Teqnion

Annual report

2024

Unofficial ENG version

This is an English translation of the Swedish Annual report. In case of discrepancies between the English translation and the Swedish report, the Swedish report shall prevail.

CONTENTS

About Teqnion

Teqnion AB is an industrial group that acquires stable niche companies with good cash flows to develop and own with a perpetual horizon. The subsidiaries are managed in a decentralised manner with support from the parent company. We operate in several industries with leading products, which gives us good resilience to economic fluctuations and solid industrial expertise. For us, it is essential to focus on profitability and long-term sustainable business relationships.

The company's shares TEQ are traded on Nasdaq First North Growth Market.

Summary TEQ 2024

For the full year 2024, we lost 12% of our beloved EBITA compared to 2023, EBITA margin is down to 9.6% (11.6%) and even worse is the 26% drop in EPS. We are in the midst of fixing this, but it is a patiently slow battle.

Before the end of the year, we refinanced our bank agreement with better terms and now have a credit line that should cover our acquisition needs in the coming years. Onwards. Upwards.

- Johan Steene, CEO and Founder

The Board of Directors proposes that no dividend be paid for the financial year 2024 with the assessment that Teqnion can generate excess returns with the cash.

KEY EVENTS IN 2024

Quarter 1:
Nubis Solutions Ltd was acquired.
Anneli Andersson was recruited as an accounting expert.
Patrick Olsson was recruited as a CEO coach focusing on our international companies.
Jonathan Alexandersson was recruited as Chief Controlling Officer.

Quarter 2:
Daniel Zhang is appointed Deputy CEO and continues to hold his CXO title.

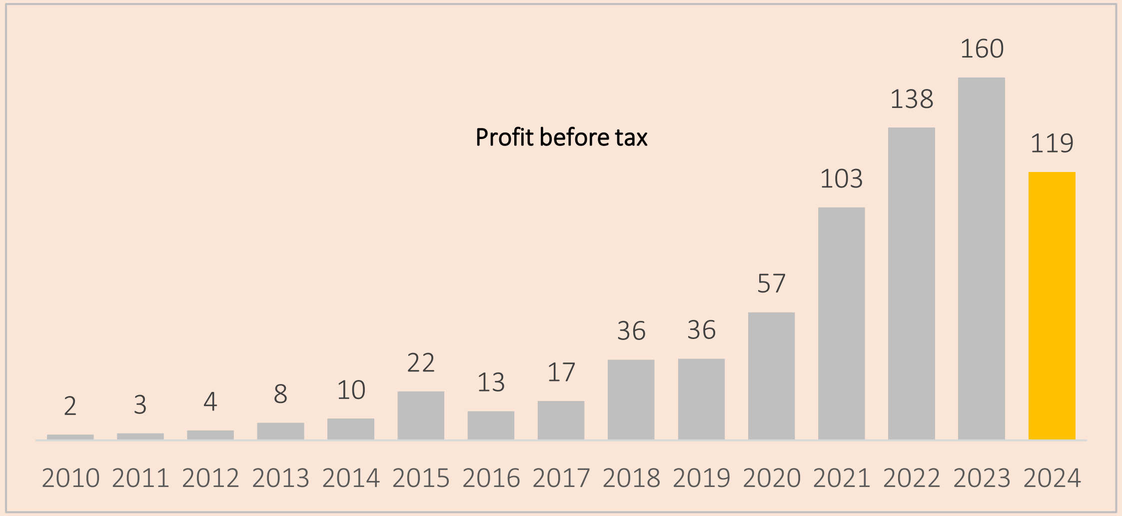
Quarter 3:
Avelair Ltd was acquired.
UK Lanyard Makers Ltd was acquired.

Quarter 4:
Nothing significant... just everyday grinding.

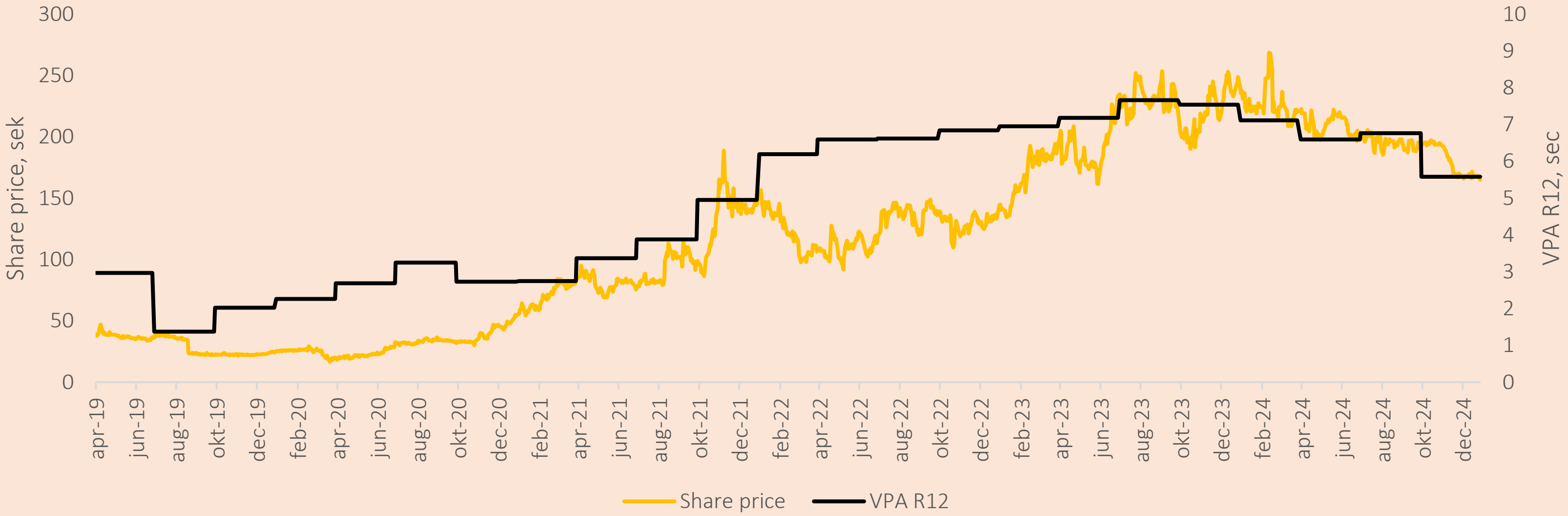
Events after the balance sheet date:
Midlands Special Fasteners Ltd was acquired.
Awarded2U Ltd was acquired.
Merridale Ltd was acquired.
Thermasolutions International Ltd was acquired.

Group in brief

Amounts in MSEK	2024	2023	Change in %.
Net sales	1 567,0	1 475,6	+6%
EBITA	149,7	170,6	-12%
EBITA margin, %	9,6	11,6	-
Profit before tax	118,5	160,5	-26%
Result for the year	95,8	125,1	-23%
Earnings per share before dilution, SEK	5,58	7,54	-26%
Earnings per share after dilution, SEK	5,58	7,51	-26%
Cash flow from operating activities	96,2	125,2	-23%
Return on equity, %	11,7	20,4	-
Equity ratio, %	49,9	49,4	-



Share price (closing price) **and earnings per share before dilution** (EPS) **in SEK**

