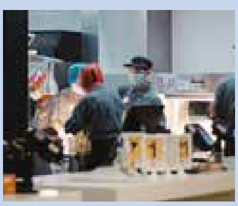
Heavy industry

Food processing

Bulk handling

Prioritized application areas within Commercial Kitchen

Restaurants



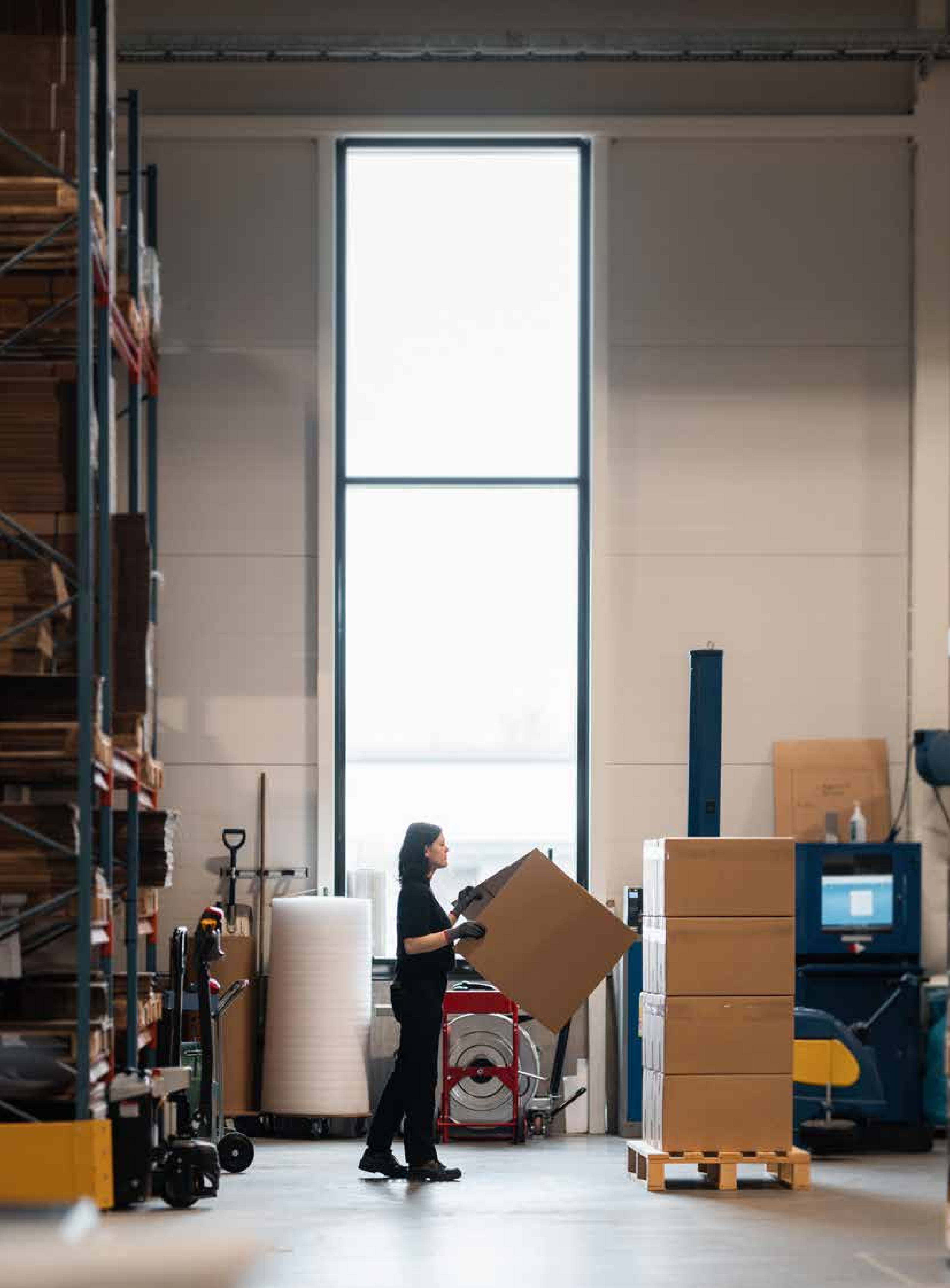
Fast food chains

Schools

Hotels

Hospitals


Absolet



06 Value creation model

Business model

Absolent Air Care Group creates value by developing products that clean process air more efficiently than its competitors and create a better working environment for millions of people all around the world. The business is based on our employees having access to the information they need for developing products and solutions for effectively cleaning our customers' process air in a wide range of industries. The Group operates cost-effective manufacturing in six plants and the products reach the end customer via a tailor-made sales network for each geographic region.

Absolent Air Care Group in figures

6 Production plants

473 Employees

50 Markets

11 Strong brands

55 Years of application experience

Created value for our stakeholders

Customers	Employees	Shareholders	Society
Improved working environment	Good working conditions	Result for the year	Taxes and social charges
Increased productivity	Good development opportunities	Share dividend	Reduced emissions from the industry
Reduced maintenance and energy costs	Great place to work		

07 Business areas

Industrial

About the business area

Industrial develops, designs, sells, installs and maintains air filtration units. The units capture and recycle harmful airborne particles and gases generated from processes such as machining, additive manufacturing, die casting, welding, frying and roasting.

Industrial has a wide portfolio of filtration technologies to meet the customers' needs with the most appropriate air filtration products of the best quality. The products are applied in a wide range of industries, including aerospace, automotive, defense, pharmaceuticals, chemical, electronics, wood processing, food processing as well as dental laboratories.

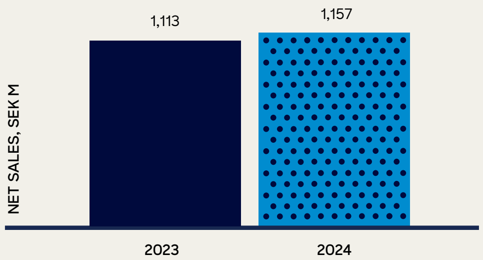
Industrial's end customers include many world-leading companies, such as Boeing, BYD, Caterpillar, Danfoss, Jaguar Land Rover, Scania, SKF, Volvo Cars and Volvo Trucks.

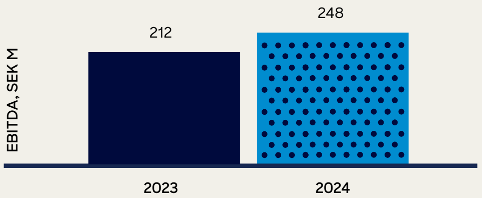
Development during the year

Industrial's net sales amounted to SEK 1,157.1 (1,112.5) million, which corresponds to a growth of 4.0%. The strongest growth came from region Americas, with a growth of 13.2 %. For the EMEA region, the business area's largest region, growth amounted to 3.1 %. The APAC region had a challenging year, with a sales decrease of 16.6 %, mainly driven by the Chinese market. Operating result before amortizations and depreciations (EBITDA) was strengthened from SEK 212.4 million to SEK 247.6 million, corresponding to a margin of 21.4 (19.1) %.

The consolidation projects initiated during 2023 to create larger, more modern and more efficient production facilities in Canada and in the UK continued during 2024. The largest change was made in Canada, where all Canadian operations since mid-2024 are gathered under the same roof in Montreal. Through this consolidation, we will continue to work with further streamlining our Canadian operations. In the UK, efficiency measures related to Lean and Just-In-Time have been carried out, resulting in considerable improvements with respect to planning and customer satisfaction.

During 2024, we have continued our intensive work on developing the next generation product groups that was started in previous years. These product groups are built on a modular architecture that will increase the attractiveness of our offer but also provide completely new conditions for conducting a professionally industrialized process for purchasing, production and distribution. 2025 will see the launch of several new product groups in the Industrial business area, with a focus on oil mist and dust.






FILTERMIST
Part of Absolent Air Care Group

Commercial Kitchen

About the business area

Commercial Kitchen develops, designs, installs and maintains commercial kitchen ventilation systems. The systems handle harmful airborne particles and gases generated from cooking, create a better working climate for professional kitchen staff and increase the energy efficiency of the building.

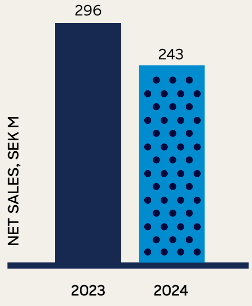
Commercial Kitchen offers an extensive product portfolio of hoods, filtration technologies and fire extinguishing systems to deliver the optimal kitchen ventilation solution. The solutions are applied in kitchens in schools, hospitals, fast foods chains and restaurants. The end customers of the business area include several well-known companies, such as Burger King, McDonald’s, KFC, Vapiano, Hard Rock Café, Bastard Burgers, Max, Hilton, Frantzén and Restaurant Fyr.

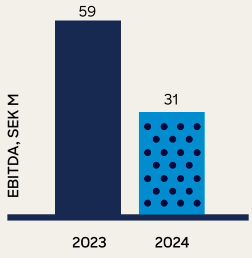
Development during the year

For 2024, Commercial Kitchen’s net sales decreased from SEK 295.9 million to SEK 243.1 million, which corresponded to a decrease of 17.9 %. The lower sales were mainly driven by a weaker demand on the Nordic markets. However, our assessment is that we have not lost any market shares and that we maintain our competitive position. To adapt operations to the lower demand, the business area implemented efficiency measures in organization and production during the second half of the year, which resulted in some one-off costs. We expect positive effects from these measures as the markets recover. Operating result before amortizations and depreciations (EBITDA) amounted to SEK 31.1 (59.4) million, which corresponded to a margin of 12.8 (20.1) %. The result was negatively impacted by the lower sales volume and by a lower share of sales of turn-key projects, which generally have a higher profitability.

Regardless of the above-mentioned challenges, we continue to have a positive view of the long-term potential for Commercial Kitchen, with a focus on growth in the customer segment Quick Service Restaurants (QSR). A positive step in this development is that we delivered our TurboSwing technology to the first McDonald's restaurant outside the Nordic region in the third quarter of the year.

In terms of product development, in 2024 we have been working on further developing our TurboSwing technology for increased serviceability and efficiency. The updated version will be launched later in 2025.





08 Customer cases

Lemont

A loyal Absolent customer for almost 30 years

Lemont, located in Ludvika, is a qualified production partner with high-tech machines for machining and sheet metal processing. Lemont operates in the energy, forestry and industrial sectors and since the 1990s Absolent has been part of their operations in almost all their nine production plants with various oil mist filters. When the need for a dust filter arose, they did not hesitate to turn to Absolent again, even though it was a new area of filtration solutions needed, Lemont chose to rely on Absolent's knowledge and experience in this area of air filtration units - an investment for the future that has proven itself time and time again.

The grinding of epoxy produces both large strands of plastic and smaller dust particles. If not properly extracted, this can have an impact on the health of operators, the working environment and processing machinery. To ensure a good working environment and safe workplace for its employees at Lemont, only the best air filtration equipment is used. This not only protects the current employees, but also makes the workplace attractive for future recruitment. After careful testing and calculations, the filter unit A·dust 15 was chosen. It is an investment that will last for many years, and the long life of the filters results in low maintenance and service costs.

Lemont has managed to maintain a healthy working environment for its employees for many years. With only one filter change per year and a quick cleaning of the filters every six months, the low-maintenance filter unit can run continuously and guarantee clean air year after year.

End user
Lemont

Business area
Industrial

Filter brand
Absolent

Country
Sweden

Application
Plastics grinding

Filter solution
A·dust 15

South Korea

A beacon of success for Commercial Kitchen

Outside the Nordic markets, South Korea is Commercial Kitchen's largest single market for our cutting-edge TurboSwing® and AirMaid® technologies. For over eight years, our strong and well-established reseller network has played a key role in new construction projects, securing prestigious public tenders with our advanced solutions.

We are proud to serve some of South Korea's most esteemed brands and companies. TurboSwing® technology is a trusted choice in commercial kitchens across major factories such as LG and LG Energy Solution, Samsung Display, and Samsung Electronics. It is also used in landmark office buildings like the Meritz Securities Tower in Seoul, as well as renowned dining establishments like Mott32 Seoul, one of the world's most awarded Chinese restaurants. Additionally, Lotte World amusement park in Busan features our technology.

Beyond the success of TurboSwing®, AirMaid® has emerged as a market leader, making South Korea the largest single market for AirMaid® worldwide. Since 2017, more than 1,600 AirMaid® units have been installed across major cities in South Korea. Our distinguished clients include JW Marriott Hotels and Lotte Hotels and Resorts. AirMaid® units are also installed in premier shopping destinations such as IFC Mall, Hyundai Department Store in Seoul, and Starfield Coex Mall, home to the iconic Starfield Library.

With a strong foundation and growing demand, we are committed to further expanding our presence in South Korea, delivering innovative solutions for cleaner, more efficient commercial environments.

09 Sustainability report

Absolent Air Care Group is committed to helping our customers create a better working environment while reducing climate impact by cleaning process air. We take full responsibility for the environmental compatibility and sustainability of our products and services. The key sustainability impacts of our business have been identified through a double materiality analysis, which will guide the Group's sustainability efforts moving forward. Sustainability is embedded in many aspects of our business, including our Code of Conduct, strategy, business model, and offerings to customers, driving our commitment to a more sustainable world.

Sustainable business model

Absolent Air Care Group is committed to responsible conduct in all the societies where we operate, extending our responsibilities to employees, customers, business partners and the broader community. Our Code of Conduct states our guiding principles:

- **Integrity:** We conduct our business with the highest moral standards.
- **Legal Compliance:** We adhere to local laws and regulations, and take responsibility for our actions, in every country in which we operate.
- **Human Rights:** We respect the United Nations Guiding Principles on Business and Human Rights, ensuring our actions uphold the rights of our employees and the communities we engage in. We incorporate these principles in all our business processes.

Sustainable growth relies on continuous learning and adaptability. At Absolent Air Care Group, we invest in research, digital transformation, and sustainable product development to ensure long-term success and a resilient business model. Research and development are crucial to this effort and are conducted in-house to create energy- and material-efficient products that meet customer needs. Over the past year, we have focused on improving resource efficiency and adapting even more closely to customer demands.

Our business model centers on providing customers with optimal air filtration units, offering the best cost of ownership and quality. This approach enhances working environments, improves process controls, reduces climate impact by enabling the reuse and recycling of process fluids and extending the service life of consumables. We empower our employees with the insights and expertise needed to develop effective solutions that clean process air while minimizing environmental impact. Through our global development center, we are advancing energy-efficient solutions and control of airflows, reducing material waste, and improving filtration power density to meet evolving customer needs. As part of our digital transformation, we are enhancing customer support through adaptable digital solutions. These solutions provide real-time process alerts and air quality data, enabling trend analysis and delivering actionable insights for better decision-making regarding health, safety, and environmental impact. This data can also be exported for deeper analysis, offering valuable information for both customers and end-users.

In 2024, we have continued refining our products to better meet customer needs. Our growing ability to customize solutions enables clearer, higher-quality information, empowering better decision-making in health, safety, and environmental matters. By combining a strong customer focus with attention to help customers reducing energy consumption and material use, reusing heated/air-conditioned air and re-sourcing materials and energy from more sustainable sources, we aim to offer a balanced product portfolio that fully satisfies customer needs.

Sustainability statement

During 2024, Absolent Air Care Group has further strengthened its focus on sustainability to align with the upcoming CSRD regulations and to assess sustainability topics from both an impact materiality and financial materiality perspective. Absolent Air Care Group has conducted a double materiality analysis, including the full value chain, to identify the key sustainability priorities, risks and opportunities. Building on these insights, we embed sustainability in our strategy. The outcomes of our double materiality analysis keep us aligned with evolving regulations, customer and stakeholder expectations, ensuring we remain responsible, adaptable, and future-ready.

The double materiality analysis is based on data collected from ongoing dialogues with both our stakeholders and our operations. Our stakeholders include customers, shareholders, investors, financial institutions, employees, suppliers, authorities and local communities. We engage with stakeholders through various communication channels, such as surveys, meetings, assessments, press releases, websites, financial reports, and other relevant platforms and forums. Both Group management and representatives from our Group companies have actively participated in this effort, ensuring a collaborative and engaged process. Throughout 2024, the Board of Directors has been continuously informed and has closely followed the progress, staying involved every step of the way. The double materiality analysis is an ongoing process and may change over time.

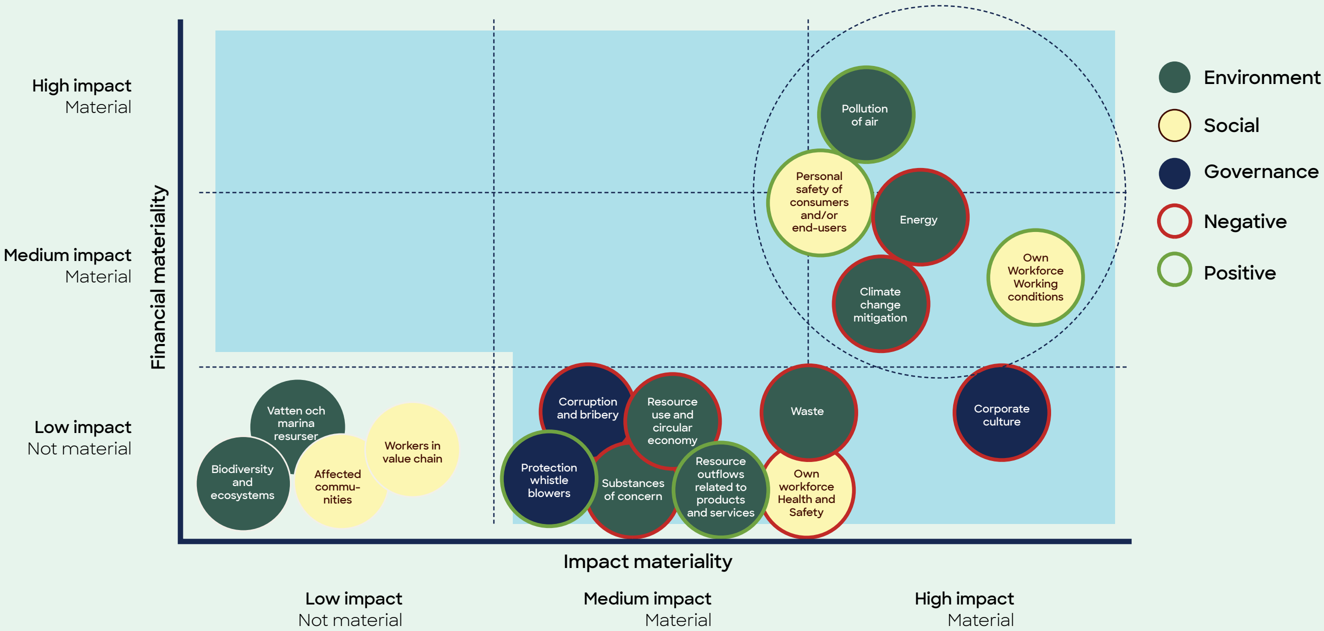
Sustainability impact

The sustainability impact identified through the double materiality analysis highlights how our operations and initiatives influence environmental, social, and governance (ESG) factors. This analysis offers a comprehensive understanding of our sustainability contributions, guiding our efforts to drive positive change in these areas. Additionally, it will actively address the risks that have been identified.

The key areas identified with both financial and impact materiality, from a negative perspective, include energy consumption and climate change. From a positive perspective, the impacts are seen in the working conditions of our workforce, air pollution reduction, and enhanced personal safety for consumers and end users.