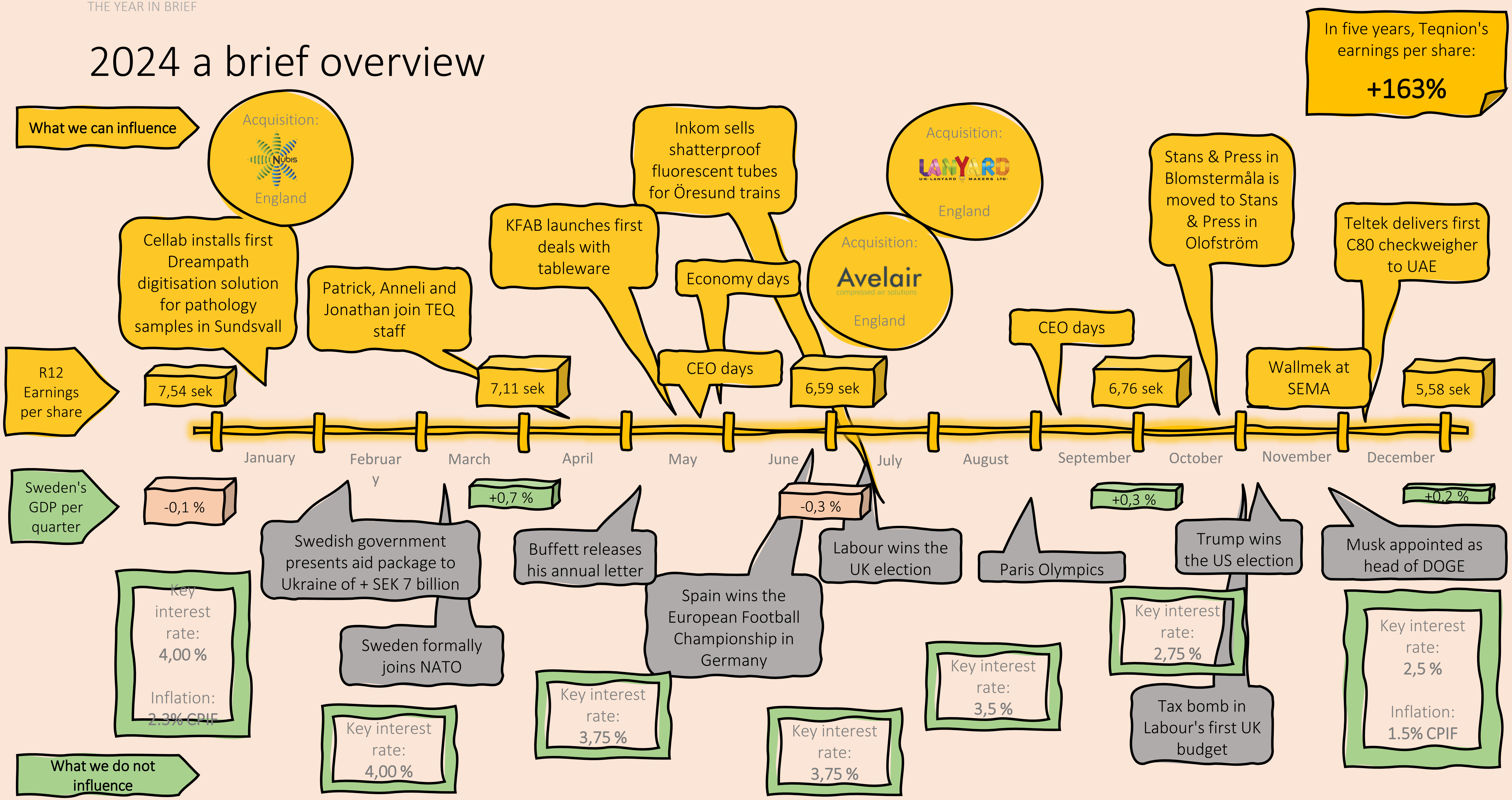


We are convinced that, in the long term, our share price will follow earnings per share. That is why we are focussing on increasing earnings per share over the long term. The graph above shows the historical relationship.

	TEQ	OMX SPI	Difference
Total yield*	+323,6%	+69,8%	+253,8%
CAGR	+28,6%	+9,5%	+19,1%

** After listing. No account taken of dividends*

2024 a brief overview



Johan's thoughts

Teqnion

Hello teqniåns!

During the year, we were shaken to the core. After a long period of steady growth and strong results, we came to the realization, despite clear warning signs, that we had not kept our blades sharp enough for tougher times. Too late, but at last, we are taking thorough action to counter the economic downturn and declining demand. We fell. Now, we are climbing back up.

Our corporate group can be described as consisting of three segments. The first and largest segment is the part of our existing portfolio that is performing well, where management and employees maintain strong ties with their customers and run efficient and well-structured operations. These companies consistently generate healthy cash flows that feed into the group's capital allocation and growth. The second segment is the smaller part of our existing group that shows clear potential for improvement. These are companies that require more direct guidance from us at headquarters. This segment will never be fully eradicated, as companies, just like people, have life cycles and at times need revitalization. However, we let this part grow too large during the alluring times of high demand. Now, in a weaker economy, we are paying the price with disgracefully low profitability. In hindsight, we should have taken greater responsibility sooner and implemented decisive actions in these companies already during 2023. Instead, we tinkered too long and didn't act with force until the autumn of 2024.

The vital third segment is our long-term growth engine: the acquisition segment. We acquire profitable companies with stable track records, operating in areas we understand—where we don't need to add any expertise in the specific business domain because that knowledge is already embedded in the employees on site. As we've grown and generated stronger cash flows, we've been able to move toward acquiring increasingly better companies—companies with higher margins and better returns, that own their brands and operate in niche industries that are stable and often surrounded by business models, regulations, and standards that provide protection from rapid change and price-driven competition

Focus on the business,
People at the centre!

Слава Україні!
💙 💛

It is essential that, as buyers, we understand the business, how it makes its money and that we believe it will likely remain relevant for the foreseeable future.

We have many fantastic subsidiary CEOs within the Teqnion Group, but a truly good company should not have to rely on an exceptionally brilliant leader to perform. When such leadership is in place, it should be a bonus—not a necessity. Our conviction and our drive are rooted in the belief that we will continue to grow by acquiring companies at reasonable valuations, with the ambition to own them forever. Solid businesses that are good at generating cash flow. Sure, organic growth is great, but even companies that don't grow significantly at the top line can still deliver strong, sustainable results. Those results can then be reinvested into new acquisitions, strengthening the group and driving higher returns. As the group grows, we gain a more powerful cash-generating engine. Along the way, our experience and network expand, laying the foundation for even better and larger acquisitions in the future.

Our goal is to be the best. We trust one another, and we trust in our collective wisdom and competence. A decentralized and fast-paced decision-making culture is essential if we want to build something truly substantial. That's made possible by dedicated colleagues who are skilled in their craft and understand the power of collaboration. We spend a large part of our lives at work. We want to have fun and be proud of what we accomplish together and of the relationships we build with customers and suppliers. What we do today is meant to lay the foundation for being even better a decade from now. We are long-term greedy. And we're just getting started...

Run far, be nice!

Johan Steene

CEO and founder

Teqnion ❤ its companies

Hop on! Join the journey!

If you have a good suggestion for us, please call or email.
johan@teqnion.se

Stand firm and stick to what works. Be brave. Keep it simple.

Strategy

Teqnion's value creation is based on a two-pronged growth strategy that puts business in focus and people at the centre.

- We acquire healthy companies with good prospects.
- We support and develop our companies towards infinity.

Business concept

Teqnion's business concept is to create long-term shareholder value by acquiring quality companies with favourable prospects and further developing them with a perpetual horizon with the secure support of Teqnion's central task force, TEQ Staff.

Business model

Teqnion's business model is based on acquiring sound and established niche companies with good profitability and strong market positions. The group of companies consists of agency businesses that represent leading brands, product and service companies that develop unique solutions for specific industrial niches, and manufacturing companies that sell products under their own or customers' brands. Together, these are a well-balanced mix of businesses in different market niches and geographies that form a truly robust group of companies. The business model is based on decentralised leadership where subsidiaries act independently and nimbly to maintain competitiveness, full responsibility and genuine commitment from management and employees. Teqnion continuously supports its companies with strategy work, problem solving beyond the everyday and financial resources.

Strategy

Growth strategy

Teqnion's strength lies in the company's structured way of working, where activity is rewarded and continuously evaluated so that the group can constantly develop. We have an incredibly driven management team with an incredible amount of patience that always wants to win. The continued growth is based on two strategies.

- *Acquisition strategy:* growth through acquisitions of sound companies with verified potential.
- *Corporate development strategy:* continuous work towards optimised operations that will generate good profit growth and cash generation in the subsidiaries.

STRATEGY FOR ACQUISITIONS

We are looking for niche companies run by enthusiasts, where employees are experts in their respective fields and proud of what they achieve. These companies have a good track record, high profitability, good cash flows and favourable prospects. Our geographical focus has been Sweden, but we now also have ten businesses in the UK (including the acquisitions so far in 2025) and one in Ireland. We meet over a hundred new companies every year, and we believe we will acquire a handful from that selection. Because we meet many great companies, we have the opportunity to be very careful about what we choose to move forward with. Very few acquisition prospects pass through the eye of the needle of our screening process and end up in a subsidiary acquisition. The ones we eventually get under our umbrella we really like.

Examples of acquisition criteria considered:

- Good management that is motivated to continue developing the business and the organisation.
- Companies that operate in a clearly defined industry niche and have built deep moats over the years that are difficult to breach by potential competitors.
- Long-term and good relationships with employees, customers and suppliers.
- Profitability with profit that can withstand development and integration.
- Sustainable prospects for the future.
- Stable profit level of 5-30 MSEK (Note: real cash flows, not adjusted EBITDA or other artificial measures).
- Profitability margins above the group average and our financial target.
- Strong cash flows and light balance sheet.

STRATEGY FOR BUSINESS DEVELOPMENT

Teqnion's subsidiaries operate in narrow technology niches where the specific expertise lies with the employees in the subsidiaries. Teqnion's philosophy and strategy therefore focus on decentralised decision-making where development is always based on the subsidiaries' individual strategies and conditions. It is our subsidiaries that create competitive advantages by being fast and flexible with short decision-making paths, unique offers and long, good relationships between the organisation's employees and its customers. Teqnion does not control from above. We are there and support from the side. Together we move safely and profitably towards the future.

Teqnion's central management function adds value by providing support and structure to the independent subsidiaries. Teqnion has also developed policies and processes to enable organisations that lack sufficiently clear ways of working in a particular area to be easily strengthened. Teqnion focuses in particular on ensuring that the subsidiaries are managed by competent leaders who, together with their employees, are driven to develop the companies with a strong customer focus. Our employees should be proud of their achievements and their workplace.

Financial philosophy and objectives

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

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

Teqnion wants to go far. We are only in the beginning of our journey. It is therefore that we guard our culture ferociously. Our leadership team is ridiculously loyal to the company. We are a small team with experience, winner instinct and a never say die attitude. Our philosophy is a little like Jeet Kune Do, "Absorb what is useful, discard what is not, add what is uniquely your own."

SURVIVAL ABOVE ANYTHING ELSE. ALWAYS.

We are always a little bit prepared for the fact that anything can go wrong at any time. This means that we never take risks with the company's assets that the group cannot afford to lose. So even if a high-risk project tempts us to reach the stars at the speed of light, we prefer to use a controlled pace with balanced risk.