Areas identified as not material from a financial perspective, but with significant impact materiality, are primarily focused on environmental and governance aspects. Absolent Air Care Group has identified Workers in the value chain, Affected communities, Water and marine resources, and Biodiversity and ecosystems as areas with lower direct financial and material impacts, therefore not seen as material. Nevertheless, these factors are still vital to the business and our long-term sustainability objective.

Double materiality analysis



Absolent Air Care Group's contribution to the UN Global goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations' member states in 2015, offers a unified blueprint for peace and prosperity for people and the planet, both now and in the future. Central to the agenda are the 17 Sustainable Development Goals (SDGs), and Absolent Air Care Group is contributing to several of these goals.

Goal 3 Good Health and Well-Being

Ensure healthy lives and promote well-being for all at all ages

Target 3.9: By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.

Absolent Air Care Group's contribution

We develop air-cleaning products that remove contaminants, creating healthier conditions for employees while reducing environmental emissions. With thousands of units sold, our products deliver millions of cubic meters of fresh air annually to industries and commercial kitchens worldwide.

Goal 5 Gender Equality

Achieve gender equality and empower all women and girls

Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.

Target 5.c: Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels.

Absolent Air Care Group's contribution

In 2024, Absolent Air Care Group implemented an updated HR policy promoting gender equality by ensuring fair opportunities and a workplace free from discrimination. We enforced a zero-tolerance policy on harassment and upheld diversity, equality, and inclusion by treating all employees fairly and providing feedback to all applicants, with a focus on internal and underrepresented candidates.

Goal 7 Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable, and modern energy for all

Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix.

Target 7.3: By 2030, double the global rate of improvement in energy efficiency.

Absolent Air Care Group's contribution

All subsidiaries within Absolent Air Care Group, where possible, use renewable energy and work to reduce energy and be more energy efficient. Strong emphasis is placed on lean operations and waste reduction within our operation processes. Absolent Air Care Group is actively working to enhance the energy efficiency of our air filtration units by optimizing designs and integrating the latest energy-saving technologies to reduce overall energy consumption.

Goal 8 Decent Work and Economic Growth

Promote sustained, inclusive, and sustainable economic growth, full and productive employment, and decent work for all

Target 8.4: Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programs on Sustainable Consumption and Production, with developed countries taking the lead.

Absolent Air Care Group's contribution

We are working actively to develop, design and manufacture products in such way that energy, natural resources and raw materials are used efficiently and waste and residues minimized.

Goal 9 Industry, Innovation, and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization, and foster innovation

Target 9.4: By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.

Absolent Air Care Group's contribution

The products developed by Absolent Air Care Group clean process air arising from various industrial processes and commercial kitchens, which enables recycling of cutting fluids, material and cleaned hot and cooled air.

Goal 12 Responsible Consumption and Production

Absolent Air Care Group's contribution

Our air cleaning units minimize the release of chemicals and waste into the air and minimize their negative impact on human health and the environment at our customers' facilities. Emissions from our operations are controlled by our environmental management system, and we continuously adapt our workflows and product designs to enhance our sustainability efforts and reduce our environmental impact.

Goal 13 Climate Action

Absolent Air Care Group's contribution

Absolent Air Care Group has set two ambitious targets. The first target is to reach net zero carbon emissions from the Group´s own operations by 2030 and the second target is to reach net negative carbon emissions from Absolent Air Care Group´s value chain by 2050.

Environment

Environmental responsibility

Our product portfolio is designed to effectively clean process air, reduce health and safety risks, while also contributing to a low CO_2 emission by lowering the logistical footprint with smarter packaging and right-sized products. Our goal is to minimize the environmental impact of our products and services by innovating throughout their entire life cycle. We develop, design, and manufacture our products to maximize efficiency in use of energy, natural resources, and raw materials while minimizing waste and residues. While our products require energy to operate, they demand less maintenance and contribute to a cleaner production environment.

Climate change mitigation

Since 2020, Absolent Air Care Group has been working towards two ambitious targets: achieving carbon neutrality in its operations by 2030 and establishing a carbon-negative value chain by 2050. These objectives align with the global commitment to limit the rise in temperature to 1.5°C above pre-industrial levels, as set forth in the Paris Agreement.

The impact of climate change is both real and negative, with its effects already being felt. The most significant environmental impact of our business occurs during the use of our products, highlighting our responsibility to enhance their resource efficiency and continuously support customer adaptation. By improving our products and service ability of the product, we contribute to reducing airborne particles – benefiting both human health and the environment. Additionally, we provide our customers with comprehensive service, inspection, and testing to ensure optimal product performance. Service agreements vary depending on the product, reinforcing our commitment to long-term sustainability and reliability.

During 2024, Absolent Air Care Group has continued its efforts to achieve carbon neutrality and the goal to become carbon negative by optimizing processes, transitioning to renewable energy, adopting electric transport, and developing technology to capture carbon dioxide.

Absolent Air Care Group follows and reports on greenhouse gas emissions in accordance with the GHG Protocol, a global standard for measuring and managing emissions. The protocol categorizes emissions into three scopes: direct emissions from operations (Scope 1), indirect emissions from purchased energy (Scope 2), and other indirect emissions throughout the value chain (Scope 3). All companies within the Group actively measure their emissions and work systematically to reduce their environmental impact, aligning with the Group's sustainability goals.

We place a strong focus on reducing the Scope 1 and 2 emissions. However, since the greatest environmental impact comes from the use of our products (Scope 3), our business areas are dedicated to integrating the latest and most energy-efficient technologies. This shall ensure minimal energy consumption throughout the product lifecycle. Additionally, our products are designed for longevity, maintaining high performance over an extended period before requiring filter replacements or cleaning.

As part of our product development efforts during 2024, we have also adapted unit sizes to meet customer needs – an approach already evident in products that we have on the market and set to improve further with upcoming product launches. Moreover, several of our products feature smart electronics and IoT capabilities, enabling seamless integration with customers' machines to optimize processes and enhance efficiency.

Throughout 2024, continuous efforts have been made in the Group to meet CO_2 targets. A strong emphasis has been placed on refining processes within our own operations and enhancing the development of our products to drive sustainability improvements. To improve our emissions in Scope 3, during 2024 we have focused on transportation emissions, both from maritime shipping and land-based vehicles. Reducing emissions from those sources will contribute to our total carbon footprint.

Climate key ratios	2024	2023
Scope 1 CO_2e emissions, ton	469	460
Scope 2 CO_2e emissions, ton	85	87
Scope 3 CO_2e emissions, ton	201 450	212 953
Scope 1+2+3 in relation to net sales*	0.14	0.15

*CO_2e ton / SEK thousands

Absolent Air Care Group shall become carbon negative

Absolent Air Care Group's goal is that the Group's own operations shall be carbon neutral by 2030 and that the value chain shall be carbon negative by 2050.

Absolent Air Care Group shall achieve carbon neutrality and later become carbon negative by optimizing processes, shifting to renewable energy, using electric transport and capturing carbon dioxide in the air.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Energy
Energy consumption is our primary negative environmental impact, despite not having energy-intensive processes in our operations. However, the main impact, occurs when our products are used by our customers. The energy usage in our own operations is mainly concentrated to our production sites, where renewable energy is utilized at all locations as far as possible. Absolent Air Care Group is actively working to reduce the energy usage of our air filtration units by optimizing designs and incorporating the latest energy-efficient technologies. To further help our customers reduce energy consumption, we improve and assess technical data on how the customers use our products, and we also develop the motors to be more efficient and long-lasting.

Pollution of air
Air pollution refers to the emission of harmful substances into both indoor and outdoor air. Our large focus on minimizing air pollution has significantly reduced its severity at our customers' sites, as we prioritize both indoor and outdoor air quality. While our production generates minimal air pollution, emissions arise from transportation and upstream processes in the supply chain. However, the impact is concentrated, and we take proactive measures alongside our suppliers to manage and reduce these emissions.

In our materiality analysis, a lot of focus has been put on Pollution of Air, making it our most significant financial and material impact, which aligns with our core business model. Our products offer substantial health and safety benefits, improving air quality in customer environments and supporting a cleaner and safer workplace. Although the most significant impact is the cleaner air at the customers' sites, our products also reduce energy consumption, enable heat and oil recycling, and require less maintenance. These factors not only improve environmental quality but also contribute to reduced sick leave and lower operational costs for our customers.

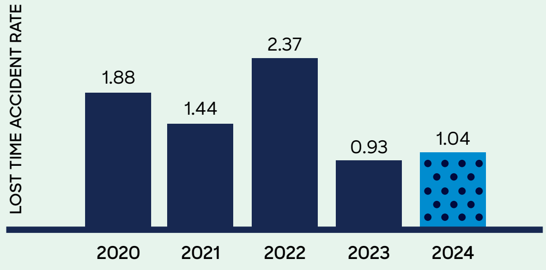
While the financial consequences at the customer level are hard to quantify, the benefits are clear: improved health and safety, reduced operational costs, and a healthier work environment. This makes air quality improvement a central business driver, ensuring a significant and positive financial effect. The probability of this impact is very high, as our customers actively seek solutions to address polluted process air, making this a core driver of demand for our products.

If our products fail to fulfil their intended function, it may lead to customer dissatisfaction, legal disputes, and costly recalls, all of which would harm our reputation. Such failures to meet the intended function could also expose potential weaknesses in quality control, affecting consumer trust and market share. Proactive product testing and clear communication are essential to mitigate these risks and are important parts of our operations.

Social conditions and personnel
Health and safety
Safety is the utmost priority at Absolent Air Care Group. A focus on health and safety shall always guide our decisions and actions that relate to our full value chain. It is the cornerstone of our commitment to creating a conducive and secure workplace, both physical and mental, that enhances employee well-being, productivity, and organizational success.

By adhering to our health and safety guidelines, we create a safe and supportive work environment for our personnel. Absolent Air Care Group takes a proactive and systematic approach to environmental management, incorporating risk analysis to assess potential hazards based on severity, likelihood, and frequency. This analysis is routinely updated, complemented by regular safety inspections. Any identified risks or deficiencies are documented and addressed through a structured action plan.

Every year, incidents, accidents and absence are measured and the number of accidents that lead to lost working hours per 200,000 hours worked is reported in the table below, so-called Lost time accident rate (LTAR). Sick leave at Absolent Air Care Group is low and continuously monitored for any changes, reflecting a healthy and positive work environment. In 2024, the LTAR is 1.04, which is slightly higher than the previous year. We are continuously working to improve our safety culture and ensure that incidents and near misses are more accurately reported, in order to implement safety improvements in the most effective way.



76%

of the employees agree that Absolent Air Care Group is a very good workplace, according to the 2024 Employee survey

Our workforce

At Absolent Air Care Group, we recognize that our employees are vital to our long-term success. This year, we have placed a greater focus on fostering accountability across all levels of the organization, particularly through a more decentralized structure. By empowering teams and individuals with greater responsibility, we aim to cultivate strong and lasting relationships while ensuring a sustainable work environment that supports the well-being of our employees - both now and in the future. Our commitment to inclusivity ensures that every employee feels respected and valued, fostering a culture where talent can thrive. By promoting a growth-oriented workplace and implementing efficient, high-performance practices, we continue to enhance both the employee experience and the Group's success.

To further support this commitment, Absolent Air Care Group has for several years partnered with Great Place to Work, a recognized leader with over 30 years of expertise in identifying the key drivers of a successful corporate culture. Their research underscores that organizations built on credibility, fairness, respect, pride, and camaraderie foster engaged employees, driving both individual performance and business success. To assess and strengthen this commitment, Absolent Air Care Group conducts an annual global employee survey, measuring trust and confidence across the organization.

”Over 90% of the employees at Absolent Air Care Group perceive that management promotes inclusive behaviors, avoids discrimination and that they are treated fairly”

Employee survey 2024

Diversity

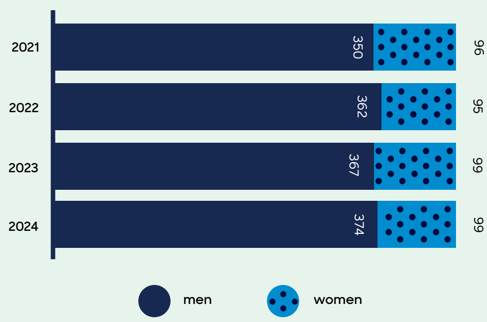
Being a global group, Absolent Air Care Group prioritizes diversity and enforces a strict zero-tolerance policy on harassment and discrimination across all locations. We are committed to diversity, equity, and inclusion, prohibiting all disrespectful behavior and act directly if there is a case reported.

At Absolent Air Care Group, active measures against discrimination form a natural part of the systematic work environment management carried out and are followed up annually. We are working, via preventive and promotion measures, to combat discrimination and to create equal rights and opportunities, regardless of gender, transgender, identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age. This not only applies to all employees, but also to the candidates who apply to us.

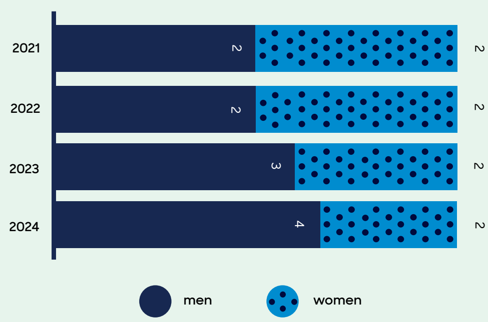
Working conditions

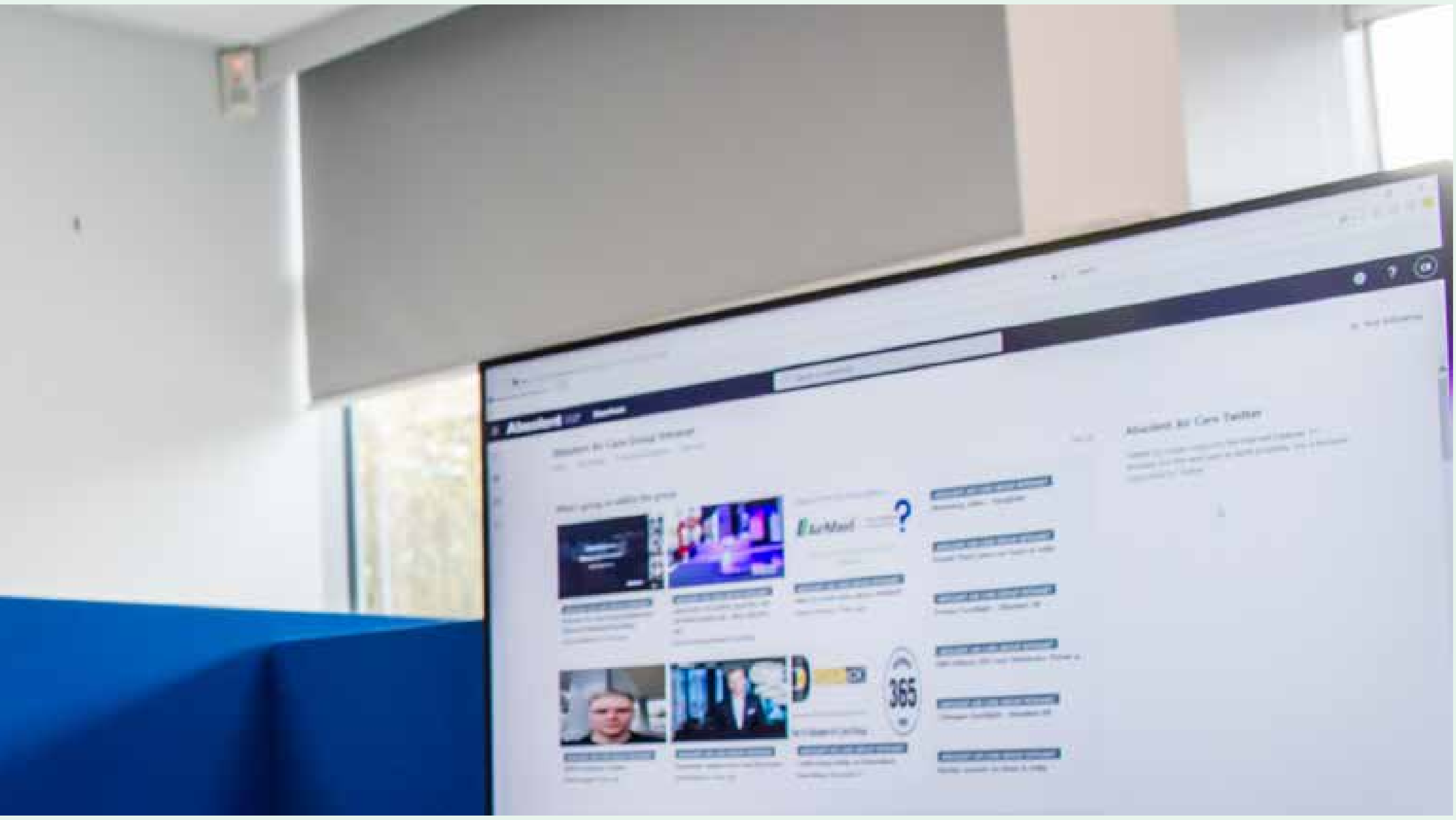
At Absolent Air Care Group, the rights and responsibilities of our employees are guided by laws, agreements, and our internal policies. Our Code of Conduct, alongside the newly launched HR Policy, fosters a positive work environment where employees are encouraged to grow, collaborate, and contribute to our shared success. These frameworks support our commitment to nurturing talent, promoting mutual respect, and empowering our team to thrive.

GENDER DISTRIBUTION, EMPLOYEES



GENDER DISTRIBUTION, BOARD OF DIRECTORS





Providing a safe and supportive work environment enables us to operate efficiently and achieve strong financial results. It is our employees who drive innovation, growth and sales, which together with our products generate the Group's revenue and create profitability.

At Absolent Air Care Group, we prioritize open communication, job security, and fair treatment as fundamental principles guiding our work environment. These core values are upheld in strict accordance with legal requirements, ensuring a compliant and supportive workplace. By fostering a positive and secure atmosphere, we enhance operational efficiency, encourage innovation, and drive business growth. Our ongoing commitment to these practices contributes to a high probability of positive outcomes, as reflected in the feedback from our employees. Terms and conditions of employment and wages shall be reasonable and fair. Absolent Air Care Group complies with applicable laws and industry standards regarding working time. All employees, including temporary employees, have and shall have written terms of employment and be made aware of the meaning of their terms of employment.

Consumers and end-users

Absolent Air Care Group supports customers in the Industrial and Commercial Kitchen business areas. Our core business is centered around environmental responsibility. By selling more filter units, we help improve air quality, create better working conditions for our customers, and promote the health and well-being of their employees.

Our products play a key role in creating a cleaner environment by reducing airborne particles, which positively impacts employee health, enhances production precision, and reduces maintenance needs. Additionally, our products help prevent fire risks. These benefits extend to all countries and companies where our products are installed. The health and safety impact are particularly significant at the locations of installation.

Looking forward, Absolent Air Care Group has started a digital journey to further improve our possibility to support our customer by adapting digital solutions delivering real time relevant process alerts and air quality information data. This data can be analyzed to identify trends and review process information over time and can be exported to facilitate even more detailed analyses. Analyzing the data will provide customers and end-users with easily accessible quality information, enabling better decision-making process regarding health and safety as well as environmental issues.