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

CREATE VALUE AND CAPTURE VALUE.

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

CREATING SHAREHOLDER VALUE.

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

In practice, it means that we acquire further profitable industrial product companies with great people, low business risk and wonderful cash flow – at a fair price. The last piece is crucial. To acquire wonderful businesses can either create or destroy value, depending entirely on the size of the money pile you give up. Our focus is on the long-term, relying on the compounding effect of carefully allocating your capital – we serve as its stewards.

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

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

/TEQ-command

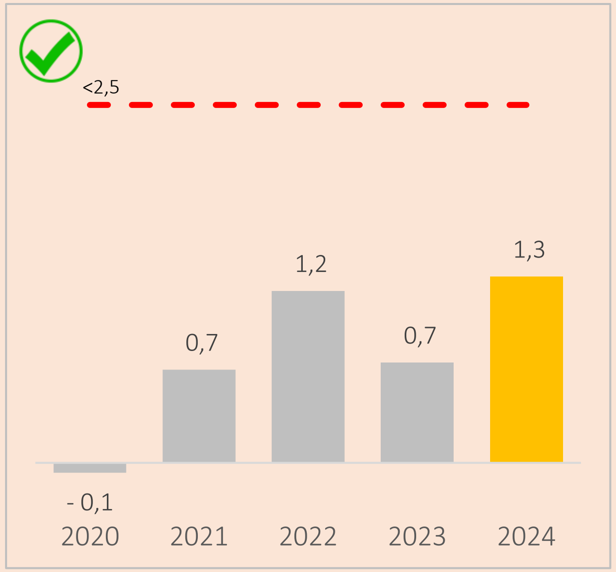
Do not wipe!

Follow-up of financial targets

1. STABILITY

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

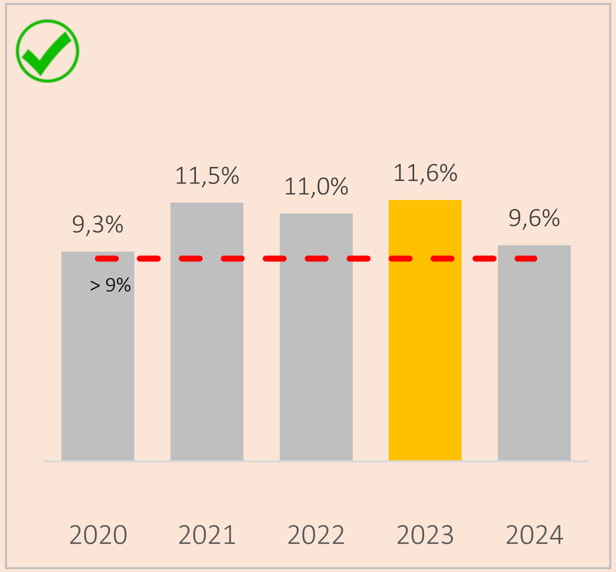
Financial target 1: Net debt/EBITDA < 2.5



2. PROFITABILITY

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

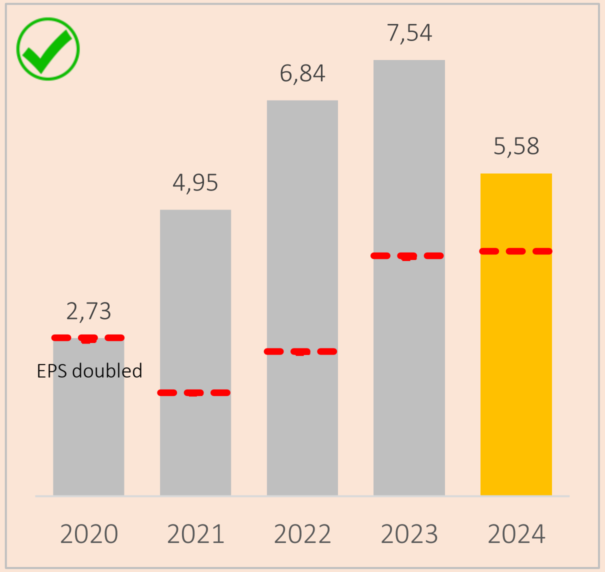
Financial target 2: EBITA margin > 9%



3. SHAREHOLDER VALUE

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

Financial Objective 3: > Double VPA every five years*



* The red line shows the level at which earnings per share have doubled compared to earnings per share five years ago.

House of Teqnion

Acquired in 2024 or earlier

Avelair compressed air solutions
ELÖFLEX
KEMA
GB VERKSTADS- & INDUSTRIVAROR AB
SURgE PROTECTION DEVICES LTD
WALLMEK INVEST IN TIME
ELROND
LANYARD U·K· LANYARD MAKERS LTD
INKOM Industrikomponenter AB
inno GUARD
K-FAB SCANDINAVIA
TELTEK PRODUKTKONTROLL
bellegroup coachworks
LT LUNDAHL TRANSFORMERS
Nubis
SCHILL
Cellab
VICKY TEKNIK AB
Nasc Narva scandinavia
HEM 1
CMW
REWARD CATERING
WIMA PROPULSION AB
INJAB KRAFT TEKNIK AB
STANS PRESS
AIR TARGET
AB GRIMSTORPS BYGGKOMPONENTER
STANWELL TECHNIC LIMITED
MARKIS CITY SERVICE AB

Acquired in 2025

MIDLANDS SPECIAL FASTENERS
AW2U Bespoke Awards & Trophies
MERRIDALE®
thermasolutions international limited

Interview Leyton Breed
CEO and previous owner of Nubis Solutions, UK

Please tell us about your background and about Nubis Solutions?

Nubis solutions ltd was incorporated in 2008 to provide a new solution to an existing problem within the data center cooling market. Using my experience and relationships in IT sales and Richard's experience in electronics and engineering we've been focusing on providing our clients with bespoke solutions deployed in a controlled fashion. Our products are designed to separate the hot and cold air sources within the IT space and allow savings to be made through energy savings and power usage. Separating the hot and cold air will also provide a stable environment for the equipment and reduce potential failures. In addition to aisle containment, we have included intelligent electronics to assist with temperature monitoring, access control and lighting. We undertake all elements of the solution from survey, design to manufacturing with partners and installation by Nubis install team. During this time, we have seen the company mature into the 'go to' industry leader within the UK for dedicated aisle containment.

How did you get in touch with Teqnion?

Our introduction to Teqnion was made by KBS Corporate who were contracted to find a purchaser for Nubis solutions. Richard had decided it was time to look to retire and we wanted to find a purchaser who could help with the continuation of growth for Nubis and its staff.

Why did you want to sell and why did you choose Teqnion?

Myself & Richard discussed the future of Nubis and he expressed his plans for retirement. We had several meetings with potential purchasers who were not a perfect fit for Nubis but during our first meeting with Johan and Daniel we felt that our visions were aligned for Nubis. They both have great core values and understood the future needs for Nubis, and we felt they would look after the team as well as we have for the first 10+ years.

How has the transition worked and how is it noticeable in the business that Nubis is part of the Teqnion group?

During the initial meeting with Teqnion, we were pleased to hear that they had plans to maintain the business in its current shape whilst make recommendations and support future opportunities. This is a great business model and the board meetings with the other companies in the group has driven alternative plans and ideas to be generated that may not have been previously explored. With the company in new ownership, it has also generated new opportunities for the key individuals within the company. We have also experienced savings across the business by individuals growing within these new roles.

What do you think about your and the company's future?

After working with the Teqnion team since February 2024 we are really excited to see the results for 2025 and beyond. We are adding new members to the team, and this is refreshing for all involved. The introduction of the Department head meetings has also allowed me share some of the daily operational tasks and focus on continuing the growth for Nubis with likeminded individuals.

Acquired 2024
More about Nubis:
https://nubissolutions.uk/

Interview David Wood
CEO and previous owner of Avelair,UK

Please tell us about your background and about Avelair?
Avelair was founded by my parents in 1993 and I joined the company in 2004. Our team design and manufacture here in the UK a full range of high quality rotary screw air compressors which we sell through partners and direct to end clients. Our Service team install, maintain and offer full system support and energy saving consultation to our clients ensuring long term relationships..

How did you get in touch with Teqnion?
Daniel at Teqnion approached us via KBS Corporate who we worked with to promote the sale of our Company.

Why did you want to sell and why did you choose Teqnion?
We were looking for a company to embrace our ethos and the team with the aim to continue to grow of the company. Johan and Daniel understood our desire to look after our team members, our customers and to develop the business further – Teqnion and their vision were the perfect fit for us.

How has the transition worked and how is it noticeable in the business that Avelair is part of the Teqnion group?
The transition was extremely smooth – Johan and Daniel visited straight after the acquisition, introduced themselves to the team and emphasized the importance of everyone within Avelair and that the business would continue to operate as normal. The business is operating positively and with the added support of the Teq team. It has also been great to meet colleagues from the other UK companies and this provides additional support to discuss challenges and solutions.

What do you think about your and the company's future?
We are looking towards a positive future - We are focusing on growing our client base, turnover and profitability to the benefit of all.

Acquired 2024
More about Avelair:
https://avelair.co.uk/

Avelair
compressed air solutions

Interview Kevin Kingham
CEO and previous owner of UK Lanyard Makers,UK

Please tell us about your background and about UKLM?

I had a varied 25 year career in the pet industry which covered all aspects of manufacturing, warehousing, distribution, international sales & purchasing, finance and board level general management. I then set-up a local catering and event business for weddings and celebrations. I enjoy cooking, fine-dining and rustic cuisine based travel with walking, cycling and skiing as a means to balance this. Jennifer Kingham had a career in office management and PA roles before becoming a personal trainer and managing a health centre. Jen enjoys various sports, most recently Triathlon and now Hyrox events.In 2014 we set up UKLM with another couple and built it into a very profitable specialist business with a great workforce and can-do attitude. Most lanyards are made in China and flown to the UK, we wanted to offer a far lower Carbon footprint by manufacturing them in the UK.

How did you get in touch with Teqnion?

Via KBS who were an excellent sales partner.

Why did you want to sell and why did you choose Teqnion?

Simply because our business partners wanted to retire, so we registered with KBS who found several offers at acceptable financial levels. However, the offers were not aligned with our business philosophy so in December 2023 we bought our partner's shares and decided to continue to run the company with a new management team. Then in April 2024 Teqnion introduced themselves and the fit was immediately obvious to both parties. Teqnion were a breath of fresh air, putting people first and openly sharing their simple philosophy on strong financial expectations while enjoying the process and having some fun too.

How has the transition worked and how is it noticeable in the business that UKLM is part of the Teqnion group?

UKLM already had a good management structure in place so simply changing the share ownership to Teqnion has had a minimal effect on the day-to-day running of the company. Importantly it has secured the future of the business as we no longer need to worry about an exit strategy and the rest of the team are happy in the knowledge that they are now in safe hands and part of a bigger family. With a minimum hand over of three years we are all optimistic that UKLM will be a great addition to Teqnion and appreciate the CEO mentoring that comes with being part of a larger and growing group.

What do you think about your and the company's future?

From a personal note the sale of our shares takes a lot of pressure off without diminishing our passion to help grow the business profitably, it's a very good feeling. We are optimistic for the continuing growth of the company and especially excited to be able to develop our management team and see them grow the business knowing they have a secure future beyond our eventual retirement.

Acquired 2024
More about UKLM:
https://www.uklanyardmakers.co.uk/

VICKY TEKNIK AB

Intervju Mikael Carlsson
CEO and previous owner of Vicky Teknik AB, Sverige.

Please tell us about your background and about Vicky?
Vicky Teknik was founded in 1995 by Janne and Ralf, and the company has its roots in a previous business within road marking. Initially, the idea was to create a solution for variable message signs for vehicles, especially in roadwork situations. With increasing traffic and more accidents and incidents around roadwork sites, the founders realized the need for a system that would inform drivers about how to pass safely, without exposing staff to the risks of working in traffic. The company soon became an important player in traffic safety with its innovative solutions. For me personally, Vicky Teknik has been a part of your life from a young age. I helped in production during school vacations, free time and later transitioned to an office role in sales in 2017. I became the CEO in 2021.

How did you get in touch with Teqnion?
Teqnion reached out to Vicky Teknik in 2020, and this came at a good time to take the next step for the company. Although there were better offers on the table, it was our gut feeling that guided the decision to move forward with Teqnion. In hindsight, this turned out to be a wise decision

Why did you want to sell and why did you choose Teqnion?
We were careful to ensure that it would not mean too much of a structural change for the business. It was important that all employees would feel the same sense of security, regardless of the ownership structure.

How has the transition worked and how is it noticeable in the business that Vicky is part of the Teqnion group?
Of course, there was some initial concern about what it would mean to be part of a larger organization. The result, however, has been that we have gained the right tools and, in particular, support to work more efficiently and in a more structured way. The backing of CEO coaches has been incredibly valuable, as it provides assistance in overcoming both smaller and larger obstacles that come with running a business.

What do you think about your and the company's future?
Our goal is to continue being a leader in traffic safety and always be the first with new, innovative ideas and solutions. Currently the largest in the Nordic region, soon to be in Europe, or why not take over the entire world...

Acquired 2021
More about Vicky Teknik:
https://vickyteknik.se/

Ownership structure

Ownership structure of Teqnion AB	Number of shares	Share of votes and capital, %
Vixar AB*	3 876 664	22,6%
Investment Aktiebolaget Spiltan	1 849 105	10,8%
Broadcrest	1 545 500	9,0%
Danske Bank Asset Management	904 190	5,3%
Johan Steene	861 471	5,0%
Woodlock Family Capital	769 000	4,4%
Erik Surén	573 000	3,3%
Mikael Rockhammar incl. companies	458 400	2,7%
Royce Value Trust	406 500	2,4%
Ingegerd Häggqvist	300 000	1,7%
Total ten largest shareholders	**11 543 830**	**67,2%**
Other shareholders	**5 621 926**	**32,8%**
Total number of shares	**17 165 756**	**100,0%**

The ten largest shareholders as of 2025-03-07, based on information from Euroclear and from shareholders.

We welcome Debbie and Awarded 2U into the Teqnion family!

*As of 2025-03-11, Vixar AB has sold roughly 50% of its holding to Antheia. The transaction takes place in two tranches where the first comprises 0.7 million shares. The second tranche comprises 1.3 million shares and completion is conditional upon the buyer receiving approval from the Swedish Inspectorate for Strategic Products (ISP).

Board of Directors

Lena Almefelt
Chairman of the Board since 2024
Born in 1964
Bachelor of Law from Lund University.
Background: General Counsel at EQT 2012-2023, partner at Advokatfirman Vinge 2000-2012.
Holdings: 0 shares + 0 options

Christopher Mayer
Member of the Board since 2024
Born in 1972
Master's degree in Business Administration from the University of Maryland
Background: Co-founder of Woodlock House Family Capital
Holdings: 769,000 shares (through Woodlock House) + 0 options

Johan Steene
Member of the Board since 2012
Born in 1973
Master of Science in Mechanical Engineering from KTH
Background: Founder and CEO since 2009
Holdings: 861 471 shares + 0 options

Per Berggren
Member of the Board of Directors since 2022 (Chairman 2009-2020 and 2023, Member 2020-2022)
Born in 1968
Master of Science in Economics from Stockholm University
Background: Co-founder of Vixar AB
Holdings: 3,876,664 shares through Vixar AB, 50% owned by Per + 0 options

Henrik Joelsson
Board member since 2023
Born in 1969
MBA from HHS and MBA from INSEAD, France.
Background: Investment Director at Ratos 2004-2016 and previously at Bain & Company 1995-2003.
Holdings: 2 750 shares + 0 options

Auditor
Carl-Johan Kjellman, BDO Mälardalen AB is the auditor in charge.

Mikael Vaezi
Board member since 2020
Born in 1980
Master of Science in Economics from LU
Background: Investment manager at Spiltan and previously at Dunross & Co and Sdiptech
Holdings: 14,502 shares (excluding Spiltan which owns 1,849,105 shares) + 0 options

Boel Sjöstrand
Member of the Board since 2024
Born in 1978
Master of Science in Mechanical Engineering from KTH
Background: Netlight Consulting AB and Wise Group AB (publ). Deputy CEO of CombinedX AB (publ)
Holdings: 0 shares + 0 options

Note: number of shares based on 2025-03-07

TEQ management

Johan Steene
CEO, Founder and Board Member
Teqniån from the start in 2006
Born in 1973
Mechanical engineer, KTH
Outside Teqnion: runs far
Holdings: 861 471 shares + 0 options

Daniel Zhang
CXO (Acquisition General) and Deputy CEO
Teqniån since 2021
Born in 1989
Business & Economics, SSE
Background: McKinsey, Bain and Textilia
Holdings : 108 000 shares + 0 options

Anna-Karin Karlsson
CSO (CEO coach)
Teqniån since 2018
Born in 1973
Bachelor's degree in mechanical engineering at KTH
Background: Senior roles at Alfa Laval
Holdings : 16 310 shares + 1 000 options

Mona Axman
COO (CEO coach)
Teqniån since 2018
Born in 1973
Master of Science in Chemical Engineering at LTH
Background: Senior roles at Alfa Laval
Holdings : 62 642 shares + 3 000 options

Håkan Wahlberg
CMO (CEO coach)
Teqniån since 2021
Born in 1966
4-year technical high school
Background: CEO and owner of GBK (part of Teqnion since 2018)
Holdings : 0 shares + 0 options

Patrick Olsson,
SLO (CEO coach)
Teqniån since 2024
Born in 1974
Master of Science in Mechanical Engineering at KTH
Background: CEO Textilia and various COO roles in different international companies
Holdings: 995 shares + 0 options

Maria Johansson
CAO (Chief Accountant)
Teqniån since 2008
Born in 1976
4-year technical high school
Background: Financial and accounting roles at various companies
Holdings : 34 342 shares + 0 options

Anneli Andersson
Accounting expert
Teqniån since 2024
Born in 1976
Accounting from YH education
Background: Accounting roles at various companies
Holdings : 0 shares + 0 options

Jonathan Alexandersson
CCO (Chief Controlling Officer)
Teqniån since 2024
Born in 1993
Business & Economics, Kau
Background: Authorized Public Accountant PwC
Holdings: 850 shares + 0 options

Note: number of shares based on 2025-03-07

Corporate governance

Corporate governance shall ensure that we run Teqnion sustainably, responsibly and efficiently. Clear corporate governance helps to ensure confidence in Teqnion and increases the focus on business benefits and shareholder value in the company. Teqnion's corporate governance is based on the Swedish Companies Act, the Articles of Association, Nasdaq First North Growth Market's rules, the Swedish Corporate Governance Code and internal rules and regulations.