Corporate governance

Our corporate culture directly influences our operations, providing a foundation for continuous improvement and addressing any deficiencies. Strengthening this culture within our organization ensures alignment and development across all areas. In our Code of Conduct, we outline our key principles and core values, which shape how we operate and interact with all our stakeholders. The Code of Conduct applies to all employees, contractors and partners, guiding us to act with integrity, with legal compliance and in line with human rights in all our operations. The Code of Conduct has been updated during 2024 and relaunched to all companies within the Group.

Each year, internal assessments and audits are conducted to ensure that our policies are effectively implemented and followed across all business areas and in all Group companies. Risk assessments are conducted annually by Group management and the Board of Directors to identify and address any gaps or risk areas that require attention and actions.

In the context of the double materiality analysis, we recognized that even if suppliers do not have a major financial and material impact, it remains crucial to focus on sustainability-related issues together with our suppliers. This approach helps us prevent, protect, and take responsibility for the indirect impacts our suppliers may have on environmental and social sustainability. By addressing these concerns proactively, we ensure a more resilient and ethically aligned supply chain.

Respect for human rights

At Absolent Air Care group we are dedicated to upholding and respecting human rights in all aspects of our operations. We remain fully committed to preventing all forms of human rights abuses, including forced labor, child labor, and any violations of workers' freedom of movement and association. Through the enforcement of our Code of Conduct, regular monitoring, and continuous improvement, Absolent Air Care Group ensures that our practices align with international human rights standards.

During 2024, Group management approved a new Supplier Code of Conduct, which outlines requirements for key suppliers and aims to enhance social, ethical, and sustainability standards throughout the value chain. Suppliers must ensure compliance with human rights standards, including prohibition of child labor, forced labor, and any practices that restrict workers' freedom. By signing agreements with Absolent Air Care Group, suppliers declare their commitment to these principles.

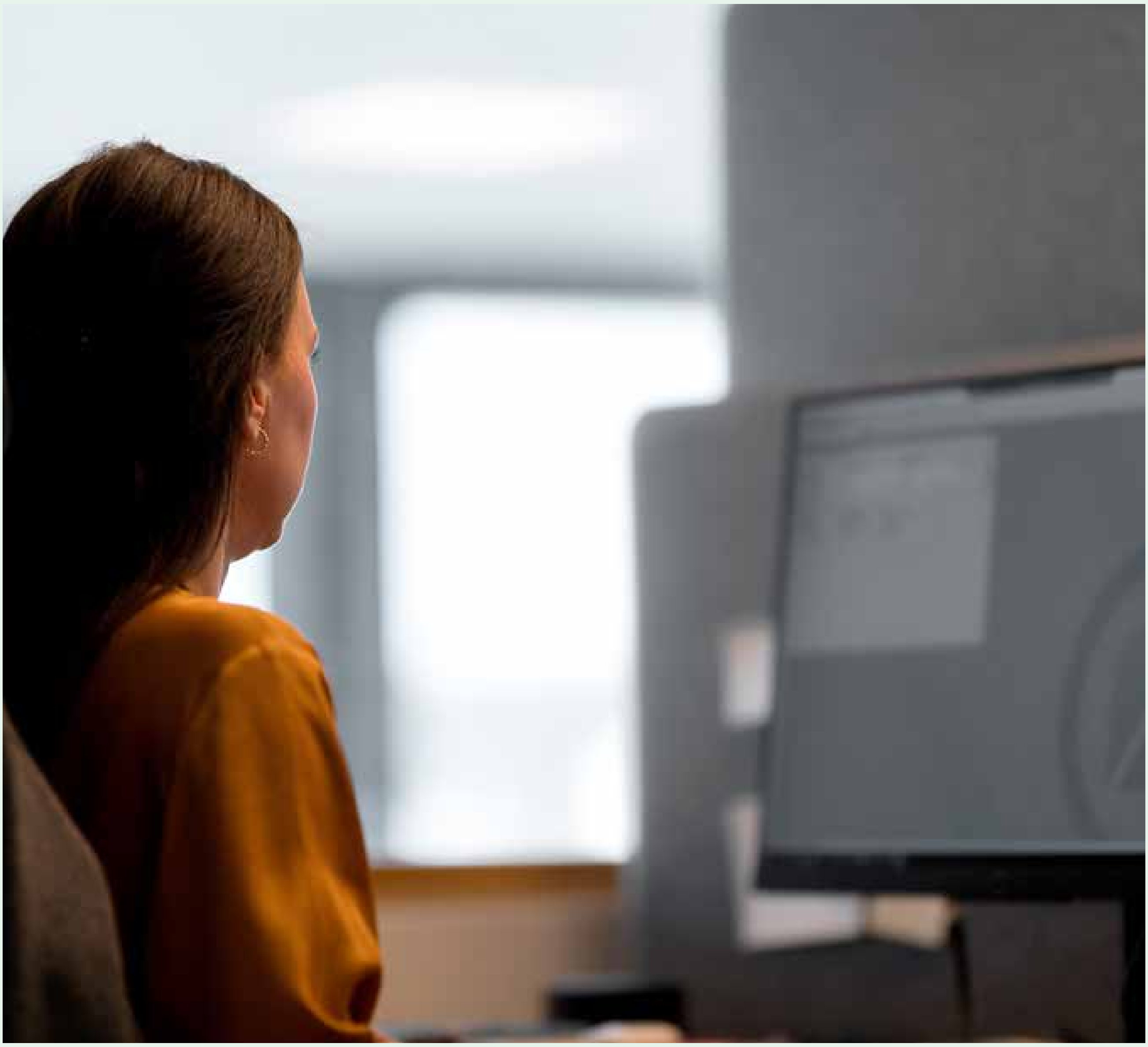
Absolent Air Care Group conducts regular reviews and ongoing monitoring to ensure compliance with Code of Conduct as well as the newly launched Supplier Code of Conduct. Up until today, we have not needed to terminate any supplier relationships due to human rights violations, reflecting a strong commitment to upholding our standards.

Anti-corruption

Absolent Air Care Group has a zero tolerance for any types of bribes, fraud, facilitation payments or other improper benefits contrary our Code of conduct, local laws and regulations, industry standards or ethical codes in the countries in which we operate.

The revised Code of Conduct reinforces Absolent Air Care Group's commitment to ethical business practices by explicitly stating that corruption and bribery, in any form, will not be tolerated. All business decisions must be made solely in the best interests of Absolent Air Care Group, without influence from personal relationships or external considerations. This ensures a fair, transparent, and integrity-driven approach to conducting business.

Employees at Absolent Air Care Group are prohibited from accepting or offering gifts, benefits, or payments - directly or through intermediaries - that could compromise objectivity, professional judgment, or violate applicable laws. Absolent Air Care Group shall not facilitate or support money laundering and emphasizes avoiding conflicts of interest by prioritizing business interests over personal relationships. Any actual or potential conflict, including financial or personal ties that may influence professional responsibilities, must be promptly reported and dealt with. Any detected or suspected corruption must be reported immediately to a superior for further action and follow-up. Corrective measures will be taken promptly, following established HR processes. In addition to its Code of Conduct, Absolent Air Care Group has a dedicated Anti-Corruption Policy and Anti-Money Laundering Policy, which serve as key frameworks to prevent corruption. The Group continuously enhances its anti-corruption efforts by improving supplier assessments, refining procedures, and providing education for relevant stakeholders.



If an employee has access to confidential information belonging to Absolent Air Care Group or any third party, it is not permitted to forward the information to any unauthorized party. Absolent Air Care Group complies with applicable rules and legislation regarding insiders trading in shares and other financial instruments, and the Group also has an Information and Insider Policy.

Communication and training in Absolent Air Care Group's Code of Conduct and other Group polices is a base of the preventive work that goes out to all employees.

Whistleblowing

An important part in maintaining ethical standards and accountability at Absolent Air Care Group is the whistleblowing function. The whistleblowing function guarantees confidentiality, and each reported concern is acted upon. We actively promote our whistleblowing function through various channels, including our intranet and internal communications. Our Group policies establish a clear and structured reporting framework, including our whistleblowing function, to ensure transparency and accountability.

Policies

We have implemented a comprehensive set of Group policies, which set the framework for our business and daily operations, reinforcing our commitment to sustainability, ensuring legal compliance, and driving long-term growth. Approved by the Board of Directors, these policies establish a sustainable business model that adheres to regulatory standards, creates lasting value for our customers, and contributes to a more responsible and environmentally sustainable business.

10 Board of Directors, Group management and auditor

Board of Directors

JOHAN WESTMAN
Chairman of the Board

Born
1973

Elected
2019

Education
MSc. Industrial Engineering and Management

Holdings
0 shares

Other current positions
CEO and President AAK and member of the Board Thule

MÄRTA SCHÖRLING ANDREEN
Member of the Board

Born
1984

Elected
2017

Education
MSc. Business Administration

Holdings
6,318,502 shares
(via Mexab Industri AB)

Other current positions
Member of the Board Melker Schörling AB, Hexagon, HEXPOL and AAK

JOAKIM WESTH
Member of the Board and co-founder

Born
1961

Elected
1993

Education
MSc. Aeronautics and MSc. Aerospace Engineering

Holdings
1,417,500 shares

Other current positions
Chairman of the Board Amexci and member of the Board SAAB, Swedish Space Corporation (SSC) and Westh Ventures

NILS-JOHAN ANDERSSON
Member of the Board and Chairman of the Audit committee

Born
1962

Elected
2023

Education
MSc. Business Administration

Holdings
500 shares

Other current positions
CEO Melker Schörling AB, member of the Board HEXPOL, AAK and Greenbridge

MALIN PERSSON
Member of the Board and member of the Audit committee

Born
1968

Elected
2023

Education
MSc. Industrial Engineering and Management

Holdings
2,500 shares

Other current positions
CEO Accuracy AB and member of the Board of, among others, HEXPOL, Peab and Ricardo PLC

LARS-HENRIK JÖRNVING
Member of the Board

Born
1964

Elected
2024

Education
MSc. Mechanical Engineering

Holdings
300 shares

Other current positions
Vice President and Head of Global Industrial Development at Scania. Chairman of the Board Södertälje Science Park and member of the Board of, among others, Amexci and Sweweld

Group management

JOAKIM WESTH
Interim CEO and President, Business Area Director Industrial

Born
1961

Employed
Board member since 1993

Education
MSc. Aeronautics and M.Sc. Aerospace Engineering

Holdings
1,417,500 shares

KARIN BROSSING LUNDQVIST
CFO

Born
1964

Employed
2021

Education
MSc. Business Administration

Holdings
940 shares

ROBERT WIKTORÉN
CTO

Born
1975

Employed
2021

Education
MSc. Mechanical Engineering

Holdings
12 shares

YLVA KRÜGER
SVP People & Planet

Born
1974

Employed
2024

Education
B.Soc.Sc. Sociology

Holdings
21 shares

MATTIAS CLEVESON
MD Business Group Absolent

Born
1968

Employed
2022

Education
B.Sc. Business and Economics

Holdings
6 shares

RENÉ JOPPI
MD Business Group Filtermist

Born
1987

Employed
2025

Education
B.Sc. Mechatronics and MBA

Holdings
937 shares

DARIN DULLUM
MD Business Group Diversitech

Born
1965

Employed
2017

Education
B.Sc. Finance

Holdings
0 shares

JONAS FAGERSTRÖM
Business Area Director Commercial Kitchen

Born
1971

Employed
2023

Education
MSc. Mechanical Engineering and MSc. Business Administration

Holdings
3 shares

Auditor

JOAKIM FALCK
Ernst & Young AB

Auditor in charge
Joakim Falck (born 1972), authorized public accountant and member of FAR, Partner. Elected auditor since 2022.

Selection of other audit assignments
Nolato, Garo, HEXPOL, Nefab and ITAB Shop Concept.

11 The share and shareholders

The share capital in the Absolent Air Care Group AB (publ) amounts to SEK 3,363,249 divided into 11,320,968 shares with a quota value of SEK 0.2971 per share.

General

Each share entitles to one vote and each person entitled to vote may vote for his/her full number of shares without limitation. All shares give equal rights to the company's assets, profits and any surpluses in the event of liquidation. Each share gives an equal right to a dividend. The company's Articles of association stipulate that the share capital shall not be less than SEK 2,000,000 and not more than SEK 8,000,000, equivalent to a minimum of 10,000,000 shares and a maximum of 40,000,000 shares. The share capital is denominated in Swedish krona.

The company's shares are issued in accordance with Swedish law and are registered in a CSD register in accordance with the Swedish Financial Instruments Accounts Act (1998:1479). Euroclear Sweden AB (with address Euroclear Sweden AB, Box 191, 101 23 Stockholm) manages this register and settlements. The company establishes shares in accordance with Swedish law and is governed by the Swedish Companies Act (2005:551). The company's shares have the ISIN code SE0006256558.

Year	Event	Change in the number of shares	Number of shares	Change in share capital	Share capital	Quota value
2000	Formation	100 000	100 000	100 000	100 000	1
2000	New share issue	3 000	103 000	3 000	103 000	1
2003	Redemption of warrants	1 500	104 500	1 500	104 500	29.7
2014	Bonus issue	–	104 500	3 000 000	3 104 500	0.2971
2014	Split 100:1	10 345 500	10 450 000	–	3 104 500	0.2971
2014	New share issue	370 968	10 820 968	110 208	3 214 708	0.2971
2015	New share issue*	500 000	11 320 968	148 541	3 363 249	0.2971

* Refers to warrants issued to senior executives that have been converted into shares.

Shareholders

The ownership structure of Absolent Air Care Group as of 31 December 2024 is presented in the table below.

Shareholder	Number of shares	Holding
Mexab Industri AB	6 318 502	55.8%
Westh Ventures AB	1 417 500	12.5%
Cliens Fonder	673 448	5.9%
Lannebo Fonder	474 228	4.2%
Odin Fonder	264 300	2.3%
CASE Fonder	232 043	2.0%
JP Morgan	154 969	1.4%
Carnegie Fonder	148 699	1.3%
Avanza Pension	131 103	1.2%
Investering & Tryghed A/S	107 000	0.9%
Others	1 399 176	12.4%
Total	**11 320 968**	**100.0%**

12 Board of Directors´ report

The Board of Directors and CEO of Absolent Air Care Group AB (publ), corporate identity number 556591-2986, hereby issue the annual accounts and consolidated accounts for the 2024 financial year. Absolent Air Care Group AB (publ), headquartered in Göteborg, is the Parent company of Absolent Air Care Group and the company's shares are listed on Nasdaq First North Growth Market. The closest Parent company that prepares consolidated financial statements in which the Parent company is included is Mexab Holding AB, corporate identity number 556733-2613 with registered office in Stockholm.

The business

Absolent Air Care Group develops products for cleaning process air and is helping production companies to provide clean fresh air to their employees, reduce energy costs and increase their productivity. The end customers are active in a wide range of industries including the aerospace, automotive, chemical, defense, electronics, pharmaceutical, woodworking and food industries as well as in power generation, hotels and restaurants. The Group's products remove oil mist, smoke, dust and volatile organic pollutants (VOC) from process air. Typical sources of pollution are manufacturing processes such as milling, turning, rolling, hardening, die casting, welding, laser cutting, grinding, additive manufacturing, deep frying, roasting and grilling that generate oil mist, oil smoke, dust or VOC. The Group, with head office in Sweden, operates production facilities in Sweden, the UK, Canada and the Netherlands and has subsidiaries in China, USA, Germany, the Netherlands, Finland, France, India, Japan, Hong Kong, Italy and Switzerland. Direct sales of the Group's air cleaning products are made through our Group companies and through a network of carefully selected distributors in approximately 50 countries.

The Group's operations are divided into two business areas: Industrial and Commercial Kitchen. Industrial develops, designs, sells, installs and maintains filter units. Industrial has a wide product portfolio of filtration technologies to meet the customer needs with the most appropriate air cleaning product of best quality. The Industrial business area includes the brands Absolent, Filtermist, Avani, Dustcheck, Diversitech, Kerstar, Quatro and Aerofil. Each brand has its own characteristics and acts independently within its area. Commercial Kitchen develops, designs, installs and maintains commercial kitchen ventilation systems, and offers a wide product portfolio of hoods, filtration technologies and fire extinguishing systems to deliver the optimal kitchen ventilation solution. The Commercial Kitchen business area includes the brands Airmaid, Jeven and Tessu Nu-Air. In addition to these business areas, Absolent Air Care Group has Group-wide functions in the form of finance, IT as well as strategic business development and product development.

Significant events during 2024

To further strengthen our prospects for future profitable growth, we introduced a new organization at the end of the year with focus on decentralization, allocating additional responsibilities to our producing companies while reducing central resources. The new organization will lead to increased customer focus, while improving the conditions for future growth. The reorganization has also led to changes in Group management, where the larger producing companies in the Industrial business area are now represented. As part of the new decentralized organization, René Joppi was recruited as MD of Filtermist in late 2024, taking up his position in early 2025. Group management was also strengthened earlier in the year, when Ylva Krüger was recruited as Senior Vice President People & Planet with responsibility for HR and our sustainability work.


FILTE

In July, President and CEO Axel Berntsson announced his decision to leave the company after having held his position for seven years. Later in the fall, the Board of Directors appointed Anders Hülse as the new President and CEO, effective in the second quarter of 2025. As Axel Berntsson left the company on January 21, 2025, a transition period arose before Anders Hülse takes over. In December 2024, the Board appointed Joakim Westh, current Board member and co-founder of the company, as interim CEO and President for the period between Axel Berntsson's departure and Anders Hülse's appointment.

2024 was a year in which we continued our major investments in product development to further strengthen our product offering, including modular product architectures, and our foundation for future profitable growth. In 2025, the results of this development work will start to materialize, with launches of several product groups in both oil mist and dust. Product development is described in more detail in the Technology Leadership section, on pages 8-11.

As in the previous year, 2024 has continued to be characterized by geopolitical turmoil, primarily due to Russia's ongoing invasion of Ukraine and the conflicts in the Middle East. This, together with weaker economic conditions in several markets, has meant that there is still some uncertainty in the market and in volatile macro factors such as inflation and interest rates. The year has also seen increased global political discussions around protectionism and trade barriers, which also increases the uncertainties for 2025.

Financial information

Net sales and result

Net sales for the Group amounted to SEK 1,400.2 (1,408.5) million, which corresponds to a growth of -0.6 (5.2) %. The Group's largest business area Industrial showed growth of 4.0 %, with a sales increase from SEK 1,112.5 million to SEK 1,157.1 million. For Commercial Kitchen, the Group's other business area, the year resulted in a sales decrease of 17.9 % from SEK 295.9 million to SEK 243.1 million. The operating result before amortizations and depreciations (EBITDA) amounted to SEK 258.7 (261.3) million, where the Industrial business area reported an improved EBITDA of SEK 247.6 (212.4) million, while EBITDA for Commercial Kitchen decreased from SEK 59.4 million to SEK 31.1 million. The result for the Group was burdened by non-recurring costs of SEK 7.1 million related to the reorganization that began during the end of the year, together with the recruitment process for a new CEO and efficiency measures within Commercial Kitchen.

Other operating income and expenses amounted to a total of SEK 4.9 (-5.6) million, where the changes were mainly related to currency effects. Net financial items amounted to SEK -13.2 (-34.4) million, where the improved result was primarily driven by currency effects from revaluation of financial items. Result after tax amounted to SEK 143.9 (140.2) million and earnings per share amounted to SEK 12.71 (12.39).

Cash flow and financial position

Cash flow from operating activities amounted to SEK 146.1 (214.1) million. During the year, the Group has invested SEK 35.0 (21.6) mainly in capitalized development costs and machinery and equipment in existing operations. Cash flow from investing activities also includes a minor final payment of SEK 3.5 million of the purchase price for the acquisition of the Dutch company Nu-Air, which was carried out during 2022. The Group's net debt amounted to SEK 241.0 million at the end of the year and SEK 296.9 million at the beginning of the year, of which SEK 129.6 (129.9) million referred to lease liabilities. During the year, the Group's indebtedness has decreased due to amortizations of loans of SEK 100.0 million. The equity ratio strengthened significantly during the year and amounted to 56.2 (48.0) % at the end of the year.

The Parent company

Total revenue for the Parent company amounted to SEK 40.8 (41.4) million, with an operating result (EBIT) of SEK -25.3 (-12.8) million. Net financial items amounted to SEK 87.8 (74.1) million, where the increase was primarily related to currency effects from revaluations of financial items. Investments in intangible assets increased from SEK 8.9 million to SEK 19.2 million, largely driven by capitalized expenditure on product development. The equity of the company, including the equity part of untaxed reserves, amounted to SEK 519.1 (387.3) million, which corresponded to an equity ratio of 50.4 (38.5) %.

Expected future development

Due to obvious health risks to the population with today's air quality, many markets and countries are characterized by an increased focus on environmental measures. The UN's environmental work and the mass media's reporting are contributing further, in a positive way, to increased awareness of the health risks caused by polluted air. This awareness is expected to benefit the sales of the Group's products for a long time to come. The Group's sales also benefit from the mechanical industry's development towards faster and more efficient processing. With a growing market and a strong market position, the Group is well placed to continue to develop in a stable manner and with profitable growth.

Risks and uncertainties

Cyclical dependence

Absolent Air Care Group's net sales depend on the customers' propensity to invest, which in turn is affected by economic conditions. A large part of Absolent Air Care Group's end customers is active in cyclical industries such as automotive, aerospace, electronics, steel and manufacturing. Hence, a weak economic situation in all or parts of the world affects the Group's sales as well as earnings. However, the Group has end customers in a wide range of industries, which contributes to an increased risk diversification.

Competition and technological development
Absolent Air Care Group considers the Group's success to be partly dependent on the ability to develop new products and continuously developing existing products further. The competition may increase as the market grows and technological developments can change unfavorably. There are several competitors operating in the same or similar business areas with greater financial and organizational resources. These competitors could influence the Group's competitive position through aggressive pricing, launch of competitive products or by sales of package solutions where the Absolent Air Care Group's products could be replaced.

Distribution partners
To some extent, Absolent Air Care Group relies on distributors for the global sales of products, and for this reason, the relationship with the distributors is important for the Group. If most of the current distributors choose not to keep Absolent Air Care Group's products in their range, or if distributors suffer from financial problems, this may significantly affect the Group's result and financial position.

Suppliers and access to materials
In the short term, Absolent Air Care Group is dependent on a few suppliers, and the Group's ability to deliver high quality products is based on a working collaboration with these suppliers and their ability to deliver material. Therefore, the suppliers' ability to ensure the quality and delivery according to contracts entered into is very important for the Group. Absolent Air Care Group is also affected by price fluctuations on input material, and rapid movements in market prices may have short-term effects on the Group's financial result.

Expansion and acquisitions
In connection with the Group's expansion, business combinations have been carried out. There are always risks associated with business combinations, and these risks include the integration of an acquired company with the Group's operations, the departure of key persons from the acquired company, risks associated with the termination of existing agreements by distributors, customers and suppliers of the acquired company etc. As a result, Absolent Air Care Group cannot guarantee that all business combinations will be successful transactions. In addition to business combinations, the expansion of the Group means to establish or expand existing operations in several geographic markets. An expansion means investments in establishing and developing local businesses. However, it is not always guaranteed that these investments will generate a positive return, as local market conditions may change as well as vary widely.

Product warranty
The Group is covered by product liability and warranties if products should contain defects or cause personal injury or damage to property. Product liability, warranties and recalls may have a negative impact on the Group's operations and financial result.

Political risks
Absolent Air Care Group's products benefit from increased regulations and work environment legislation in the engineering industry and commercial kitchens. A significant change in the current regulations on the markets where the Group operates could have a significant impact on the Group's earnings and development. Absolent Air Care Group is obviously affected by the geopolitical situation in the world, where events can cause negative effects by the impact on macroeconomic factors and trade barriers, among other things.

Legal risks
The operations are affected by laws, regulations, rules, agreements and guidelines, including those relating to health and safety, trade restrictions, competition law regulations and currency regulations. Changes in existing laws and regulations in countries where the Group operates could have a negative effect on the Group's earnings.

Environmental and climate-related risks
The operations of Absolent Air Care Group affect the environment mainly through CO_2 emissions, and we work actively to reduce the environmental impact of our business. We strive to construct products for a more efficient use of resources, both in terms of resources used in the production as well as the products' energy usage at our customers. The Group's efforts to minimize environmental impact and our targets for this work are further described in the Sustainability report on page 32.

In the world around us, sustainability, minimized environmental impact and related legislation are increasingly in focus. For Absolent Air Care Group, increased regulation regarding environmental impact and sustainability is likely to mainly have a positive impact, as it supports the demand for air cleaning products, when our customers get stricter environmental requirements to fulfil in terms of clean air. Since several of the Group companies carry out activities subject to authorization or notification in accordance with current local environmental legislation, changes in legislation and official regulations may also call for investments and generate increased costs for the

Group as a whole, related to adapting the production facilities to changed regulations. However, our assessment is that increased regulation of emissions and environmental impact is positive for the future development of Absolent Air Care Group.

None of the Group's entities are assessed to be directly exposed to extreme weather conditions or flooding that may occur as effects from climate changes. Hence, these kinds of climate-related risks are not deemed to have any material financial impact on the Group.

Key people and resource constraints

Absolent Air Care Group's success depends to some extent on the core competence of employees. The loss of the core competence in the Group - if the employee resigns - could result in losses for the Group in the future. Absolent Air Care Group has limited operational and financial resources. Poor utilization of resources and inefficiency could also have significant negative consequences for the Group as a whole.

Owners with significant influence

The principal shareholders together hold a significant share of the shares in the Parent company and can thus exercise significant influence over the Board of Directors as well as in connection with general meetings. For information about number of shares and shareholder structure, see pages 44-45.

Financial risks

Through its operations, the Group is exposed to different kinds of financial risks. To minimize the impact of the risks, the Group has a risk policy defining different kinds of risks and establishing guidelines for risk management. The general financial risk management of the Group is focused on managing uncertainties on the financial markets and strives to minimize unfavorable impact on the Group's result. The financial risks are described more in detail in Note 21, on pages 86-89.

Currency risks

Absolent Air Care Group's sales are largely made in foreign currencies such as EUR, USD, GBP and CAD. Furthermore, production and purchases are to some extent made abroad, where the above-mentioned currencies can affect the production and purchase prices. Fluctuations in these currencies could have significant effects on the Group's earnings and financial position.

Interest rate risks

With external financing, the Group is exposed to interest rate risks and fluctuations in interest rate levels affect the Group's net interest income and cash flows. To the extent the Group's customers are financed through external financing, increased interest levels and reduced funding opportunities may also reduce the customers' propensity to make new investments.

Credit risks

Absolent Air Care Group's direct customers and end customers are located all over the world and may be affected by local as well as global financial problems. The Group is exposed to credit risk mainly through outstanding accounts receivable.

Tax risks

Absolent Air Care Group runs operations in several countries and the operations are conducted in accordance with the Group's interpretation of the applicable tax laws, tax treaties and regulations in each country. However, it cannot be ruled out that the Group's interpretations of applicable laws, tax treaties and regulations are incorrect or that such rules are amended and have retroactive impact.

Research and development

Research and development are central to Absolent Air Care Group's operations and is conducted in-house in order to develop energy and material-efficient products that meet our customers' needs. The development projects are carried out according to a structured gateway process with predetermined checks and objectives for each part of the process.

Sustainability report

Absolent Air Care Group AB has chosen to prepare a voluntary sustainability report as a report separate from the annual report. This sustainability report refers to the financial year 1 January - 31 December 2024 and can be found on pages 29-41 of this annual report.

Ownership

The main shareholders of the Parent company at the balance sheet date are Mexab Industri AB with 55.8 (55.6) % and Westh Ventures AB with 12.5 (12.5) %.

Nomination committee

At the Annual General Meeting on May 16, 2024, it was decided to establish a nomination committee. The nomination committee for the board election at the 2025 Annual General Meeting is:

- Sofia Schörling Högberg, representative of Mexab Industri AB and Chairman of the nomination committee
- Joakim Westh, board member, interim CEO and President and representative of Westh Ventures AB
- Carl Sundblad, representative of Cliens Fonder


Jeven

13 Financial report

Financial overview Group	2024	2023	2022	2021	2020
Net sales, SEK thousands	1 400 199	1 408 464	1 339 321	1 029 807	895 860
Sales growth, %	–0.6	5.2	30.1	15.0	–13.7
Operating result before amortizations and depreciations (EBITDA), SEK thousands	258 700	261 326	260 567	168 538	95 088
Operating margin before amortizations and depreciations (EBITDA), %	18.5	18.6	19.5	16.4	10.6
Adjusted operating result before amortizations and depreciations*, SEK thousands	258 700	261 326	260 567	181 162	128 467
Adjusted operating margin before amortizations and depreciations*, %	18.5	18.6	19.5	17.6	14.3
Operating result, SEK thousands	204 928	214 650	220 001	131 542	48 912
Operating margin, %	14.6	15.2	16.4	12.8	5.5
Adjusted operating result*, SEK thousands	204 928	214 650	220 001	144 166	91 121
Adjusted operating margin*, %	14.6	15.2	16.4	14.0	10.2
Cash flow from operating activities, SEK thousands	146 106	214 095	196 141	114 510	69 202
Total assets, SEK thousands	1 678 177	1 679 360	1 665 931	1 457 227	1 283 347
Equity ratio, %	56.2	48.0	41.7	36.4	32.6
Net cash (+) / net debt (-), SEK thousands	–240 952	–296 861	–293 128	–392 098	–211 936
Earnings per share, SEK	12.71	12.39	13.40	8.68	2.06
Equity per share, SEK	83.36	71.20	61.33	46.82	36.94
Number of outstanding shares at the balance sheet date	11 320 968	11 320 968	11 320 968	11 320 968	11 320 968
Number of employees	473	466	457	446	412

* Adjusted key ratios are excluding items affecting comparability for 2021 and 2020. Key ratios for 2020 have been adjusted for effects related to the cost reduction program carried out by the Group during 2020. 2021 has also been adjusted for items affecting comparability, partly a negative impact on the result of SEK 8.1 million related to the divestment of Bristol and partly costs of SEK 4.6 million related to restructuring of parts of the operations in China and our project-based business in the UK. No adjustments have been made for the other periods.
Definitions of alternative performance measures are found on page 103.

Proposed appropriation of profit

SEK	
The Board of Directors proposes that the funds available	
Share premium fund	32 510 167
Retained earnings	216 179 035
Result for the year	143 386 324
	392 075 526
to be appropriated as follows	
distributed to the shareholders (SEK 3.25 per share)	36 793 146
balance carried forward	355 282 380
	392 075 526

Group income statements

SEK thousands	Note	2024	2023
Net sales	4, 5	1 400 199	1 408 464
Costs of products and services sold	7, 12, 13	–790 569	–788 028
Gross profit		**609 630**	**620 436**
Sales expenses	12, 13	–201 696	–197 492
Administrative expenses	8, 12, 13	–182 459	–168 934
Research and development expenses	12, 13	–25 406	–33 752
Other operating income	6	5 790	1 905
Other operating expenses	6	–931	–7 513
Operating result	**5, 7, 9**	**204 928**	**214 650**
Financial income	10	18 111	4 800
Financial expenses	10, 13	–31 273	–39 232
Result after financial items		**191 766**	**180 219**
Tax expense	11	–47 849	–39 996
Result for the year		**143 917**	**140 223**
Result for the year attributable to:			
Shareholders of the Parent company		143 917	140 223
Non-controlling interests		–	–
Earnings per share*, SEK	19	**12.71**	**12.39**

* Before and after dilution. There are no outstanding options or similar financial instruments.

Group statements of other comprehensive income

SEK thousands	2024	2023
Result for the year	**143 917**	**140 223**
Other comprehensive income		
Items that may be reclassified to the income statement		
Translation differences of foreign operations	27 688	2 641
Other comprehensive income	**27 688**	**2 641**
Total comprehensive income	**171 605**	**142 864**
Total comprehensive income attributable to:		
Shareholders of the Parent company	171 605	142 864
Non-controlling interests	–	–

Consolidated statements of financial position

SEK thousands	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Fixed assets			
Goodwill	12	656 111	636 706
Other intangible fixed assets	12	81 639	69 295
Tangible fixed assets	13	227 634	228 815
Financial fixed assets	21	1 809	2 132
Deferred tax assets	11	16 791	9 205
Total fixed assets	**5**	**983 985**	**946 153**
Current assets			
Inventories	14	160 435	179 376
Accounts receivable	21	207 655	193 968
Current tax receivables	11	18 426	11 685
Other receivables	21	11 666	12 090
Prepaid expenses and accrued income	15, 21	40 182	38 007
Cash and cash equivalents	16, 21	255 829	298 081
Total current assets		**694 192**	**733 207**
TOTAL ASSETS		1 678 177	1 679 360
EQUITY AND LIABILITIES			
Equity	18		
Share capital		3 363	3 363
Other capital contributions		32 510	32 510
Translation reserve		67 310	39 622
Retained earnings incl. result for the year		840 478	730 524
Equity attributable to Parent company shareholders		**943 662**	**806 019**
Non-controlling interests		–	1
Total equity		**943 662**	**806 020**
Long-term liabilities			
Long-term interest-bearing lease liabilities	13, 16	97 935	98 186
Other long-term interest-bearing liabilities	16, 20, 21	367 138	465 029
Provisions		1 708	1 594
Deferred tax liabilities	11	32 121	31 293
Total long-term liabilities		**498 902**	**596 101**
Short-term liabilities			
Short-term interest-bearing lease liabilities	13, 16	31 708	31 727
Prepayments from customers		4 214	13 552
Accounts payable	21	78 835	72 088
Current tax liabilities	11	10 290	28 293
Other liabilities	21	20 518	23 287
Accrued expenses and prepaid income	17, 21	90 047	108 291
Total short-term liabilities		**235 613**	**277 239**
TOTAL EQUITY AND LIABILITIES		1 678 177	1 679 360


Absolent

Consolidated statement of changes in equity

SEK thousands	Share capital	Other capital contribu-tions	Translation reserve	Retained earnings incl. result for the year	Total	Non-controlling interests	Total equity
Opening equity 1 Jan 2023	**3 363**	**32 510**	**36 980**	**621 434**	**694 287**	**1**	**694 288**
Result for the year	–	–	–	140 223	140 223	–	140 223
Other comprehensive income							
Translation differences	–	–	2 641	–	2 641	–	2 641
Transactions with shareholders							
Dividend	–	–	–	–31 133	–31 133	–	–31 133
Closing equity 31 Dec 2023	**3 363**	**32 510**	**39 622**	**730 524**	**806 019**	**1**	**806 020**
Opening equity 1 Jan 2024	**3 363**	**32 510**	**39 622**	**730 524**	**806 019**	**1**	**806 020**
Change in non-controlling interests	–	–	–	–	–	–1	–1
Result for the year	–	–	–	143 917	143 917	–	143 917
Other comprehensive income							
Translation differences	–	–	27 688	–	27 688	–	27 688
Transactions with shareholders							
Dividend	–	–	–	–33 963	–33 963	–	–33 963
Closing equity 31 Dec 2024	**3 363**	**32 510**	**67 310**	**840 478**	**943 662**	**–**	**943 662**

Group cash flow statements

SEK thousands	Note	2024	2023
Operating activities			
Operating result		204 928	214 650
Adjustments for items not included in the cash flow			
Depreciations, amortizations and write-downs		53 772	46 676
Other items		3 548	–2 065
Total		**262 248**	**259 261**
Received interest		5 798	4 690
Paid interest		–30 432	–31 069
Paid income tax		–79 694	–49 611
Cash flow from operating activities before changes in working capital		**157 921**	**183 272**
Changes in working capital			
Changes in inventories		24 440	22 271
Changes in operating receivables		–25 020	704
Changes in operating liabilities		–11 235	7 848
Cash flow from operating activities		**146 106**	**214 095**
Investing activities			
Business combinations	3	–3 455	–19 181
Earnout payments		–	–60 221
Investments in intangtible fixed assets	12	–23 101	–10 263
Investments in tangible fixed assets	13	–11 945	–11 349
Sale of tangible fixed assets	13	1 033	1 147
Increase/decrease of long-term receivable		373	–1 523
Cash flow from investing activities		**–37 095**	**–101 390**
Financing activities			
Amortizations of loans	16	–100 000	–87 886
Amortizations of lease liabilities	16	–29 212	–25 231
Paid dividend		–33 963	–31 133
Other items		–	–2 255
Cash flow from financing activities		**–163 175**	**–146 505**
Cash flow for the year		**–54 163**	**–33 800**
Cash and cash equivalents at the beginning of the year		298 081	335 525
Translation difference in cash and cash equivalents		11 911	–3 644
Cash and cash equivalents at the end of the year		**255 829**	**298 081**

The Group

Note 1 Accounting policies

General information
Absolent Air Care Group develops products for cleaning process air and is helping production companies to provide clean fresh air to their employees, reduce energy costs and increase their productivity. The Parent company Absolent Air Care Group AB (publ), corporate registration number 556591-2986, is a limited liability company registered in Sweden domiciled in Gothenburg. The shares of the Parent company are listed on Nasdaq First North Growth Market.

The Board of Directors and the CEO resolved to adopt these consolidated financial statements for publication on 4 April 2025.

Basis for preparation
The Group's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Accounting Standards), as adopted by the International Accounting Standards Board (IASB) as well as the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the EU. The annual report has also been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary accounting rules for groups of companies.

New accounting policies for 2024
No changes of current standards that were effective from 2024 are considered to have had a material impact on the Group's financial statements.

New accounting policies for 2025 and later
As from January 1, 2027, IFRS 18 Presentation and disclosure in financial statements will become effective. The new standard will replace IAS 1 Presentation of financial statements. The aim with IFRS 18 is to improve how companies present their financial statements with focus on the income statement and cash flow statement. The new standard also includes disclosure requirements of management-defined performance measures and nature of expenses etc. IFRS 18 is not yet adopted by EU.

No other new or revised accounting standards or interpretations that have been published and are effective from 2025 or later are considered to have a material impact on the Group's financial statements.

Consolidated financial statements and principles of consolidation
The consolidated financial statements cover Absolent Air Care Group AB and all subsidiaries. Pricing between Group companies is set on a commercial basis and thus constitute market prices.