Swedish Corporate Governance Code

The Swedish Corporate Governance Code (the "Code"), which is available at www.bolagsstyrning.se, shall be applied by companies whose shares are admitted to trading on a regulated market. Teqnion is not formally covered by the Code as the company's shares are listed on Nasdaq OMX First North Growth Market, but has chosen to start applying the Code from 2021.

Compliance with the Swedish Corporate Governance Code

The company deviates from the Code on the following points:.

- During the year, Teqnion has had an investment committee with a representative from the board as well as the CEO and CXO. No written rules of procedure have been drawn up.
- No formal internal control function is established. TEQ staff work closely with the subsidiaries through active board work and in accounting and financial reporting. The staff monitors financial and operational reporting on a monthly basis and performs the controls deemed relevant. In addition, the group has several common policies, a financial handbook and steering documents.
- The Board has not evaluated the need for internal audit annually. As the company has chosen not to have a formal internal control process, the discussion of internal audit has not been relevant either.
- As the Board of Directors and the company have not established a formal internal control function, such work is not described in this corporate governance report.
- The Board of Directors has chosen not to have the auditor review the Group's quarterly reports, as the Board considered an annual review to be sufficient.

Compliance with applicable stock exchange trading rules

There were no breaches of applicable stock exchange rules during the financial year 2024.

Events in 2024

During the financial year three companies were acquired, see note 4.

Articles of Association

Teqnion's current Articles of Association were adopted at the Annual General Meeting on 16 April 2020 and are available on the company's website under the section Investor relations/Corporate governance/Articles of Association.

Corporate governance

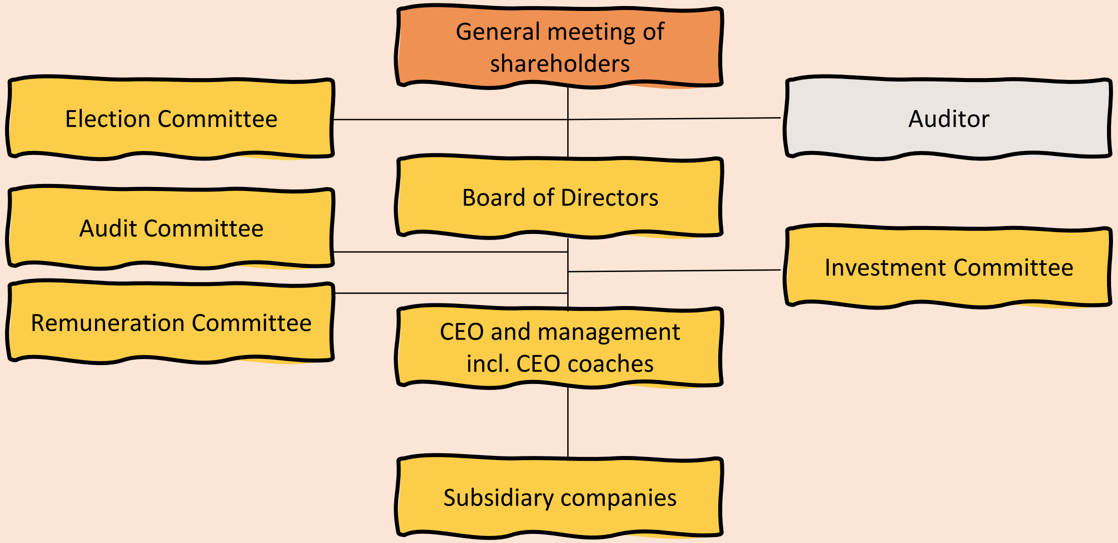
General meeting of shareholders

In accordance with the Companies Act, the shareholders' influence in Teqnion is exercised at the General Meeting, which is Teqnion's highest decision-making body. At the General Meeting, shareholders decide on key issues.

In accordance with the Articles of Association, notice of the General Meeting shall be given by announcement in
Post- och Inrikes Tidningar, an advert in Dagens Industri and by making the notice available on Teqnion's website. Notice of an annual general meeting and notice of an extraordinary general meeting where the question of amending the articles of association will be addressed shall be issued no earlier than six weeks and no later than four weeks before the general meeting. Notice of any other extraordinary general meeting shall be given not earlier than six weeks and not later than two weeks before the general meeting. Shareholders who are included in the printout of the share register regarding the circumstances five weekdays before the general meeting and who have registered with Teqnion, together with any advisors, no later than the date stated in the notice of the meeting, are entitled to participate in the meeting. Shareholders can usually register for the general meeting in several different ways, which are specified in the notice of the general meeting.

Annual General Meeting 2024

Teqnion's Annual General Meeting took place on 23 April 2024 at TM Partners' premises at Jakobs torg 3 in Stockholm. At the meeting, 39 shareholders were represented in person or by proxy. These represented 54.4 per cent of the votes and capital. Three members of the Board of Directors and the auditor Carl-Johan Kjellman, who was elected as auditor, were present at the meeting. Attorney Johan Wigh was elected Chairman of the Meeting.



The decisions taken by the Annual General Meeting were:

- Re-election of Board members Per Berggren, Mikael Vaezi, Henrik Joelsson and Johan Steene and election of Boel Sjöstrand, Christopher Mayer and Lena Almefelt. Lena Almefelt was elected Chairman of the Board.
- Determined annual fees to the Board members of SEK 175 thousand, SEK 275 thousand for the Chairman of the Board and SEK 25 thousand per person for members of the Audit Committee and Remuneration Committee. Fees to the auditor according to approved invoice.
- Re-election of BDO Mälardalen AB as the company's auditor with Carl-Johan Kjellman as auditor in charge.

Corporate governance

- The Meeting resolved, in accordance with the Board of Directors' proposal, to authorise the Board of Directors to, on one or more occasions, during the period until the next Annual General Meeting, resolve to issue new shares, convertible bonds and/or warrants with or without preferential rights for the shareholders. The total number of shares, warrants and/or convertibles issued under the authorisation may not exceed ten per cent of the total number of shares in the Company at the time of exercise of the authorisation. Decisions to issue shares by virtue of the authorisation may be made with provisions for payment in kind, set-off or cash payment.
- The full communiqué from the AGM is available on Teqnion's website under the tab Investor Relations/Corporate Governance/General Meetings.

Election Committee

The Nomination Committee shall consist of representatives of the three largest shareholders registered in the share register maintained by Euroclear as of the last banking day
in September of each year. The Chairman of the Board of Directors shall convene the first meeting of the Nomination Committee. The member representing the largest shareholder in terms of voting rights shall be appointed chairman of the nomination committee, unless the members of the nomination committee agree otherwise.
The chairman of the board of directors or any other member of the board shall not chair the nomination committee. The composition of the nomination committee shall be announced as soon as they are appointed. The term of office of the nomination committee shall extend until a new nomination committee is appointed.

In the event that a member leaves the Nomination Committee before its work is completed, a replacement may be appointed from the same shareholder if the Nomination Committee deems it necessary. If, during the term of office of the Nomination Committee, a shareholder is no longer one of the three largest shareholders in terms of voting rights, the member appointed by such shareholder shall make his/her place available and the shareholder who has become one of the three largest shareholders in terms of voting rights may appoint his/her representative.

However, unless there are special reasons, no changes shall be made to the composition of the nomination committee if only marginal changes in the number of votes have taken place or the change occurs later than two months before the annual general meeting. Changes in the composition of the Nomination Committee shall be announced immediately.

Nomination Committee for the 2025 Annual General Meeting

Name	Appointed by	Percentage of votes (2024-12-31)
Carl-Johan Ahlström (Chairman)	Vixar AB	22.6
Kent Söderström	Investment AB Spiltan	10.8
Charlie Dudley	Broadcrest	9.0

The Nomination Committee shall fulfil tasks including, among other things, submitting proposals for the Chairman of the Meeting, the Board of Directors, the Chairman of the Board of Directors, the auditors, the remuneration of the Board of Directors, divided between the Chairman and each of the other members, as well as remuneration for any committee work, the remuneration of Teqnion's auditors and, to the extent deemed necessary, proposals for amendments to these instructions. No remuneration shall be paid to the members of the Nomination Committee.

(Full instructions to the Nomination Committee are available on the Teqnion website.)

Corporate governance

The Board and its work

Tasks of the Board

The Board of Directors is the second highest decision-making body after the General Meeting. Under the Swedish Companies Act, the Board of Directors is responsible for Teqnion's organisation and the management of Teqnion's affairs, which means that the Board is responsible for, among other things, setting goals and strategies, ensuring procedures and systems for evaluating set goals, continuously evaluating the financial position and performance, and evaluating operational management. The Board is also responsible for ensuring that annual and interim reports are prepared in a timely manner. In addition, the Board appoints the Chief Executive Officer.

Composition of the Board of Directors

Board members are appointed by the AGM for the period ending at the next AGM. According to Teqnion's Articles of Association, the number of Board members elected by the AGM shall be not less than three (3) and not more than ten (10). Currently, the Board consists of seven (7) ordinary Board members. Four were re-elected at the 2024 AGM and three were newly elected.