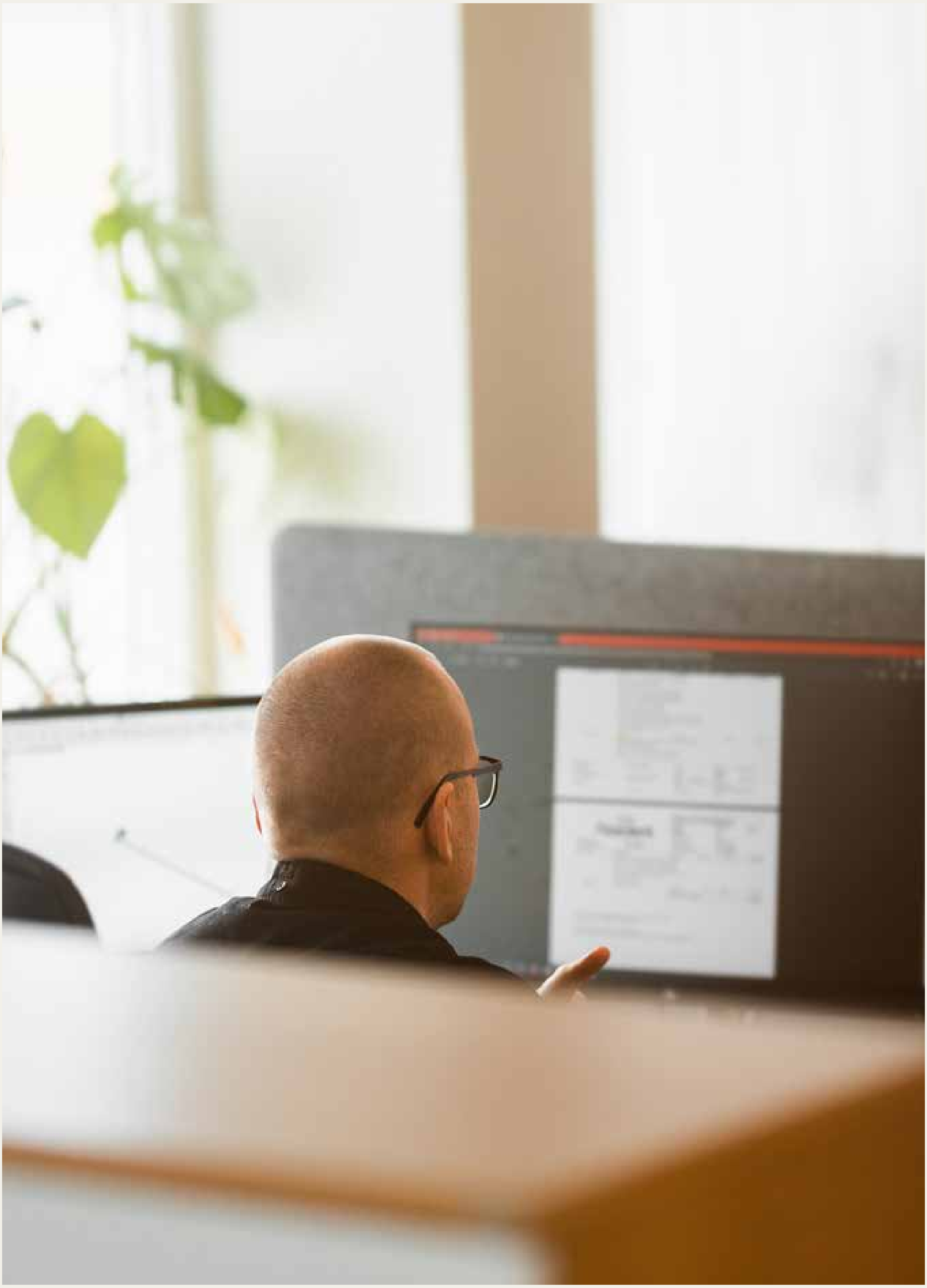
Translation of items denominated in foreign currency
Transactions and balance sheet items

Transactions in foreign currency are translated to each company's functional currency at the exchange rates prevailing at the transaction date. Receivables and liabilities in foreign currency are translated using the exchange rate at the closing date. Exchange rate gains and losses related to operating receivables and liabilities are recorded on a net basis as other operating income or other operating expenses. Exchange rate gains and losses related to financial assets and liabilities are recorded on a net basis among the financial items.

Consolidation of foreign subsidiaries

Items included in the financial statements of foreign subsidiaries or affiliates are recorded in the currency used in the primary economic environment of each company´s operations (functional currency). The Parent Company's functional currency is Swedish kronor (SEK) and is hence utilized in the consolidated financial statements. In preparing the consolidated financial statements, items in the income statement of foreign subsidiaries are translated to SEK using annual average exchange rates. Assets and liabilities in foreign subsidiaries are translated to SEK using exchange rates at year-end. Translation differences are recognized in other comprehensive income and recorded as a separate component in equity.

Segment reporting
The operating segments of the Group are Industrial and Commercial Kitchen, and are reported in line with the internal reporting submitted to the chief operating decision maker (CODM). The CODM is the function responsible for allocation of resources and assessment of the operating segments' result. For Absolent Air Care Group, the Group CEO has been identified as the CODM.



Business combinations

Acquisition-related costs are recognized as administrative costs in the income statement. For each business combination, the Group decides whether the non-controlling interest shall be recorded at fair value or at the non-controlling interest´s proportionate share of the net assets.

Changes in fair value related to earnouts occurring during the valuation period, e.g. within twelve months from the acquisition, are recorded against goodwill when a change refers to additional information received regarding facts and conditions that existed at the time of the acquisition. Changes related to events after the time of the acquisition are not considered adjustments during the valuation period, and such adjustments are recorded as other operating income or other operating expenses in the Group's consolidated income statement.

Intangible fixed assets

Other intangible assets

Other intangible assets refer to capitalized expenditures for IT and product development, customer relations, patents, licenses and similar rights. These assets are recognized at cost less accumulated amortizations and write-downs and are amortized on a straight-line basis over each respective useful life, ranging between five to ten years.

Capitalized expenditures include external direct costs for material and services as well as salaries and salary-related costs for employees directly tied to each development project. Amortization of capitalized expenditures does not begin until the Group has made the assessment that the development of the underlying asset has been finalized and the asset is available for use.

Tangible fixed assets

Depreciation is allocated on a straight-line basis over the asset's expected useful life. Depreciation starts when the Group has made the assessment that an asset is available for use. The assets' residual values and useful lives are reviewed at the end of each financial year and adjusted, if necessary, at each reporting date. The work to meet the Group's environmental targets is not expected to have a material impact on the useful lives of the assets. The Group applies the following useful lives for tangible fixed assets.

Tangible fixed assets	
Buildings	15–50 years
Plant and machinery	3–10 years
Equipment, tools, fixtures and fittings	3–5 years

Leasing

The Group is lessee and the most common lease agreements refer to premises and cars. To a lesser extent, the Group also has lease agreements for machinery and equipment. At contract inception, the Group assesses whether an agreement is, or contains, a lease. That is, if the agreement conveys the right to control the use of an identified asset for a given period of time in exchange for consideration. If the terms and conditions of the agreement change during the term of the contract, the Group makes a new assessment whether the agreement is, or contains, a lease.

The Group applies the practical expedients in IFRS 16 for short-term leases (i.e. leases that have a lease term of twelve months or less from the commencement date) as well as for lease of low-value assets. Lease payments for short-term and low-value leases are recognized as expenses on a straight-line basis over each lease term. Variable lease payments that do not depend on an index or a rate are recognized as expenses in the period in which they occur.

The lease term is determined as the non-cancellable term of the lease, adjusted for any periods covered by an option to extend or shorten the lease if it is reasonably certain the option will be exercised. Extension options are assessed for each lease agreement and applied based on the best estimate at each balance sheet date.

Lease agreements may also contain non-lease components, and for all asset classes, except premises and cars, the Group has chosen to not separate lease and non-lease components and instead recording them as one single lease component.

Lease liabilities are initially measured at the present value of future lease payments, discounted with the Group's marginal borrowing rate if there is no implicit rate in the agreement. In subsequent periods, the lease liability increases by the interest expenses on the lease liability and decreases by the payments of leasing fees.

Financial instruments

Financial instruments recorded in the Group's consolidated balance sheet include long-term financial receivables, long-term securities, accounts receivable, other current receivables, accrued income, and cash and cash equivalents, as well as other long-term and short-term interest-bearing liabilities, other long-term liabilities, accounts payable, other current liabilities and accrued expenses.

Financial assets measured at amortized cost

All of the Group's financial assets are measured at amortized cost and consist of long-term financial receivables, long-term securities, accounts receivable, other current receivables, accrued income, and cash and cash equivalents. Cash and cash equivalents include bank account balances and available cash. The expected maturity of accounts receivable is short, and the value is therefore recognized at a nominal amount without discounting, less provision for credit losses. The Group applies the simplified model for expected credit losses on accounts receivable, at which total expected credit losses are recognized for the remaining maturity of the receivable.

Financial liabilities measured at fair value through profit and loss
This category includes earnout liabilities, which are recorded as other long-term liabilities and other current liabilities depending on maturity. These liabilities are initially measured at fair value at the time of the acquisition and are subsequently measured at fair value through profit and loss. Some adjustments of earnouts within the valuation period of a business combination are recorded directly against goodwill. More information can be found in the Business combination section above.

Financial liabilities measured at amortized cost
The Group's financial liabilities measured at amortized cost consist of other long-term and short-term interest-bearing liabilities, accounts payable, other current liabilities and accrued expenses. Interest-bearing liabilities refer to liabilities to credit institutions, which are initially recognized at fair value less transaction costs and subsequently measured at amortized cost applying the effective interest method. The expected maturity of accounts payable is short and they are therefore recognized at the nominal amount without discounting.

Impairment of financial assets

For financial assets measured at amortized cost, the Group makes an assessment of future expected credit losses. For cases when credit risk has not substantially increased compared to initial recognition, the credit risk reserve shall correspond to the expected credit losses for the coming 12 months. For cases when credit risk has substantially increased compared to initial recognition, the credit risk reserve shall amount to the expected credit losses for its remaining maturity. For accounts receivable and contractual assets, the Group applies the simplified method according to IFRS 9, where the reserve for expected credit losses are calculated based on the expected credit loss risk for the entire maturity of the receivable. For more information, see Note 21, in section Credit risk. Impairment of accounts receivable and contractual assets are recorded as sales expenses in the operating result, and payments for previously impaired receivables are recorded as a credit effect on the same row.

Inventory

Inventory is recognized at the lower of cost and net realizable value. The cost is determined, in all material aspects, by the standard cost method. The net realizable value is calculated as the estimated selling price less costs necessary to perform the sale. Internal profits generated through intra-Group sales are deducted from the inventory value.

Revenue recognition

Revenue from contracts with customers are recognized as net sales in the Group's statement of comprehensive income. The Group sells products and spare parts to customers in two business areas. Contract with customers can consist of pure product sales as well as contracts also including installation services. The Group also sells service and maintenance. For the majority of the Group's contracts with customers, products and installation are deemed to be distinct and are thus recorded as separate performance obligations. Installation is deemed to be distinct since the customer can benefit from it together with other available resources (the products). Installation is also considered to be distinct within the frame of the contract since it does not substantially change the products and can be separated in the contract. However, for some contracts with customers, the installation services do not meet the criteria for being distinct since these cases are considered to contain a higher degree of customization and the contract is rather a package deal where installation cannot be separated. In these cases, products and installation are considered to be a joint performance obligation towards the customer. The Group's products come with standardized warranties, which are not considered separate performance obligations.

The Group recognizes revenue when a performance obligation to deliver products and/or services to the customer has been fulfilled, which is considered to occur when control is transferred to the customer. The performance obligation for sale of products is considered to be satisfied when control is transferred to the customer, which is deemed to coincide with physical delivery to the customer. Revenue is recorded to the amount stated in the contract, less discounts and VAT. Installation services as well as service and maintenance are considered to be performance obligations satisfied over time, as the Group assesses that the customer receives performance benefits over time. Revenue is therefore recorded over time in relation to costs incurred and time spent, i.e. according to the input method. Installation is usually performed in connection with delivery, and mainly refers to shorter installation assignments. For these shorter installation assignments, the revenue is recognized in practice when the installation is completed. For the customer contracts where products and installations cannot be separated as individual performance obligations, the performance obligation is considered as delivery of an installed system to the customer. In these cases, the performance

99.95%

Anyone can promise 99.95% clean air with a HEPA H13 filter, but clean air is not just about percentage – it is about the technology behind it to make performance last obligation shall be recorded over time, since the performance does not create an asset with alternative use for the Group and the Group has a right to payment for performance completed to date. Revenue is thus recognized over time, according to the input method based on costs incurred in relation to total costs for the products and services according to the contract.

There is generally no significant variable remuneration in the contracts with customers, but a few contracts include volume-based discounts and kickbacks. In such cases, an assessment is made of the expected sales to the customer in question and the variable remuneration is calculated based on the expected sales and recorded as a liability.

Contractual balances

The Group has contractual assets in the form of accrued income with remaining performance obligations, and contractual liabilities related to prepayments from customers and deferred income. The Group applies the exemption not to disclose revenue allocated to remaining performance obligations that are part of an agreement that will be finalized within a year. The Group has also some repayment liabilities regarding volume-based discounts and kickbacks to customers, which are recorded in the balance sheet item Accrued expenses and deferred income.

Costs of obtaining a contract

In some cases, the Group uses sales agents to enter into contracts with customers and these sales agents are compensated through sales commission, which is regarded as costs of obtaining the contract. Costs of obtaining a contract are recognized as costs in the period in which they occur, since they essentially refer to contracts shorter than one year.

Remuneration to employees

Remuneration to employees in the form of salaries, bonus (long- and short-term), paid vacation, paid absence due to sickness, pensions etc. are recognized as they are earned. Provision for variable remuneration and bonus is expensed on a current basis in accordance with the financial content of the agreement.

The pension plans in the Group consist of defined contribution plans, except for the Swedish ITP 2 plan's defined benefit pension obligations for retirement and family pension (or family pension) that are secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Accounting for pension plan ITP 2 financed by insurance with Alecta, this is a defined benefit plan that covers several employers. Since Alecta does not have sufficient information available for measurement, the Group's pension obligation with Alecta is accounted for as a defined contribution plan. The Group's contributions to defined contribution pension plans are charged to the statement of comprehensive income in the period to which they are attributable. For further information regarding the Group's pension plans in Alecta, see Note 9.

Earnings per share

The calculation of earnings per share is based on result for the year attributable to the shareholders of the Parent company and on the weighted average number of shares outstanding during the year. There is no dilution effect, with earnings per share being the same before and after dilution.

Note 2 Key estimates and assumptions

Preparing the consolidated financial statements requires that management and the Board make certain estimates and assumptions that affect the carrying amounts for assets, liabilities, revenue and costs. These estimates and assumptions are in all essential based on historical experience and expected future events and are deemed reasonable under the prevailing circumstances. Changes are reported in the period in which the estimates and assumptions are changed and in future periods if these are affected. Estimates and assumptions made by management that may have a significant effect on the Group's financial statements are presented in each note, where appropriate.

Sources of uncertainty in key estimates and assumptions:

- Impairment tests of goodwill and other intangible assets are presented in Note 12.
- Estimates of lease periods with impact on right-of-use assets and lease liabilities are presented in Note 13.
- Assumptions regarding potential utilization of tax loss carry-forwards with impact on deferred tax assets are presented in Note 11.
- Assessments related to future expected credit losses on accounts receivable are presented in Note 21.

Note 3 Business combinations

AIRfina AG

During the beginning of April 2023, the Group acquired 100 percent of the shares in the Swiss company AIRfina AG, up until then one of Absolent AB's distributors in the country. The purpose of the acquisition was to build direct relationships with important key customers on the Swiss market. The acqusition was made by Absolent Air Care Group's Swedish subsidiary Absolent AB, and the purchase price amounted to CHF 1.1 million. After the acquisition, the name of the company has been changed to Absolent Suisse SA. Given the small size of the acquisition, no further information is presented.

No acquisitions have been made during 2024. Cash flow effect of SEK -3.5 million during 2024 refers to final payment of the purchase price for the acquisition of the company Nu-Air, which was carried out during 2022.

Note 4 Revenue

The Group's contracts with customers refer to sales of products for cleaning of process air in a variety of industries, in the Group's two business areas Industrial and Commercial Kitchen. Net sales refers only to revenue from contracts with customers. Related to the products, the Group also sell installation services in a many cases as well as maintenance. The later part is a limited part of the Group's total sales. The Group sometimes also recharge freight to customers, depending on the incoterms.

In the majority of the Group's contracts with customers, products and installation are deemed to be distinct and are accounted for as separate performance obligations. However, for some contracts with customers the installation services do not meet the criteria for being distinct, since these contracts include a slightly higher degree of customization and the contract is more of a package solution where the installation cannot be separated. In these cases, products and installation are considered as one joint performance obligation. The Group's products come with standardized warranties, which are assessed to be a part of the product and not considered as separate performance obligations. The performance obligation for sale of products is deemed to be fulfilled when control is transferred to the customer, which is assessed to coincide with physical delivery to the customer. Installation services as well as service and maintenance are assessed to be performance obligations fulfilled over time. Hence, the revenue for these services is recognized as they are performed. However, installation is usually performed in connection with delivery of the products and mainly refers to short installation assignments. For these short installation assignments, the revenue is thus recognized in practice when the installation has been completed. For the customer contracts where products and installation are considered a joint performance obligation, the revenue is recognized over time, based on costs incurred in relation to total costs for the products and services under the contract.

Net sales per products and services

	Industrial		Commercial Kitchen		Total	
SEK thousands	2024	2023	2024	2023	2024	2023
Products, recorded at a certain point in time	1 001 132	920 715	162 834	200 389	1 163 966	1 121 104
Services, recorded over time	116 690	131 079	22 293	19 004	138 982	150 083
Products and services, recorded over time	39 322	60 752	57 929	76 525	97 250	137 277
Total	**1 157 143**	**1 112 547**	**243 055**	**295 917**	**1 400 199**	**1 408 464**

Net sales per geographic region

SEK thousands	Industrial		Commercial Kitchen		Total	
	2024	2023	2024	2023	2024	2023
EMEA	609 031	590 996	230 708	284 567	839 739	875 563
Americas	430 139	380 069	2 550	2 075	432 689	382 144
APAC	117 973	141 482	9 797	9 276	127 771	150 757
Total	**1 157 143**	**1 112 547**	**243 055**	**295 917**	**1 400 199**	**1 408 464**

Contractual assets

SEK thousands	31 Dec 2024	31 Dec 2023
Contractual assets		
Accounts receivable	207 655	193 968
Accrued income with remaining performance obligations	27 602	25 001
Total	**235 258**	**218 969**

Contractual liabilities and repayment liabilities

SEK thousands	31 Dec 2024	31 Dec 2023
Contractual liabilities		
Prepaid income	12 914	19 894
Prepayment from customers	4 214	13 552
Total	**17 128**	**33 446**
Repayment liabilities		
Accrued expenses for kickbacks and discounts	956	1 573

Change of contractual assets – accrued income

SEK thousands	2024	2023
Opening balance	25 001	9 395
Invoiced during the year	–24 909	–9 492
Additional accrued income during the year	26 008	25 944
Translation differences	1 502	–846
Closing balance	**27 602**	**25 001**

Change of contractual liabilities

SEK thousands	2024	2023
Opening balance	33 446	31 962
Recognized as revenue during the year	–34 191	–27 697
Additional contractual liabilities during the year	17 119	29 337
Translation differences	755	–157
Closing balance	**17 128**	**33 446**

Note 5 Segment reporting

The Group's operations consists of two business areas, Industrial and Commercial Kitchen. The Group CEO has been identified as the chief operating decision-maker (CODM), and the Group CEO follows the development of the business areas based on net sales and operating result. Net financial items and tax is not followed per business area, neither is the balance sheet. Any transactions between the business areas are conducted on market terms. The result for each business area includes directly attributable items and items that can be allocated to each business area on a reasonable and reliable manner. Group functions are not allocated to each business area, but recorded separately.