Rules of procedure

The Board follows written rules of procedure which are revised annually and adopted by the inaugural meeting of the Board each year. The rules of procedure govern, among other things, the Board's practices, functions and the division of labour between the members of the Board and the Executive Director. At the inaugural Board meeting, the Board also adopts instructions for the Executive Director, including instructions for financial reporting. If the Board
establishes committees within itself, the rules of procedure of the Management Board shall specify the tasks and decision-making powers delegated to committees by the Management Board and the way in which the committees are to report to the Management Board.

Role of the Chairperson

The Chairman is responsible for organising and leading the work of the Board so that it is carried out in accordance with the Swedish Companies Act, other laws and regulations, the Stock Market Act and regulations, and internal policies and governing documents. The Chairman shall monitor operations through regular contact with the CEO and is responsible for ensuring that the other members receive satisfactory information and a basis for decision-making. The Chairperson leads the annual evaluation of the work and composition of the Board. In 2024, a survey and individual interviews with Board members were conducted. The results were discussed by the Board and presented to the Nomination Committee.

Work of the Board in 2024

According to the Board's rules of procedure, the Board shall meet at the statutory Board meeting, in connection with the submission of interim reports and annual reports, and at four ordinary Board meetings evaluating the following themes: Evaluation, Strategy, Risk Management and Budget. The number of Board meetings from 21 March 2024 to 14 February 2025 was 11 and the attendance is shown in the table on the next page.

All meetings have followed an approved agenda and documentation distributed well in advance of the meeting. Regular Board meetings are usually half-day meetings. In addition to the Board, the CFO/CCO often attends, as well as other TEQ staff members as needed.
The Governing Board discussed the following during its meetings in 2024:

- Approval of internal policies.
- Strategic orientation.
- Capital structure and financing of activities.
- Financial targets and dividend policy.
- Follow-up of activities.
- Approval of interim reports, year-end report and annual report.
- Review and report by the company's auditor.
- Board evaluation and evaluation of the CEO.
- Acquisition of new businesses.
- Incentive and option programmes.

Corporate governance

Audit and Remuneration Committee

At its inaugural meeting, the Board decided to introduce an Audit Committee and a Remuneration Committee, the former consisting of Per Berggren, Mikael Vaezi and Henrik Joelsson and the latter of Lena Almefelt, Henrik Joelsson and Christopher Mayer. The committees each held two minuted meetings during the year.

Internal control and audit

Under the Swedish Companies Act, the Board of Directors has overall responsibility for ensuring that Teqnion's organisation is designed so that accounting, asset management and Teqnion's financial circumstances are otherwise controlled in a satisfactory manner. Teqnion's internal control structure is based on the division of labour between the Board and the CEO. The CEO is responsible for ensuring that there are good internal controls and formalised procedures that ensure the reliability of the external financial reporting and that this is in accordance with applicable accounting principles, applicable laws and other requirements for listed companies.

Teqnion has a simple legal and operational structure where the Board of Directors continuously monitors Teqnion's internal control in connection with external and internal financial reporting. In addition, the finance function in the parent company carries out regular analyses of the subsidiaries' reported figures in order to identify any deviations and errors. Against this background, the Board has chosen not to establish a separate internal control function.

Auditor

According to Teqnion's Articles of Association, up to two auditors, with or without deputy auditors, shall be appointed by the General Meeting. The auditor and deputy auditor, if any, are elected annually at the AGM until the next AGM. The role of the auditor is to review Teqnion's annual report and accounts and the administration of the Board and the CEO. The auditor submits an audit report to the general meeting after each financial year. The auditor examines Teqnion's annual accounts, consolidated accounts and accounting records, as well as the administration of the Board of Directors and the Managing Director.

Work of the Board in 2024

Name	Assignment	Elected	Independent of the company	Independent of major shareholders	Total remuneration (MSEK) [1]	Meeting attendance [2] Board meeting	Meeting attendance Audit Committee	Meeting attendance Remuneration Committee
Lena Almefelt	Chair of the Board	2024	Yes	Yes	0.3	11/11		2/2
Johan Steene	Member/Director	2012	No	Yes	-[3]	11/11		
Per Berggren	Member	2009	Yes	No	0.2	11/11	2/2	
Henrik Joelsson	Member	2023	Yes	Yes	0.2	11/11	2/2	2/2
Mikael Vaezi	Member	2020	Yes	No	0.2	11/11	2/2	
Boel Sjöstrand	Member	2024	Yes	Yes	0.2	11/11		
Chris Mayer	Member	2024	Yes	No	0.1	11/11		2/2

1) Refers to fees expensed in 2024
2) From the Board meeting of 21 March 2024 until the Board meeting of 14 February 2025
3) Johan Steene does not receive any remuneration for his work as an ordinary Board member

Corporate governance

The Chief Executive Officer

The Chief Executive Officer is responsible for day-to-day management. Measures that, given the scope and nature of Teqnion's activities, are of an unusual nature or great importance fall outside the scope of day-to-day management and must therefore be prepared and presented to the Board for decision. The work and role of the Chief Executive Officer and the division of labour between the Board of Directors and the Chief Executive Officer are set out in a written charter adopted by the Board of Directors.
instructions (so-called 'CEO instructions'). The Board regularly evaluates the work of the CEO.

Remuneration of the Board of Directors, auditor and senior executives

Remuneration of members of the Board of Directors

Fees and other remuneration of board members, including the chairman and auditors, are set by the general meeting.

Cash-based incentive programmes

In addition to a fixed salary, the CEO of Teqnion, other senior executives and key employees of the parent company and the CEOs of the subsidiaries may receive a variable salary upon the fulfilment of one or more performance targets predetermined and measurable by the Board of Directors. In order to avoid unhealthy risk-taking, there should be a basic balance between fixed and variable remuneration. The fixed salary should be in line with market conditions and should also represent a sufficiently high proportion of the executive's total remuneration to allow the variable component to be reduced to zero.

By linking the level of variable remuneration to performance targets, they promote the realisation of the company's business strategy, long-term value creation and shareholders' interests. The conditions and bases of calculation of variable remuneration shall be determined for each financial year. The fulfilment of criteria for the payment of variable remuneration shall be measurable over a period of one financial year. Variable remuneration shall be settled in the year following its accrual.

Managing Director Teqnion

The variable salary of the CEO of Teqnion is calculated as 3% of the difference between the profit before tax for the year and the average profit before tax for the last three years. The calculation excludes extraordinary income and expenses, such as the reversal of earn-outs and goodwill impairment. The variable remuneration can amount to a maximum of nine months' salary and is not pensionable.

Senior executives and other key employees of the parent company

The variable remuneration for senior executives and other key employees of the parent company totalling five persons amounts to 4% of the difference between the profit before tax for the year and the average profit before tax for the last three years. The sum constituting the bonus pool is distributed among the participants. The calculation excludes extraordinary income and expenses, such as the reversal of earn-outs and goodwill amortisation. The variable remuneration can amount to a maximum of six months' salary and is not pensionable.

Corporate governance

Subsidiary CEO

All subsidiary CEOs are eligible for variable remuneration, with the exception of those who were also former owners of the subsidiaries in the near future and thus continue to be eligible for additional purchase prices. A prerequisite for the payment of a variable salary is that the annual result (profit before tax) is positive. The variable salary is calculated on the basis of predetermined measurable targets related to profit before tax before any costs for bonuses to the CEO of subsidiaries and before unbudgeted appropriations. The variable remuneration can amount to a maximum of six monthly salaries and is not pensionable.

Long-term incentive programmes

At the end of the financial year, Teqnion had an outstanding warrant programme that may comprise a total of 15,000 shares. The purpose of the programmes is to give key individuals within the Group an opportunity to participate in and promote a positive value development of the company's shares through their own investment. The warrants are acquired on market terms and the programmes are designed to create conditions for recruiting and retaining competent personnel to the Group, offer competitive remuneration and reconcile the interests of shareholders and key personnel.

Sustainability

Sustainable business relationships with suppliers and customers

Fundamental to Teqnion's view of sustainability are good and sound business relationships with suppliers and customers. In order for the subsidiaries to be able to conduct long-term sustainable operations, the relationships and agreements with suppliers and customers need to be established in an equal and equitable manner with fair terms for both parties. This trinity between company, supplier and customer forms the core of our sustainability work. We want Teqnion to be perceived as a fair and credible actor. The goal is to enable long-term business relationships that extend over decades where all parties benefit and have incentives to maintain a good business relationship. Profitability is a prerequisite for all profit-making activities, and if profitability is lacking, there is a risk that the sustainability of the business will be eroded through poorer quality, poorer working conditions and unnecessary impact on the external environment, etc. Overly one-sided agreements that put pressure on one party make it difficult for that party to conduct sustainable operations. In order to maintain profitability and sustainable business, Teqnion's subsidiaries are focused on clear market niches where the companies are market leaders or otherwise contribute some unique value to their customers. We believe that competing only on price makes it difficult to be a long-term sustainable player.

Attractive employer

Teqnion's business model is based on acquiring profitable and well-functioning companies. The organisation is decentralised and the parent company's task is to support rather than control the subsidiaries. To succeed in this, managers with good leadership skills, behaviours and sound values are needed to permeate the companies. Already early in Teqnion focuses on getting to know the people behind the company and understanding their values, leadership and corporate culture. The fact that the parties share the same fundamental values and have a common understanding of how sustainable business is conducted is a prerequisite for moving forward in an acquisition process.