Net investments refer to intangible and tangible fixed assets. For more information about the business areas, see pages 22–25.

The Group's net sales per geographic area have been reported for the most important markets. Net sales is reported based on where the customer is located and the assets are allocated to each region based on where they are physically located. No single customer accounts for more than 10 percent of total sales for the Group. For more information about segment reporting, see Note 1 Accounting policies.

2024

SEK thousands	Industrial	Commercial Kitchen	Group functions	Eliminations	Total
Net sales	1 157 159	243 105	–	–66	1 400 199
Operating result (EBIT)	210 918	18 922	–24 912	–	204 928
Net financial items					–13 163
Result before tax					191 766
Amortizations and depreciations	–36 710	–12 190	–4 871	–	–53 772
Net investments	–13 221	–2 148	–18 644	–	–34 013

2023

SEK thousands	Industrial	Commercial Kitchen	Group functions	Eliminations	Total
Net sales	1 112 547	296 092	–	–175	1 408 464
Operating result (EBIT)	181 477	47 418	–14 244	–	214 650
Net financial items					–34 432
Result before tax					180 219
Amortizations and depreciations	–30 884	–11 963	–3 829	–	–46 676
Net investments	–11 372	–147	–8 946	–	–20 465

Reporting per geographic area

SEK thousands	Net sales 2024	Net sales 2023	Fixed assets* 2024	Fixed assets* 2023
EMEA	839 739	875 563	242 036	214 266
of which UK	*273 745*	*258 885*	*67 259*	*61 284*
of which Sweden	*123 938*	*151 195*	*135 017*	*113 054*
Americas	432 689	382 144	80 987	91 269
of which USA	*270 063*	*243 744*	*1 319*	*2 833*
APAC	127 771	150 757	3 041	1 779
Total	**1 400 199**	**1 408 464**	**326 064**	**307 314**

* Do not include goodwill or financial fixed assets. Goodwill has not been allocated on geographical areas since it is only allocated per operating segment.

Note 6 Other operating income and expenses

SEK thousands	2024	2023
Other operating income		
Government grants	396	537
Earnout adjustment	–	246
Gains from selling fixed assets	453	731
Exchange rate gains	3 766	–
Other operating income	1 175	391
Total	**5 790**	**1 905**
Other operating expenses		
Exchange rate losses	–	–6 151
Termination and revaluation of lease contracts	–659	–698
Other operating expenses	–272	–664
Total	**–931**	**–7 513**

Note 7 Expenses by nature

SEK thousands	2024	2023
Cost of material	508 041	508 834
Personnel costs	419 096	402 006
Depreciations, amortizations and write-downs	53 772	46 676
Other external costs	219 221	230 690
Other operating expenses	931	7 513
Total operating costs	**1 201 061**	**1 195 718**

Note 8 Remuneration to auditors

SEK thousands	2024	2023
Ernst & Young		
Audit assignment	2 489	1 990
Other auditors		
Audit assignment	1 213	1 752
Tax advisory services	402	87
Total	**4 104**	**3 829**

Note 9 Employees and personnel costs

Average number of employees	2024 Total	2024 Women	2024 Men	2023 Total	2023 Women	2023 Men
Parent company						
Sweden	9	4	6	8	2	6
Total Parent company	**9**	**4**	**6**	**8**	**2**	**6**
Subsidiaries						
Sweden	113	19	94	108	16	92
Estonia	–	–	–	8	7	1
Finland	6	1	5	6	1	5
France	12	1	10	10	1	9
India	8	–	8	7	–	7
Japan	1	–	1	1	–	1
Canada	89	20	69	87	17	70
China	16	5	11	15	5	10
Netherlands	43	4	39	41	3	38
Switzerland	3	–	3	2	–	2
UK	146	37	109	147	41	106
Germany	12	3	10	11	2	9
USA	15	6	9	15	4	11
Total subsidiaries	**464**	**95**	**368**	**458**	**97**	**361**
Total Group	**473**	**99**	**374**	**466**	**99**	**367**

Gender distribution for Board of Directors and Group management	2024 Total	2024 Women	2024 Men	2023 Total	2023 Women	2023 Men
Board of Directors	6	2	4	5	2	3
Group management	8	2	6	5	1	4

For presentation of the Board of Directors and Group management, see pages 42–43.

Salaries, other remunerations and social security contributions

SEK thousands	2024 Salaries and other remunerations	2024 Social security contributions	2024 of which pension costs	2023 Salaries and other remunerations	2023 Social security contributions	2023 of which pension costs
Parent company	19 506	11 596	4 445	16 574	9 766	3 681
Subsidiaries, Sweden	64 476	31 923	10 077	62 576	26 899	7 699
Subsidiaries, other	239 639	43 069	11 356	235 167	40 845	11 669
Total Group	**323 622**	**86 587**	**25 878**	**314 317**	**77 510**	**23 049**

Of the Parent company's pension costs, SEK 1,106 (1,011) thousands refer to Board of Directors and CEO.
Of the Group's pension costs, SEK 3,919 (3,986) thousands refer to Board of Directors and CEOs.

Salaries and other remunerations divided between Board and CEO and other employees

SEK thousands	2024 Board and CEO	2024 of which bonus	2024 Other employees	2023 Board and CEO	2023 of which bonus	2023 Other employees
Parent company	8 667	2 204	11 730	5 558	760	11 016
Subsidiaries, Sweden	5 689	876	58 786	4 273	165	58 303
Subsidiaries, other	22 576	3 087	217 063	20 170	3 824	214 997
Total Group	**36 932**	**6 168**	**287 579**	**30 001**	**4 749**	**284 316**

Salaries and other remunerations distributed by Board of Directors and Group management

SEK thousands	2024 Salaries and other remuneration	2024 of which bonus	2024 Pension costs	2023 Salaries and other remuneration	2023 of which bonus	2023 Pension costs
Axel Berntsson*, CEO	5 801	2 204	1 106	4 187	760	1 011
Johan Westman, Chairman of the Board	641	–	–	616	–	–
Joakim Westh, Board member	1 127**	–	–	205	–	–
Märta Schörling Andreen, Board member	236	–	–	205	–	–
Nils-Johan Andersson***, Board member	346	–	–	139	–	–
Malin Persson, Board member	279	–	–	139	–	–
Lars-Henrik Jörnving, Board member (elected 2024)	236	–	–	–	–	–
Gun Nilsson, Board member (resigned 2023)	–	–	–	67	–	–
Other Group management	11 407	2 036	3 238	8 394	1 961	2 021
Total	**20 073**	**4 240**	**4 345**	**13 952**	**2 721**	**3 031**

* Axel Berntsson announced in 2024 that he intended to leave the company, which took place on January 21, 2025.
** In addition to Board remuneration, SEK 891 thousands in consulting fees have been incurred. See also information in Note 22.
*** The fee for Nils-Johan Andersson's board and committee work has been invoiced by Mexab Industri AB.

Employment conditions for CEO and other Group management

Remuneration to CEO and other Group management comprises fixed and variable remuneration, other benefits and pension. Variable remuneration consists of both long-term and short-term bonuses. For the CEO, a mutual notice of six months applies. Severance pay of up to twelve months salary is payable if employment is terminated by the company. For the other Group management, the mutual notice periods vary between three and six months, without severance pay.

Pension obligations

For the financial years 2024 and 2023, the Group has not had access to information to account for its proportionate share of the Alecta-plan's obligations, plan assets and costs which meant that the plan has not been possible to account for as a defined benefit plan. The ITP 2 penion plan secured through insurance in Alecta is therefore recognized as a defined contribution plan. The premium for the defined benefit retirement and family pension is individually calculated and is dependent on factors including salary, previously earned pension and expected remaining period of service. Expected premiums for the coming financial year for ITP 2 pension insurance in Alecta amount to SEK 6.3 (5.5) million.

The collective funding level is the market value of Alecta's assets in percent of the commitments calculated in accordance with Alecta's calculation assumptions for insurance purposes, which do not comply with IAS 19. The collective consolidation level is normally allowed to vary between 125% and 175%. At low consolidation, a measure can be to raise the agreed price for new agreements. At high consolidation, a measure can be to introduce premium reductions. Alecta's collective funding ratio at the end of the year was 162 (158) percent.

Note 10 Financial income and expenses

SEK thousands	2024	2023
Interest income from bank balances	5 798	4 690
Exchange rate gains on financial receivables and liabilities	12 168	–
Other financial income	146	110
Total financial income	**18 111**	**4 800**
Interest expenses on interest-bearing liabilities, excl. lease liabilities	–23 859	–27 667
Interest expenses on lease liabilities	–6 573	–3 402
Exchange rate losses on financial receivables and liabilities	–	–7 594
Other financial expenses	–842	–569
Total financial expenses	**–31 273**	**–39 232**

Note 11 Tax

SEK thousands	2024	2023
Current tax	–49 493	–39 463
Tax related to previous years	–4 938	727
Deferred tax related to temporary differences and tax loss carry-forwards	6 582	–1 260
Total recorded tax expense for the result for the year	**–47 849**	**–39 996**
Effective tax rate, %	25.0	22.2
Reconciliation of effective tax		
Result before tax	191 766	180 219
Estimated Swedish tax 20.6% (20.6%)	–39 504	–37 125
Tax effects from:		
Non-deductible expenses	–833	–930
Non-taxable income	13	3 364
Recognized loss carry-forwards and utilization of previously non-recognized loss carry-forwards	6 055	324
Non-recognized loss carry-forwards	–2 401	–200
Tax depreciations on buildings	–459	243
Differences in tax rates in foreign subsidiaries	–3 888	–5 239
Tax related to previous years	–4 938	530
Other	–1 893	–962
Total recorded tax expense for the result for the year	**–47 849**	**–39 996**
Effective tax rate, %	25.0	22.2

	Deferred tax assets		Deferred tax liabilities	
SEK thousands	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Tax allocation reserves	–	–	22 994	20 127
Loss carry-forwards	10 335	2 677	–	–
Intra-Group profit in inventories	4 611	5 505	–	–
Surplus values fixed assets	–	–	4 770	6 034
Temporary differences fixed assets	486	304	4 356	3 406
Leased assets	30 859	31 168	29 531	30 512
Other temporary differences	32	63	–	1 726
Net accounting of offsettable deferred tax assets/liabilities	–29 531	–30 512	–29 531	–30 512
Total	16 791	9 205	32 121	31 293

Loss carry-forwards

At year-end, the Group had total tax loss carry-forwards of SEK 72.1 (29.9) million. The maturities for all tax loss carry-forwards are shown in the table below.

Key estimates and assumptions

Tax loss carry-forwards are recognized in the balance sheet to the extent it has been estimated that these can be used against future taxable profits. The tax loss carry-forwards that have been recognized in the balance sheet comprise only a share of the total tax loss carry-forwards stated in the table below.

SEK thousands	31 Dec 2024	31 Dec 2023
2024	–	6 347
2025	3 833	3 595
2026	4 257	3 993
2027	485	455
2028–2032	49 001	11 021
Unlimited utilization period	14 567	4 451
Total loss carry-forwards	**72 142**	**29 862**

Note 12 Intangible fixed assets

	Goodwill		Internally developed intangible fixed assets		Other intangible fixed assets		Intangible fixed assets in progress	
SEK thousands	2024	2023	2024	2023	2024	2023	2024	2023
Opening accumulated acquisition values	**637 573**	**626 886**	**56 907**	**23 662**	**43 295**	**48 628**	**16 643**	**34 136**
Business combinations	–	13 606	–	–	–	–	–	–
Investments	–	–	72	–	1 600	343	21 428	9 919
Sales/disposals	–	–	–	–	–	–	–	–473
Reclassifications	–	–	1 174	33 597	–	–5 249	–1 174	–26 893
Translation differences	19 453	–2 919	191	–352	909	–428	4	–46
Closing accumulated acquisition values	**657 025**	**637 573**	**58 345**	**56 907**	**45 804**	**43 295**	**36 901**	**16 643**
Opening accumulated amortizations	**–**	**–**	**–28 587**	**–23 544**	**–18 963**	**–13 717**	**–**	**–**
Amortizations	–	–	–5 489	–2 686	–5 798	–7 169	–	–
Reclassifications	–	–	–	–3 154	–9	2 045	–	–
Translation differences	–	–	–165	798	–399	–120	–	–
Closing accumulated amortizations	**–**	**–**	**–34 241**	**–28 587**	**–25 169**	**–18 963**	**–**	**–**
Opening accumulated write-downs	**–867**	**–886**	–	–	–	**–**	–	–
Translation differences	–48	19	–	–	–	–	–	–
Closing accumulated write-downs	**–914**	**–867**	**–**	**–**	**–**	**–**	**–**	**–**
Closing book value	**656 111**	**636 706**	**24 103**	**28 319**	**20 635**	**24 332**	**36 901**	**16 643**

Internally developed intangible fixed assets mainly refer to capitalized expenditure for product development and ERP systems. Other intangible assets mainly refer to customer relations, software licenses etc. Intangible assets in progress mainly refer to capitalized expenditure for product development projects for which the work has not yet been completed.

Goodwill per business area

SEK thousands	31 Dec 2024	31 Dec 2023
Industrial	389 795	377 376
Commercial Kitchen	266 316	259 329
Total	**656 111**	**636 706**

Amortizations and write-downs have been recorded to each function as below:

SEK thousands	2024	2023
Cost of products and services sold	–266	–265
Sales expenses	–5 720	–5 749
Administrative expenses	–3 392	–1 995
Research and development expenses	–1 900	–1 668
Total	**–11 278**	**–9 678**

Key estimates and assumptions

Impairment testing of goodwill and intangible assets not yet ready for use is performed annually and in case of indication of impairment. Other intangible assets with fixed useful lives are tested in case of indication of impairment. The goodwill in the Group is attributable to subsidiaries and their operations. The Group is divided into the two business areas Industrial and Commercial Kitchen, which have been defined as separate cash-generating units, and is the level on which the Group's impairment tests have been performed. When preparing the impairment tests, estimates are made to determine the value in use for each cash-generating unit. The value in use is based on established cash flow forecasts for the next five years and a long-term growth rate, i.e. terminal growth. The most important assumptions refer to growth rate, operating margin and discount rate (WACC). When discounting expected future cash flows, a pre-tax WACC of 9.5 (9.5) % has been used. This is considered to be representative for all cash-generating units in the Group.

The cash-flow forecasts that are basis for the tests are based on five year forecasts established by Group management and thereafter a terminal growth of 2 (2) %. The forecasts have been prepared internally by Group management using historical data, collective experience as well as the best assessment of development potential and market growth. Based on the tests that have been performed, there is currently no need for impairment.

While management believes that estimates of future cash flows and other assumptions are reasonable, there are uncertainties which could affect the valuations. To support the impairment tests, a comprehensive sensitivity analysis of the variables used in the model has been performed. The sensitivity analysis does not indicate any need for impairment even if the WACC increases by one percentage point or if the growth rate or operating margin decrease by one percentage point.

When establishing the impairment tests and performing the above-mentioned sensitivity analysis, the Group has also considered potential impact of environmental and climate risks, as described in the Board of Directors' report on page 50. Given the expected positive impact for the Group from increased regulation regarding environmental impact and emissions, this has not had any negative effects on the impairment tests.

Note 13 Tangible fixed assets

SEK thousands	Buildings and land 31 Dec 2024	Buildings and land 31 Dec 2023	Plant and machinery 31 Dec 2024	Plant and machinery 31 Dec 2023	Equipment, tools, fixtures and fittings 31 Dec 2024	Equipment, tools, fixtures and fittings 31 Dec 2023	Construction in progress 31 Dec 2024	Construction in progress 31 Dec 2023	Total 31 Dec 2024	Total 31 Dec 2023
Owned assets	71 740	68 144	14 416	16 962	9 072	8 424	7 277	6 769	102 505	100 300
Right-of-use asset for leased assets	107 446	108 618	–	–	17 682	19 898	–	–	125 128	128 515
Total book value	**179 186**	**176 762**	**14 416**	**16 962**	**26 755**	**28 322**	**7 277**	**6 769**	**227 634**	**228 815**

Owned assets

SEK thousands	Buildings and land 2024	Buildings and land 2023	Plant and machinery 2024	Plant and machinery 2023	Equipment, tools, fixtures and fittings 2024	Equipment, tools, fixtures and fittings 2023	Construction in progress 2024	Construction in progress 2023
Opening accumulated acquisition values	**84 731**	**83 667**	**90 215**	**83 644**	**50 655**	**52 798**	**6 769**	**5 396**
Investments	1 129	394	940	1 967	3 660	2 045	6 217	6 943
Sales/disposals	–	–	−2 440	–	−2 427	−3 488	–	−12
Reclassifications	2 837	96	–	4 256	444	−754	−5 878	−5 597
Translation differences	3 300	573	4 002	349	1 912	54	171	39
Closing accumulated acquisition values	**91 999**	**84 731**	**92 717**	**90 215**	**54 244**	**50 655**	**7 277**	**6 769**
Opening accumulated depreciations	**−16 588**	**−13 657**	**−73 254**	**−68 701**	**−42 231**	**−42 480**	**–**	**–**
Sales/disposals	–	–	2 302	–	2 330	2 886	–	–
Depreciations	−2 896	−2 638	−4 320	−4 961	−3 588	−4 054	–	–
Reclassifications	–	−217	–	557	2	1 259	–	–
Translation differences	−776	−78	−3 031	−148	−1 685	159	–	–
Closing accumulated depreciations	**−20 259**	**−16 588**	**−78 303**	**−73 254**	**−45 172**	**−42 231**	**–**	**–**
Closing book value	**71 740**	**68 144**	**14 416**	**16 962**	**9 072**	**8 424**	**7 277**	**6 769**

Right-of-use asset for leased assets

SEK thousands	Buildings and land 2024	Buildings and land 2023	Plant and machinery 2024	Plant and machinery 2023	Equipment, tools, fixtures and fittings 2024	Equipment, tools, fixtures and fittings 2023
Opening accumulated acquisition values	**150 962**	**100 831**	**–**	**373**	**29 220**	**18 374**
Investments	14 059	77 856	–	–	6 773	17 349
Terminated contracts	–10 340	–28 558	–	–373	–4 731	–6 162
Revaluations	6 435	3 580	–	–	467	–56
Translation differences	4 338	–2 747	–	–	1 183	–284
Closing accumulated acquisition values	**165 453**	**150 962**	**–**	**–**	**32 912**	**29 220**
Opening accumulated depreciations	**–42 343**	**–40 225**	**–**	**–373**	**–9 322**	**–7 604**
Terminated contracts	8 156	15 450	–	373	4 234	5 408
Depreciations	–21 868	–18 237	–	–	–9 822	–7 106
Translation differences	–1 952	669	–	–	–319	–20
Closing accumulated depreciations	**–58 007**	**–42 343**	**–**	**–**	**–15 229**	**–9 322**
Closing book value	**107 446**	**108 618**	**–**	**–**	**17 682**	**19 898**

The leasing agreements in the Group mainly refer to premises and cars. Premises are included in the buildings and land category, and cars in the equipment, tools, fixtures and fittings category.