As a parent company, Teqnion's most important task is to appoint leaders who not only take on the role of CEO of a subsidiary but also share Teqnion's values of sustainable business and a healthy corporate culture with a focus on business and people. The parent company places great emphasis on supporting subsidiary CEOs and coaching them to be role models both within and outside the group. We believe this leads to a healthy corporate culture with loyal employees who want to be their best, which is a prerequisite for maintaining a long-term profitable and sustainable company.

Sustainable returns and shareholder confidence

Teqnion will generate sustainable returns to shareholders over time. For the interaction with shareholders to work, Teqnion needs to gain their trust and communicate in a way that is trustworthy, transparent and honest. Sustainability issues are receiving increasing attention from investors and the capital market. We must be at the forefront here too.

Sustainability at Teqnion

Business in focus - people at the centre.

Teqnion's business model is based on constantly working to achieve sustainable value creation for suppliers, customers and for Teqnion's shareholders. Keeping the business in focus means safeguarding long-term business relationships with suppliers and customers. Relationships that enable sustainable operations on equal and fair terms.
In a decentralised, acquisition-driven organisation, we at Teqnion place the greatest emphasis on
acquire companies and appoint leaders who share our values and business culture. It's always people who do it. That is why we always keep people at the centre.

Sustainability

Teqnion's sustainability work in 2024

Our ongoing sustainability work is applied in everything from the way we do business and travel to the companies we acquire. It's in everything we do because we have an eternal horizon on our company building. Teqnion will report in accordance with CSRD from the financial year 2025. None of our subsidiaries are individually subject to the Directive, but the Group as a whole exceeds the reporting thresholds. During the year we have, for example:

- Developed working methods for the implementation of sustainability reporting according to CSRD.
- Conducted stakeholder analysis, stakeholder dialogues, worked on our double materiality analysis and future reporting areas.
- Worked actively to improve systematic work environment management in several of the subsidiaries.

Be an attractive employer

Ambition: Offer an attractive workplace with a focus on belonging, diversity, development and sustainable values.

By complying with applicable regulations and then taking care of our employees and customers and respecting our suppliers, our shareholders will be taken care of

Teqnion's key stakeholders:

1. Employees
2. Customers
3. Suppliers
4. Shareholders and capital markets

Sustainable business relationships with suppliers and customers

Ambition: To be a role model in long-term sustainable business relationships and thereby spread our values to customers and suppliers.

Sustainable returns and shareholder confidence

Ambition: Ensure shareholder and capital market confidence by generating sustainable returns.

Sustainability

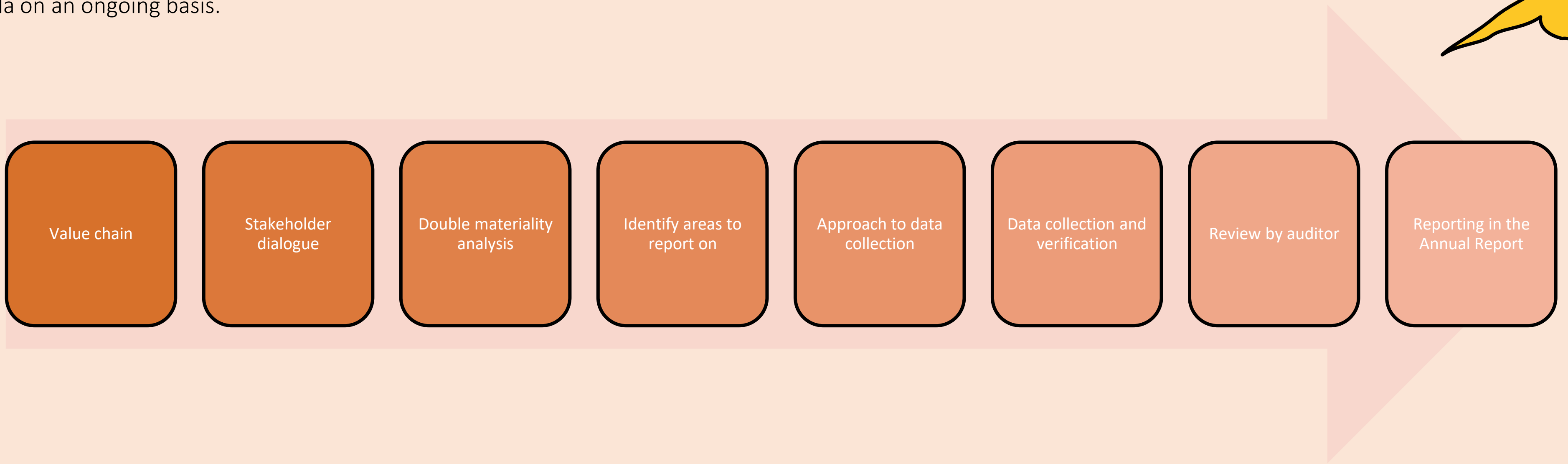
Teqnion's sustainability work in 2025

We are further developing our sustainability work with a focus on the external environment and the new reporting requirements that come with CSRD. Some of the activities planned for the year are:

- Continue work on establishing policies, targets, activities and reporting in line with CSRD.
- Establish new goals and activities with follow-up of sustainability work in Teqnion as a natural part of the board work for each subsidiary.
- Continue dialogue with suppliers to ensure knowledge of sustainability issues in the value chain.
- Include acquired companies under Teqnion's sustainability umbrella on an ongoing basis.

"We see CSRD as an important step towards greater transparency in the company's sustainability work. Our goal is to comply with the requirements and thereby enhance our business. We ensure that our reporting is complete and accurate in a cost-effective way."

Timeline for Teqnion's CSRD work in 2025



Management report

The Board of Directors and the CEO of Teqnion AB, 556713-4183 hereby submit the annual report for 2024 for the parent company and the group.
Teqnion's Sustainability Report is prepared separately from the Directors' Report but is printed together with the Annual Report and can be found on pages 26-28.
A five-year summary is included at the end of this Annual Report.

The activities

Teqnion was founded in 2006 and operates through its wholly owned subsidiaries in narrow industrial niches where the companies can establish market-leading positions with their products and services. Customers are found in many different industries, with the majority in industry and infrastructure. The business model is based on growth through continuous acquisitions of high-quality cash-generating niche companies and through organic development of the Group's existing businesses. Teqnion applies a decentralised corporate structure where the subsidiaries act independently but with support from TEQ staff, where profitable growth with good cash flows, a long-term approach and a strong entrepreneurial spirit are key. Most of the Teqnion companies' business is conducted in the Nordic region, with Sweden as the primary market, but business is becoming increasingly international over time. Teqnion has ten subsidiaries (including the acquisitions to date in 2025) in the UK and one in Ireland.

On the balance sheet date, Teqnion had 506 (482) employees. The parent company has been listed on Nasdaq First North Growth Market since 2019. At the end of 2024, the Teqnion Group consisted of 30 (27) operating subsidiaries.

The year in brief

In 2024, Teqnion has continued to grow. Net sales have increased by 6% (+11%), organically it increased by 3%* (-1%).

**In the Year-end report 2024, an organic growth rate of minus 3% was communicated, which has been revised to plus 3% for the annual report.*

Companies acquired during the year:

- Nubis Solution Limited, February
- Avelair Limited, July
- UK Lanyard Makers Limited, July

In the high interest rate environment, housing construction in Sweden has remained very limited, which has had a negative impact on some of the subsidiaries. The uncertain geopolitical situation has created good demand in the defence industry, and the electrification of the municipality is continuing, resulting in good business opportunities. During the year, we have increased our presence in the UK through three acquisitions and see continued good acquisition opportunities in the region.

Net sales and profit

The Teqnion Group's net sales amounted SEK 1,567.0 million (1,475.6), EBITA amounted to SEK 149.7 million (170.6) and the EBITA margin was 9.6% (11.6). Profit for the year amounted to SEK 95.8 million (125.1). Earnings per share for the period before dilution amounted to SEK 5.58 (7.54).

Management report

Depreciation and amortisation

Depreciation, amortisation and impairment of intangible and tangible fixed assets amounted to SEK 64.4 million (56.3) during the period. Total depreciation of tangible fixed assets amounted to SEK 62.1 million (55.4), of which SEK 51.7 million (47.1) is directly attributable to right-of-use assets. Amortisation of intangible fixed assets amounted to SEK 2.2 million (0.9).

Financing and liquidity

The Group's cash and cash equivalents on the balance sheet date totalled SEK 196.0 million (199.8). The Group has a joint cash pool and an approved overdraft facility of SEK 100.0 million (100.0). The unutilised portion amounted to SEK 100.0 million (100.0) on the balance sheet date. In addition, the unutilised portion of the credit facility amounted to approximately SEK 148.3 million (144). The Group's interest-bearing liabilities amounted to SEK 466.3 million (360.7) and, excluding lease liabilities, interest-bearing liabilities amounted to SEK 302.3 million (215.8). Net debt amounted to SEK 270.2 million (160.9) and excluding lease liabilities, net debt amounted to SEK 106.3 million (15.9). Financial liabilities relating to contingent considerations totalled SEK 114.6 million (120.8).