Key estimates and assumptions

The Group makes assessments to establish the leasing period for leasing agreements where the Group is lessee and the agreement contains extension options. Assessments are made to determine whether it is reasonably certain or not that extension options will be exercised, and these assessments affect the carrying amounts of the lease liability as well as the right-of-use asset.

Depreciations and write-downs have been recorded to each function as below:

SEK thousands	2024	2023
Cost of products and services sold	–21 428	–17 543
Sales expenses	–5 534	–4 859
Administrative expenses	–14 410	–13 606
Research and development expenses	–1 122	–990
Total	**–42 493**	**–36 997**

Items recorded in the income statement related to leasing contracts

SEK thousands	2024	2023
Gains/losses from terminated leasing contracts	–659	–739
Revaluation leasing contracts	–	41
Short-term lease expenses	–1 773	–1 623
Low-value lease expenses	–234	–75
Depreciations on right-of-use asset	–31 690	–25 343
Interest expenses on lease liabilities	–6 573	–3 402
Total	**–40 929**	**–31 141**

See Note 21 regarding maturity analysis lease liability as well as Note 16 for split between long- and short-term lease liabilities.

The total cash flow from leasing contracts amounted to SEK 37.8 (30.3) million, of which SEK 8.6 (5.1) million from operating activities and SEK 29.2 (25.2) million from financing activities.

Note 14 Inventories

SEK thousands	31 Dec 2024	31 Dec 2023
Raw materials	97 455	107 906
Work in progress	7 964	18 219
Finished goods and goods for resale	55 016	53 251
Total	**160 435**	**179 376**

As of the balance sheet date, the total obsolescence provision amounted to SEK 7.0 (6.2) million.

Note 15 Prepaid expenses and accrued income

SEK thousands	31 Dec 2024	31 Dec 2023
Accrued income	27 602	25 001
Rent expenses	1 167	926
Insurance expenses	3 292	3 043
Other prepaid expenses	8 121	9 039
Total	**40 182**	**38 007**

Note 16 Net debt

SEK thousands	31 Dec 2024	31 Dec 2023
Cash and cash equivalents	255 829	298 081
Liabilities to credit institutions	367 138	465 029
Long-term interest-bearing lease liabilities	97 935	98 186
Short-term interest-bearing lease liabilities	31 708	31 727
Net debt	**240 952**	**296 861**

Change of interest-bearing liabilities

SEK thousands	2024	2023
Opening balance	594 943	628 653
New and terminated lease liabilities	18 759	81 786
Amortizations*	-100 000	-87 886
Amortizations of lease liabilities*	-29 212	-25 231
Revaluations of lease liabilities	6 902	3 524
Loan-related fees*	752	-1 691
Translation differences	4 638	-4 212
Closing balance	**496 780**	**594 943**

* These items affect the cash flow.

Note 17 Accrued expenses and prepaid income

SEK thousands	31 Dec 2024	31 Dec 2023
Personnel-related costs	52 504	56 010
Repayment liabilities for kickbacks and discounts	956	1 573
Sales commission	1 475	2 189
Purchases	1 108	2 924
Accrued interest expenses	4 261	6 922
Other accrued expenses	16 829	18 779
Prepaid income	12 914	19 894
Total	**90 047**	**108 291**

Note 18 Equity

Share capital
Only one share class exists, and all shares have the same rights regarding capital and votes. The share capital refers to the registered share capital in the Parent company, which constitutes a total number of outstanding shares of 11,320,968 (11,320,968) with a quota value of SEK 0.2971 (0.2971). All issued shares are fully paid.

Other capital contributions
Refers to capital contributed by the owners, which in this case refers to share premium reserve.

Translation reserve
Refers to exchange rate effects arising from translation to SEK of financial statements for foreign subsidiaries.

Retained earnings
Refers to the Group's accumulated profits and losses, reduced with dividends paid to the shareholders.

Capital management
The Board's financial objective is to maintain a strong financial position that contributes to maintaining investor, creditor and market confidence and to providing a platform for ongoing development of the business. Capital consists of total equity. The Board of Directors proposes the dividend to the shareholders. The Group's objective when managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. The Group monitors capital on the basis of net debt and equity ratio.

Note 19 Earnings per share

In 2024, the average number of shares outstanding was 11,320,968 (11,320,968). Result for the year attributable to the Parent Company's shareholders amounted to SEK 143,917 (140,223) thousand resulted in earnings per share of SEK 12.71 (12.39), which is both before and after dilution.

Note 20 Pledged assets and contingent liabilities

SEK thousands	31 Dec 2024	31 Dec 2023
Contingent liabilities		
Other guarantees	174	4 087
Total	**174**	**4 087**

Note 21 Financial instruments and financial risk management

Classification of financial assets and liabilities

For financial instruments such as accounts receivable, accounts payable and other non-interest-bearing financial assets and liabilities, which are carried at amortized cost less any impairment losses, the fair value is deemed to agree with the carrying amount. For the Group's interest-bearing assets and interest-bearing liabilities, the fair value is also estimated to correspond to the carrying amount.

31 Dec 2024

SEK thousands	Assets measured at amortized cost	Assets measured at fair value through profit and loss	Total
Financial assets			
Financial fixed assets	1 809	–	1 809
Accounts receivable	207 655	–	207 655
Other receivables	7 540	–	7 540
Accrued income	27 602	–	27 602
Cash and cash equivalents	255 829	–	255 829
Total	**500 435**	**-**	**500 435**

SEK thousands	Liabilities measured at amortized cost	Liabilities measured at fair value through profit and loss	Total
Financial liabilities			
Other long-term interest-bearing liabilities	367 138	–	367 138
Accounts payable	78 835	–	78 835
Other liabilities	2 427	–	2 427
Accrued expenses	24 628	–	24 628
Total	**473 028**	**-**	**473 028**

31 Dec 2023

SEK thousands	Assets measured at amortized cost	Assets measured at fair value through profit and loss	Total
Financial assets			
Financial fixed assets	2 132	–	2 132
Accounts receivable	193 968	–	193 968
Other receivables	6 147	–	6 147
Accrued income	25 001	–	25 001
Cash and cash equivalents	298 081	–	298 081
Total	**525 330**	**-**	**525 330**

SEK thousands	Liabilities measured at amortized cost	Liabilities measured at fair value through profit and loss	Total
Financial liabilities			
Other long-term interest-bearing liabilities	465 029	–	465 029
Accounts payable	72 088	–	72 088
Other liabilities	4 901	–	4 901
Accrued expenses	32 388	–	32 388
Total	**574 406**	**-**	**574 406**

Earnout liabilities

Liabilities related to earnouts measured at fair value are included in the items other long-term liabilities and other short-term liabilities. The fair value of the earnouts are evaluated regularly and includes management's assessment of future financial performance of the acquired companies. As of 31 December 2024, the Group has no earnout obligations.

SEK thousands	2024	2023
Opening balance	–	60 372
Payment of earnouts	–	-60 221
Reversal of unutilized amounts	–	246
Translation differences	–	-396
Closing balance	**-**	**-**

Financial risks

Through its operations, the Group is exposed to various types of financial risks. The primary financial risks are composed of currency risk, interest rate risk, liquidity and financing risk and credit risk. A description of each risk area is presented below. To minimize the effects of these risks, the Group has a risk policy defining different kinds of risks and establishing risk management guidelines. The general financial risk management of the Group focuses on managing uncertainty on the financial markets and strive to minimize possible adverse effects on the Group's result.

Interest rate risk

Interest rate risk represents how changes in interest rate levels on long-term and short-term interest-bearing liabilities to credit institutions can affect the Group negatively. The Group continuously analyzes its exposure to interest rate risk and performs regular simulations of interest rate changes. No hedging through interest rate swaps or similar is applied. An interest rate increase of one percentage point would negatively affect the Group's result before tax by SEK 3.7 (4.7) million, calculated using the interest-bearing liabilities at the end of the year.

Currency risk

The Group is exposed to currency risks due to its international operations. Exchange rate fluctuations affect the result of the Group partly in connection with buying and selling in other currencies than the local currency of each Group company (transaction exposure), and partly through translation of the income statements and balance sheets of foreign subsidiaries to SEK (translation exposure).

Transaction exposure

Transaction exposure shall primarliy be minimized by internal actions such as matching of in- and outflows as well as choice of invoicing currency. No currency hedge agreements have been entered into during 2023 and 2024, in accordance with Group policy. The table below presents the Group's net transaction exposure per each relevant currency and how large impact a 5 percent exchange rate increase in relation to SEK would have on the Group's net result.

Transaction exposure

	Local currency		SEK		Impact on net result, +5%	
	2024	2023	2024	2023	2024	2023
USD	17 393	15 115	183 691	160 414	9 185	8 021
EUR	9 103	7 047	104 069	80 873	5 203	4 044
CNY	23 542	19 735	34 558	29 567	1 728	1 478
Total			**322 318**	**270 854**	**16 116**	**13 543**

Translation exposure

A 5 percent increase of all exchange rates in relation to SEK would have a positive impact on the Group's equity of SEK 60.5 (64.8) million and on the Group's net result of SEK 3.3 (3.9) million. The Group does not hedge this risk. The net assets for the foreign Group companies are distributed by currency as below.

Net assets per currency, recalculated to SEK

SEK thousands	31 Dec 2024	31 Dec 2023
GBP	473 511	487 498
CAD	358 422	348 950
EUR	305 115	372 773
USD	36 210	37 746
CHF	16 889	15 421
CNY	16 476	31 986
INR	3 960	3 027
JPY	1 279	1 170
HKD	156	231
NOK	–1 519	–2 788
Total	**1 210 498**	**1 296 013**

Liquidity risk and financing risk

Liquidity risk refers to the risk of not being able to fulfill payment obligations as they fall due, which is mitigated by sufficient liquid funds as well as available credit facilities. Financing risk refers to the risk that it will not be possible to obtain financing or that financing can only be obtained at a significantly higher cost. The Group's liabilities to credit institutions are tied to covenants, which are met as of the closing date. Based on the current fore-cast, Group management deems that the Group will be able to meet these covenants by a satisfactory margin going forward. As of the balance sheet date, the financing agreement related to these liabilities to credit institutions ran until 2026. After the balance sheet date, the Group has signed a new financing agreement, see Note 23. The following tables present maturity analysis of the amortization of financial liabilities including con-tractual and undiscounted interest payments.

31 Dec 2024

SEK thousands	Term < 1 year	Term 1-2 years	Term 2-5 years	Term > 5 years	Total
Lease liabilities	32 218	26 308	52 382	43 590	154 498
Other interest-bearing liabilities	17 493	370 985	–	–	388 478
Accounts payable	78 835	–	–	–	78 835
Other liabilities	2 427	–	–	–	2 427
Accrued expenses	24 628	–	–	–	24 628
Total	**155 601**	**397 293**	**52 382**	**43 590**	**648 867**

31 Dec 2023

SEK thousands	Term < 1 year	Term 1–2 years	Term 2–5 years	Term > 5 years	Total
Lease liabilities	33 290	26 699	49 293	53 946	163 227
Other interest-bearing liabilities	28 017	28 017	472 034	–	528 068
Accounts payable	72 088	–	–	–	72 088
Other liabilities	4 901	–	–	–	4 901
Accrued expenses	32 388	–	–	–	32 388
Total	**170 683**	**54 716**	**521 326**	**53 946**	**800 671**

Credit risk

Credit risk refers to the risk that a counterparty to the Group will be unable to meet its obligations and thereby cause a loss. Financial transactions also give rise to credit risks in relation to financial and commercial counterparties. The Group is exposed to credit risk from its operating activities, primarily from accounts receivable, and from financing activities through deposits at banks and other financial institutions. The Group's counterparties in financial transactions are only well-established banks and other institutions.

Accounts receivable

The credit risk related to accounts receivable is limited by credit assessments as well as close monitoring of the accounts receivable by the finance and market functions of the Group companies. The Group uses the simplified model for expected credit losses for accounts receivable, where the initial provision for credit losses is based on expected credit losses for the entire term of the receivable. The Group takes historical data into account, as well as perform individual assessments of accounts receivable in terms of solvency and credit rating as of each closing date. Regarding risk for default, accounts receivable are considered to be credit-impaired when overdue with more than 90 days or when other credit-impairing factors have been identified.

Historically, the Group has had low confirmed credit losses. In the assessment based on historical data, all accounts receivable is regarded as one population since no significant differences have been identified. The Group's historically low credit losses, taking into account forward-looking factors, do not give rise to any significant credit losses for non-overdue accounts receivable, which is why no provision is recorded.

Aging distribution for accounts receivable and credit risk reserve

31 Dec 2024

SEK thousands	Current	Past due < 30 days	Past due 31–60 days	Past due 61–90 days	Past due > 90 days	Total
Accounts receivable	141 826	34 154	13 705	6 177	14 797	210 659
Credit risk reserve	–	–	–	–	–3 004	–3 004
Book value accounts receivable						**207 655**

31 Dec 2023

SEK thousands	Current	Past due < 30 days	Past due 31–60 days	Past due 61–90 days	Past due > 90 days	Total
Accounts receivable	135 527	35 428	11 934	4 647	8 758	196 294
Credit risk reserve	–	–	–	–259	–2 067	–2 326
Book value accounts receivable						**193 968**

Change of credit risk reserve

SEk thousands	2024	2023
Opening credit risk reserve	–2 326	–3 459
Recovered reserves	469	940
Reserve for expected losses	–2 842	–973
Confirmed losses	1 822	1 183
Translation differences	–127	–16
Closing credit risk reserve	**–3 004**	**–2 326**

Other financial instruments

In addition to accounts receivable, the Group has contractual assets in terms of accrued income with some remaining performance obligations that are covered by the simplified model for expected credit losses. The Group has not identified any signs of credit losses for these assets and consequently no reserve for expected credit losses is recognized related to contractual assets.

The financial assets not covered by the simplified model refer to financial fixed assets, other receivables as well as cash and cash equivalents. Financial fixed assets and other receivables only amount to small amounts and no reserve for expected credit losses is therefore taken into account, since such a reserve would not amount to any significant amount. Cash and cash equivalents consist of balances with banks with a high rating, which is why it is not considered that there is any credit risk that should be recorded as an expected credit loss.

Key estimates and assumptions

Accounts receivable are short-term by nature and consequently the risk assessment horizon is short. When assessing future expected credit losses, both historical information as well as current and forecasted situations are taken into account. Individual assessment is carried out with regard to ability to pay and creditworthiness.

Note 22 Related party transactions

All Group companies mentioned in Note 11 for the Parent company are considered to be related parties. Transactions between Group companies are eliminated upon consolidation. For information about salaries and remuneration to the Board of Directors and Group management, see Note 9. In addition, consulting fees of SEK 0.9 million to board member has been incurred during the period. There are no other material transactions with related parties. All transactions have been carried out on market terms.

Note 23 Significant events after the closing date

After the closing date, Absolent Air Care Group has signed a new financing agreement with Nordea and SEB. The new agreement entered into force on March 27, 2025, and runs for three years with an option to extend another one plus one year. The financing agreement entails a revolving credit facility of SEK 800 million, unchanged compared with the agreement that applied on the closing date.


FILTERMIST
Part of Absolent Air Care Group

Parent company income statement

SEK thousands	Note	2024	2023
Net sales	2	40 841	41 355
Sales expenses		–351	–576
Administrative expenses	4	–56 237	–45 698
Research and development expenses		–9 466	–8 171
Other operating income	3	196	286
Other operating expenses	3	–261	–
Operating result	**2, 5, 9, 10**	**–25 278**	**–12 805**
Financial items	6		
Result from participations in Group companies		79 690	85 672
Financial income		38 143	25 486
Financial expenses		–29 998	–37 094
Result after financial items		**62 557**	**61 259**
Appropriations	7	98 432	92 308
Result before tax		**160 990**	**153 567**
Tax expense	8	–17 603	–14 343
Result for the year		**143 386**	**139 224**

Total comprehensive income for the year corresponds to the result for the year

Parent company balance sheet

SEK thousands	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Fixed assets			
Intangible fixed assets	9	51 038	34 968
Tangible fixed assets	10	157	302
Participations in Group companies	11	460 463	476 692
Receivables on Group companies		268 149	273 848
Total fixed assets		**779 807**	**785 810**
Current assets			
Receivables on Group companies		84 805	55 021
Other receivables		1 408	790
Prepaid expenses and accrued income	12	3 522	3 112
Cash and cash equivalents		160 353	161 884
Total current assets		**250 088**	**220 807**
TOTAL ASSETS		1 029 894	1 006 616
EQUITY AND LIABILITIES			
Equity			
Share capital	13	3 363	3 363
Restricted reserve		918	918
Development costs reserve		51 038	34 963
Total restricted equity		**55 320**	**39 245**
Share premium reserve		32 510	32 510
Retained earnings		216 179	126 993
Result for the year		143 386	139 224
Total unrestricted equity		**392 076**	**298 727**
Total equity		**447 395**	**337 972**
Untaxed reserves			
Tax allocation reserve		90 134	61 926
Excess depreciation		128	167
Total untaxed reserves		**90 262**	**62 093**
Long-term liabilities			
Liabilities to credit institutions	14, 16	367 137	465 029
Total long-term liabilities		**367 137**	**465 029**
Short-term liabilities			
Accounts payable		4 793	2 410
Current tax liabilities	8	243	17 943
Liabilities to Group companies		103 100	104 429
Other liabilities		516	431
Accrued expenses and deferred income	15	16 447	16 310
Total short-term liabilities		**125 100**	**141 522**
TOTAL EQUITY AND LIABILITIES		1 029 894	1 006 616

Parent company statement of changes in equity

	Restricted equity			Unrestricted equity			
SEK thousands	**Share capital**	**Res-tricted reserve**	**Develop-ment costs reserve**	**Share premium reserve**	**Retained earnings**	**Result for the year**	**Total**
Opening equity 1 Jan 2023	**3 363**	**918**	**27 550**	**32 510**	**61 864**	**103 674**	**229 880**
Appropriation of previous year's result	–	–	–	–	103 674	–103 674	–
Change in development costs reserve	–	–	7 413	–	–7 413	–	–
Transactions with shareholders							
Dividend	–	–	–	–	–31 133	–	–31 133
Result for the year	–	–	–	–	–	139 224	139 224
Closing equity 31 Dec 2023	**3 363**	**918**	**34 963**	**32 510**	**126 993**	**139 224**	**337 972**
Opening equity 1 Jan 2024	**3 363**	**918**	**34 963**	**32 510**	**126 993**	**139 224**	**337 972**
Appropriation of previous year's result	–	–	–	–	139 224	–139 224	–
Change in development costs reserve	–	–	16 075	–	–16 075	–	–
Transactions with shareholders							
Dividend	–	–	–	–	–33 963	–	–33 963
Result for the year	–	–	–	–	–	143 386	143 386
Closing equity 31 Dec 2024	**3 363**	**918**	**51 038**	**32 510**	**216 179**	**143 386**	**447 395**

Parent company cash flow statement

SEK thousands	2024	2023
Operating activities		
Operating result	–25 278	–12 805
Adjustment for items not included in the cash flow		
Amortizations, depreciations and write-downs	3 223	2 019
Other	–504	406
Total	**–22 559**	**–10 379**
Received interest	27 662	25 486
Paid interest	–29 247	–31 002
Paid income tax	–35 164	–19 002
Cash flow from operating activities before changes in working capital	**–59 308**	**–34 897**
Changes in working capital		
Changes in operating receivables	–27 198	18 937
Changes in operating liabilities	1 278	–30 948
Cash flow from operating activities	**–85 228**	**–46 909**
Investing activities		
Intra-Group sale of subsidiary	16 229	–
Investments in intangible fixed assets	–19 179	–8 946
Sale of tangible fixed assets	535	–
Earnout payments	–	–25 454
Changes in long-term loans to Group companies	13 783	–31 842
Cash flow from investing activities	**11 368**	**–66 243**
Financing activities		
Amortizations of loans	–100 000	–88 086
Paid dividend	–33 963	–31 133
Received dividend	79 690	85 672
Received group contribution	126 601	115 694
Other items	–	–2 255
Cash flow from financing activities	**72 328**	**79 892**
Cash flow for the year	**–1 532**	**–33 259**
Cash and cash equivalents at the beginning of the year	161 884	195 143
Cash and cash equivalents at the end of the year	**160 353**	**161 884**

The Parent company

Note 1 Accounting policies

The financial statements of the Parent company have been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. In its financial reporting, the Parent company applies International Financial Reporting Standards (IFRS Accounting Standards) that have been endorsed by the EU where this is possible within the framwork of the Swedish Annual Accounts Act and with consideration of the link between accounting and taxation. This primarliy entails the following differences between accounting in the Parent company and the Group. The accounting policies have been consistently applied in all periods presented in the financial statement of the Parent company.

Shareholders' contribution and group contribution

Shareholders' contributions to subsidiaries are added to the value of the shares and participations in the balance sheet, after which impairment testing is conducted. Group contributions received and provided are recognized as appropriations in the income statement.

Business combinations

Transaction costs in connection with business combinations are included in the acquisition value.

Leasing

The Parent company applies the exception from application of IFRS 16 Leases. Leasing costs are recogized in the income statement and do not impact the balance sheet. However, identification of a leasing agreement follows the same structure as in IFRS, see the accounting policies for the Group.

Financial instruments

IFRS 9 does not apply to the Parent company. Instead, the Parent company applies those items set out in RFR 2. Financial instruments are valued at cost. In subsequent periods, financial assets that have been acquired with the intention of being held in the short term will be recognized in accordance with the lowest value principle, at either the cost or the fair value, whichever is the lowest.

For financial fixed assets in respect of shares in subsidiaries, impairment is made to the highest of the fair value and the present value of the executive management’s best assessment of the future cash flows that the asset is expected to provide. For other financial assets, IFRS 9 is applied, in accordance with p.8 of RFR 2. This means that impairment testing is carried out in the same way as for receivables recognized as current assets (see below).

When calculating the net realizable value of receivables that are recognized as current assets, the principles for impairment testing and loss risk provisioning in IFRS 9 should be applied. For a receivable that is recognized at amortized cost at Group level, this means that the loss risk reserve that is recognized in the Group in accordance with IFRS 9 should also be recognized in the Parent company.

Earnouts

Conditional earnouts shall be recorded as a part of the cost if it is likely that they will be payable. If it in subsequent periods turns out that the initial assessment needs to be revised, the acquisition value will be adjusted. Conditional earnouts are recorded as long-term or short-term non-interest-bearing liabilities in the balance sheet.

Note 2 Intra-Group sales and purchases

%	2024	2023
Sales to Group companies in relation to total sales	100%	100%
Purchases from Group companies in relation to total purchases	38%	30%

Note 3 Other operating income and expenses

SEK thousands	2024	2023
Other operating income		
Exchange rate gains	–	283
Other operating income	31	4
Gains from selling fixed assets	165	–
Total	**196**	**286**
Other operating expenses		
Exchange rate losses	–237	–
Losses from selling fixed assets	–24	–
Total	**–261**	**-**

Note 4 Remuneration to auditors

SEK thousands	2024	2023
Ernst & Young		
Audit assignment	952	878
Total	**952**	**878**

Note 5 Employees and personnel costs

Average number of employees	2024 Total	2024 Women	2024 Men	2023 Total	2023 Women	2023 Men
Sweden	9	4	6	8	2	6
Total	**9**	**4**	**6**	**8**	**2**	**6**

Gender distribution of the Board of Directors and senior executives	2024 Total	2024 Women	2024 Men	2023 Total	2023 Women	2023 Men
Senior executives	4	2	2	4	1	3
Board of Directors	6	2	4	5	2	3
Total	**10**	**4**	**6**	**9**	**3**	**6**

Salaries, other remunerations and social security contributions SEK thousands	2024 Salaries and other remunerations	2024 Social security contributions	2024 of which pension costs	2023 Salaries and other remunerations	2023 Social security contributions	2023 of which pension costs
Total	19 506	11 596	4 445	16 574	9 766	3 681

Of the Parent company's pension costs, SEK 1,106 (1,011) thousands refer to Board of Directors and CEO.

Salaries and other remunerations divided between Board and CEO and other employees SEK thousands	2024 Board and CEO	2024 of which bonus	2024 Other employees	2023 Board and CEO	2023 of which bonus	2023 Other employees
Total	8 667	2 204	11 730	5 558	760	11 016

Salaries and other remunerations distributed by Board of Directors and senior executives	2024			2023		
SEK thousands	Salaries and other remuneration	of which bonus	Pension costs	Salaries and other remuneration	of which bonus	Pension costs
Axel Berntsson*, CEO	5 801	2 204	1 106	4 187	760	1 011
Johan Westman, Chairman of the Board	641	–	–	616	–	–
Joakim Westh, Board member	1 127**	–	–	205	–	–
Märta Schörling Andreen, Board member	236	–	–	205	–	–
Nils-Johan Andersson***, Board member	346	–	–	139	–	–
Malin Persson, Board member	279	–	–	139	–	–
Lars-Henrik Jörnving, Board member (elected 2024)	236	–	–	–	–	–
Gun Nilsson, Board member (resigned 2023)	–	–	–	67	–	–
Other senior executives	7 736	1 428	2 400	6 975	1 577	1 733
Total	**16 402**	**3 633**	**3 506**	**12 533**	**2 337**	**2 743**

* Axel Berntsson announced in 2024 that he intended to leave the company, which took place on January 21, 2025.
** In addition to Board remuneration, SEK 891 thousands in consulting fees have been incurred. See also information in Note 22 for the Group.
*** The fee for Nils-Johan Andersson's board and committee work has been invoiced by Mexab Industri AB.

Employment conditions for CEO and other senior executives

Remuneration to CEO and other senior executives comprises fixed and variable remuneration, other benefits and pension. Variable remuneration consists of both long-term and short-term bonuses. For the CEO, a mutual notice of six months applies. Severance pay of up to twelve months salary is payable if employment is terminated by the company. For the other senior executives, the mutual notice periods vary between three and six months and they are not entitled to any severance pay.

Pension obligations

For the financial years 2024 and 2023, the company has not had access to information to account for its proportionate share of the Alecta-plan's obligations, plan assets and costs which meant that the plan has not been possible to account for as a defined benefit plan. The ITP 2 penion plan secured through insurance in Alecta is therefore recognized as a defined contribution plan. The premium for the defined benefit retirement and family pension is individually calculated and is dependent on factors including salary, previously earned pension and expected remaining period of service. Expected premiums for the coming financial year for ITP 2 pension insurance in Alecta amount to SEK 2.4 (2.3) million.

The collective funding level is the market value of Alecta's assets in percent of the commitments calculated in accordance with Alecta's calculation assumptions for insurance purposes, which do not comply with IAS 19. The collective consolidation level is normally allowed to vary between 125% and 175%. At low consolidation, a measure can be to raise the agreed price for new agreements. If the consolidation level exceeds 150%, a measure can be to introduce premium reductions. Alecta's collective funding ratio at the end of the year was 162 (158) percent.

Note 6 Financial items

SEK thousands	2024	2023
Dividends from Group companies	79 690	85 672
Interest income from Group companies	22 214	21 377
Other interest income	5 447	4 109
Exchange rate gains on financial receivables and liabilities	10 482	–
Total financial income	**38 143**	**25 486**
Interest expenses to Group companies	–5 479	–3 395
Other interest expenses	–23 767	–27 608
Exchange rate losses on financial receivables and liabilities	–	–5 528
Other financial expenses	–752	–564
Total financial expenses	**–29 998**	**–37 094**
Total	**87 835**	**74 064**

Note 7 Appropriations

SEK thousands	2024	2023
Tax allocation reserve	–28 208	–23 218
Excess depreciation	39	–167
Group contribution received	126 601	115 694
Total	**98 432**	**92 308**

Note 8 Tax

SEK thousands	2024	2023
Current tax	–17 433	–14 349
Tax related to previous years	–32	6
Deferred tax	–139	–
Total recorded tax expense for the result for the year	**-17 603**	**-14 343**
Effective tax rate, %	10.9	9.3
Reconciliation of effective tax		
Result before tax	160 990	153 567
Estimated tax 20.6% (20.6%)	–33 164	–31 635
Tax effects from:		
Non-deductible expenses	–361	–210
Non-taxable income	16 426	17 651
Tax related to previous years	–32	–
Other	–473	–149
Total recorded tax expense for the result for the year	**-17 603**	**-14 343**
Effective tax rate, %	10.9	9.3

Note 9 Intangible fixed assets

SEK thousands	Internally developed intangible fixed assets		Other intangible fixed assets		Intangible fixed assets in progress	
	2024	2023	2024	2023	2024	2023
Opening accumulated acquisition values	21 057	201	770	1 495	16 220	27 405
Investments	72	–	–	–	19 106	8 946
Reclassifications	–	20 856	–	–725	–	–20 131
Closing accumulated acquisition values	21 129	21 057	770	770	35 327	16 220
Opening accumulated amortizations	-2 314	-93	-765	-1 088	-	-
Amortizations	–3 104	–1 882	–5	–16	–	–
Reclassifications	–	–339	–	339	–	–
Closing accumulated amortizations	-5 418	-2 314	-770	-765	-	-
Closing book value	15 712	18 743	-	5	35 327	16 220

Internally developed intangible fixed assets mainly refer to development costs for ERP systems and products. Other intangible assets mainly refer to licenses etc. Intangible assets in progress mainly refer to capitalized expenditure for product development projects for which the work has not yet been completed.

Amortizations and write-downs have been recorded to each function as below:

SEK thousands	2024	2023
Sales expenses	–185	–185
Administrative expenses	–2 711	–1 595
Research and development expenses	–212	–118
Total	-3 108	-1 898

Note 10 Tangible fixed assets

	Equipment, tools, fixtures and fittings	
SEK thousands	2024	2023
Opening accumulated acquisition values	**710**	**710**
Sales/disposals	–66	–
Closing accumulated acquisition values	**645**	**710**
Opening accumulated depreciations	**–409**	**–288**
Sales/disposals	35	–
Depreciations	–114	–121
Closing accumulated depreciations	**–489**	**–409**
Closing book value	**157**	**302**

Depreciations and write-downs have been recorded to each function as below:

SEK thousands	2024	2023
Administrative expenses	–114	–121
Total	**–114**	**–121**

Operational leasing

The Parent company has operational lease agreements related to mainly premises and cars.

Total costs for operational leasing have been recorded to each function as below:

SEK thousands	2024	2023
Administrative expenses	–1 984	–1 901
Research and development expenses	–146	–148
Total	**–2 130**	**–2 049**

Future minimum commitments for operational leasing

SEK thousands	2024	2023
Due for payment < 1 year	1 209	1 576
Due for payment 1–5 years	2 261	55

Note 11 Participations in Group companies

	Share of capital, %	Share of votes, %	Number of shares	Book value 31 Dec 2024, SEK thousands	Book value 31 Dec 2023, SEK thousands
Absolent AB	100	100	1 000	3 000	3 000
Filtermist Holding Ltd	100	100	208 250	112 528	112 528
Absolent Air Care GmbH*	100	100	2	–	16 229
Jeven Global Oy	100	100	10 000	166 298	166 298
Absolent CKV AB	100	100	100	79 996	79 996
Tessu Nu-Air Systems B.V.**	100	100	18 000	98 640	98 640
Total				**460 463**	**476 692**

Information regarding corporate identity numbers and domiciles for the Group companies

	Share of capital, %	Corporate identity number	Domicile
Absolent AB	100	556476-0642	Lidköping, Sweden
Absolent Americas Inc.	100	36-4354021	Raleigh, USA
Absolent Inc.	100	743196019	Raleigh, USA
Diversitech Equipment & Sales (1984) Ltd.	100	117488375	Montreal, Canada
10855090 Canada Inc.	100	747110310	Montreal, Canada
C&C Mechanical	100	141304303	Toronto, Canada
Quatro Air Technologies Inc.	100	1141710690	Montreal, Canada
Aerofil Inc.	100	1142501734	Montreal, Canada
Absolent (Beijing) Co Ltd.	100	911101055604378254	Beijing, China
Absolent Hong Kong Ltd.	100	70320286	Hong Kong
Absolent SAS	100	828500397	Simandre-sur-Suran, France
Absolent S.r.l.	100	11988040967	Burgherio, Italy
Absolent Suisse SA	100	CHE-260.691.986	Tannay, Switerland
Absolent Fastighets AB	100	559178-3435	Lidköping, Sweden
Absolent Japan Ltd.	100	0104-01-151086	Tokyo, Japan
Absolent Air Care GmbH*	100	HRB 36018	Sprockhövel, Germany
Filtermist Holding Ltd.	100	03312267	Telford, UK
Filtermist Ltd.	100	04220347	Telford, UK
Filtermist International Ltd.	100	05671698	Telford, UK
Filtermist Shanghai Ltd.	100	91310000MA1GU0X82J	Shanghai, China
Absolent Filtermist India Private Ltd.	100	07AARCA5325Q1Z0	Delhi, India
Jeven Global Oy	100	2793081-4	Mikkeli, Finland
Jeven Oy	100	0753391-8	Mikkeli, Finland
Jeven AB	100	556769-0390	Söderhamn, Sweden
Absolent CKV AB	100	556746-6841	Täby, Sweden
Tessu Nu-Air Systems B.V.**	100	39095511	Almere, the Netherlands

* Formerly known as Filtermist GmbH. During the year merger with Absolent GmbH.
** Formerly known as Tessu Systems B.V. During the year merged with Nu-Air B.V.

The Group companies Interzon OU, Filtermist Asia Pte. Ltd. and Jeven Ltd. have been liquidated during 2024.


Absolent

Note 12 Prepaid expenses and accrued income

SEk thousands	31 Dec 2024	31 Dec 2023
Rent expenses	414	425
IT-related expenses	1 692	1 319
Insurance expenses	822	831
Other prepaid expenses	594	537
Total	**3 522**	**3 112**

Note 13 Share capital

	Quota value, SEK		Number of shares	
	31 Dec 2024	31 Dec 2023	31 Dec 2024	31 Dec 2023
Class A shares	0.2971	0.2971	11 320 968	11 320 968

Note 14 Liabilities to credit institutions

The Parent company's total liabilities to credit institutions amounted to SEK 367.1 (465.0) million and ran until 2026 according to the agreement valid on the balance sheet date. After the balance sheet date, the Parent company has signed a new financing agreement. See more information in Note 23 for the Group.

Note 15 Accrued expenses and prepaid income

SEK thousands	31 Dec 2024	31 Dec 2023
Personnel-related costs	8 135	5 336
Interest expenses	4 261	6 922
Other accrued expenses	4 051	4 052
Total	**16 447**	**16 310**

Note 16 Pledged assets and contingent liabilities

The company's liabilities to credit institutions are tied to covenants, which are met as of the balance sheet date. Based on the current forecast, management deems that the company will be able to meet these covenants by a satisfactory margin going forward.

SEK thousands	31 Dec 2024	31 Dec 2023
Contingent liabilities		
Guarantees for Group companies	33 984	22 256
Other guarantees	174	4 087
Total	**34 157**	**26 343**

Note 17 Appropriation of profit

The Board of Directors proposes that the funds available to be appropriated as follows:

SEK	2024	2023
Share premium fund	32 510 167	32 510 167
Retained earnings	216 179 035	126 992 640
Result for the year	143 386 324	139 224 405
Funds available	**392 075 526**	**298 727 212**
Dividend to the shareholders of SEK 3.25 (3.00) per share	36 793 146	33 962 904
Balance carried forward	355 282 380	264 764 308
Total	**392 075 526**	**298 727 212**

Note 18 Related party transactions

The Parent company has had transactions with related parties during the year in terms of remunerations to the Board of Directors and dividend as well as the transactions with Group companies mentioned in Note 2. For remuneration to the Board of Directors, see Note 5. In addition, consulting fees of SEK 0.9 million to board member has been incurred during the year. There are no other material transactions with related parties. All transactions have been carried out on market terms.

Alternative performance measures

This report includes certain key ratios not defined in IFRS, but they are included in the report as company management considers that this information makes it easier for investors to analyse the Group's financial performance and position. Investors should regard these alternative key ratios as complementing rather than replacing financial information in accordance with IFRS.

Please note that Absolent Air Care Group's definitions of these key ratios may differ from other companies' definitions of the same terms. A list of definitions is found below of the key ratios that are used, referred to and presented in the financial reports.

Key ratios	Definition	Purpose
Operating margin before amortizations and depreciations (EBITDA)	Operating result before amortizations, depreciations and write-downs in relation to net sales.	To show operating profitability, regardless of depreciation, amortization and write-downs.
Operating margin (EBIT)	Earnings before interest and tax, in relation to net sales.	To show operating profitability.
Equity ratio	Total equity in relation to total assets.	To show how the large share of the Group's assets are financed by the shareholders through equity.
Net debt	Cash and cash equivalents less interest-bearing liabilities.	To show the Group's financing through borrowings.
Equity per share	Total equity divided by number of outstanding shares at the end of the period.	To measure the net asset value per share and determine if the Group is increasing shareholder value over time.
Net investments	Cash flow from investing activities, which includes acquisitions of business combinations, investments in and sales of tangible and intangible assets and raised long-term debt.	To measure how much capital is used for investments in operations and for expansion.

Gothenburg, April 4, 2025

JOHAN WESTMAN
Chairman of the Board

NILS-JOHAN ANDERSSON
Member of the Board

MALIN PERSSON
Member of the Board

MÄRTA SCHÖRLING ANDREEN
Member of the Board

LARS-HENRIK JÖRNVING
Member of the Board

JOAKIM WESTH
Interim CEO and President, and Member of the Board

Our auditor's report was submitted on April 4, 2025
Ernst & Young AB

JOAKIM FALCK
Authorized Public Accountant

14 Auditor's report

To the general meeting of the shareholders of Absolent Air Care Group AB (publ.), corporate identity number 556591-2986.

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Absolent Air Care Group AB for the financial year 2024. The annual accounts and consolidated accounts of the company are included on pages 46-103 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 the Parent company as of 31 December 2024 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 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, 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 income statement and consolidated statements of financial position for 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 is found on pages 3-45. The Board of Directors and the CEO are responsible for this 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 CEO

The Board of Directors and the CEO 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 Accounting Standards as adopted by the EU. The Board of Directors and the CEO 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 CEO are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters 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 CEO intend 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.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the CEO.

- Conclude on the appropriateness of the Board of Directors' and the CEO's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the Group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Group audit. We remain solely responsible for our opinions.

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

Report on other legal and regulatory requirements

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the CEO of Absolent Air Care Group AB for the financial year 2024 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 CEO 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 Directors and the CEO

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 CEO shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill 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 CEO 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.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Gothenburg, April 4, 2025
Ernst & Young AB

JOAKIM FALCK
Authorized Public Accountant

Annual Report
2024

Absolent
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