Cash flow and investments

Cash flow from operating activities amounted to SEK 96.2 million (125.2). Cash flow from investing activities totalled SEK -139.1 million (-159.0), of which company acquisitions accounted for SEK -120.7 million (-151.7) and investments in fixed assets accounted for SEK -20.5 million (-10.7). Cash flow from financing activities totalled SEK 30.8 million (185.9), of which changes in interest-bearing liabilities amounted to SEK 28.5 million (8.1). Cash flow for the year totalled SEK -12.1 million (152.2).

Goodwill and other intangible assets

The Group's goodwill on the balance sheet date totalled SEK 731.3 million (608.7). Other intangible assets amounted to SEK 27.8 million (13.4).

Equity capital

Equity on the balance sheet date totalled SEK 859.3 million (735.6), corresponding to SEK 50.1 (42.9) per share. During the year, a new share issue of 27,270 shares was carried out in connection with the exercise of warrants. In total, equity increased by SEK 2.8 million after deduction for transaction costs.

Parent company

Net sales for the full year totalled SEK 56.5 million (49.1) and come from internal invoicing of services to Group companies. Operating profit amounted to SEK 29.2 million (22.3) and profit after tax amounted to SEK 78.1 million (68).

Employees

The Group had the equivalent of 506 (482) full-time employees on the balance sheet date, of whom 113 were women (109). The parent company had 9 (7) employees at the end of the period, of whom 4 (4) were women.

Financial overview

Amounts in MSEK	2024	2023	2022	2021	2020
Net sales	1 567,0	1 475,6	1 324,8	920,2	659,1
EBITA	149,7	170,6	146,1	105,6	61,4
Profit before tax	118,5	160,5	138,2	103,0	56,6
Result for the year	95,8	125,1	110,4	79,8	44,0
EBITA margin	9,6%	11,6%	11,0%	11,5%	9,3%
Net profit margin	6,1%	8,5%	8,3%	8,7%	8,6%
Equity	859,3	735,6	444,5	338,6	259,1
Total assets	1 721,8	1 488,2	1 070,8	799,1	534,3
Solidity	50%	49%	42%	42%	48%
Average number of employees	512	480	421	314	200

Management report

Future developments

TEQ staff always work purposefully to plan for stable earnings growth in each individual company, but also to strengthen the Group as a whole. Demand remains good in most of our businesses, where the most obvious exception continues to be house construction and a decline in heavy industry. The Group's companies are affected by the higher price situation, where we can pursue active pricing by investing in customer-specific deliveries. Financing costs remain at higher levels than in previous years given the interest rate situation, with parts of our financing in foreign currency (GBP and EUR). At the end of 2024, we have negotiated our terms with the bank and given that interest rates have started to fall in 2024, we believe that the future cost of funding should go down. However, our low loan-to-value ratio and our conservative valuation model mean that we can continue at our current pace of acquisitions. Teqnion's ambition is, under the supervision of the TEQ staff, to create a durable group of companies where we, through commercial sustainability work, offer a good working environment to our staff, a competitive advantage to our customers, stable relationships with our suppliers and good value growth to our shareholders.

Financial objectives

Teqnion's financial targets are described in more detail on pages 9-10.

1. STABILITY
Net debt/EBITDA should be less than 2.5

2. PROFITABILITY
The EBITA margin should be above 9%.

3. SHAREHOLDER VALUE
Double earnings per share every five years

Risks and uncertainties

Teqnion's earnings, financial position and future development are affected by both external factors, where the company's ability to influence may be limited and where the focus must be on managing what is actually happening, and on the other hand the internal factors that the Group itself controls. For Teqnion's future development, it is important to consider risk factors in addition to the opportunities for positive value growth. The risk factors of greatest importance to the Teqnion Group are the general economic situation and, to some extent, possible regulatory and structural changes in the markets in which the subsidiaries operate. In addition, specific supplier and customer dependencies, the competitive situation in a particular niche and certain seasonal variations may affect the Group. A risk factor for investment activities is the dependence on a few individuals. By their nature, not all potential risk factors can be included in one report and an overall assessment should therefore include other information in the annual report as well as a general business environment analysis.

Economic and market conditions

Demand for Teqnion's products and services is affected by the economic situation and macroeconomic factors, both in Sweden and abroad. How the manufacturing industry develops and its willingness to invest, the economy in society and the situation in the global capital market affect demand and are factors that are beyond Teqnion's control. A weakening of the economic and market situation could have negative effects on Teqnion's earnings and financial position. Teqnion is prepared for economic fluctuations by having a well-diversified portfolio of companies and also by each subsidiary having a diversified customer base and product mix, where there should ideally be a breadth of exposure to different industries, geographies and economic cycles. The decentralised business model means that the subsidiaries can make quick decisions close to the business and thus be adaptable to economic and market changes.

Management report

Business risks

The financial and regulatory uncertainties are the most concrete uncertainty factors for Teqnion. The Group's largest market is still Sweden, although sales to customers outside the country are constantly growing. With an increasing proportion of internationally selling product companies in the Group, the risks of major variations in demand and growth can be counteracted as more and larger markets are cultivated.

As Teqnion sells its products and services almost exclusively to companies and public authorities, it is primarily their purchasing decisions that affect the Group's operations. Teqnion tries to counter the risks arising from economic cycles by spreading its operations across several markets, operating in different industrial niches and working in a decentralised manner. Industry diversification means that the Teqnion companies customers are in different phases of a business cycle. The Group is thus less dependent on one or a few end markets for its growth and profitability. This means that a cyclical change in a particular industry niche or geographic area may have a significant impact on an individual company but less effect on the overall performance of the group. The decentralised nature of the Group means that it is the responsibility of individual subsidiaries to know their markets well and to act quickly when necessary.

Operational risks

Teqnion subsidiaries operate in a competitive environment. Cost-effective solutions with the right quality are hygiene factors for gaining and maintaining market shares. The most important means of competition, however, is the Teqnion companies' committed and experienced staff and their close relationships with customers and suppliers. To create a clear raison d'être in a competitive world, Teqnion companies work in well-defined technology areas or with unique business models to deliver real customer value and maintain good pricing power in that particular speciality. In each niche, Teqnion seeks to take a leading position by offering high value creation for its customers but also good market penetration for its suppliers. Through long-term customer relationships and a customised product offering with the right quality and responsive service, we secure our role as a sought-after partner. With these business conditions, competition from other players is limited and Teqnion's subsidiaries can continue to develop.

Laws and regulations

Several of Teqnion's subsidiaries operate in regulated areas where our employees can support our customers with knowledge and the right products to fulfil certain regulatory requirements and standard compliance. In these contexts, the regulated markets are an advantage for the Teqnion companies as it prevents competition from companies with lower quality and knowledge levels. Some of the subsidiaries' activities require environmental licences or operate under other notifiable activities. In these cases, this means close co-operation with, and reporting obligations to, the authorities.

Management report

Dependence on suppliers

Dependence on major individual suppliers is an important business risk for an individual subsidiary to manage. Some of the companies within the group have developed their business based on some strong supplier relationships. If one of these were to fall away, it would affect the company, especially in the short term, before alternatives are found. To minimise this risk, the subsidiaries work closely with their suppliers to build strong long-term relationships.

Customer dependence

Teqnion companies always work actively to broaden their customer base to reduce dependence on individual customers. However, some companies have significant customer dependencies, which would have a significant impact on the individual company if they were to disappear. The Group as a whole has a very broad customer base, spread across a number of industry niches and geographical markets, which minimises the impact of an individual decline or loss of customer.

Financial risk management and financial position

Risk management is administered by the CEO in consultation with TEQ staff and the Board of Directors according to guidelines set by the Board. The risk function includes identifying, evaluating and hedging financial risks. This is done in close co-operation with the Group's operational units.

The group is a Swedish group with operations in several countries. The reporting currency is the Swedish krona. This means that the Group is exposed to currency risks due to the fact that changes in exchange rates can affect earnings and equity. For a more detailed description, please refer to the section Financial risk management, see note 3.

Environmental impact

Teqnion's impact on the environment is limited and mainly occurs in connection with the transport of products, business travel and waste management. In addition, a few of the Group's companies are major consumers of electricity for their production. Environmental work is conducted locally on the basis of each company's specific conditions. Teqnion's environmental policy forms the basis of the operations, where some subsidiaries have implemented environmental management systems. There is some coordination between the companies in specific procurements, such as transport and electricity. The Teqnion companies strive for high efficiency in the use of energy and natural resources and endeavour to use good systems for reusing and recycling materials to limit any pollution of the environment and reduce costs. The ambition is to pursue a proactive environmental approach. There are no known threats that would jeopardise its activities from an environmental point of view.

Sustainable entrepreneurship

Teqnion's ambition is to continuously develop and strengthen the group companies in sustainability work. Teqnion shall ensure a safe working environment for the people who work within the Group. Through its subsidiaries, Teqnion shall create efficient business with sustainable values for its employees, its shareholders and for society and the world at large. Teqnion acquires well-managed and profitable companies that share Teqnion's values on sustainable business. Sustainability issues are a recurring element in the discussions on the strategic direction of Teqnion and its subsidiaries. Teqnion is committed to its principles of long-term ownership, diversity, good working environment, customer benefit and high business ethics. Teqnion's decisions and actions will ensure that Teqnion will be around in a hundred years.

Management report

Activities subject to authorisation or notification under the Environmental Code

Teqnion's subsidiary Cellab Nordia AB conducts activities that require an environmental permit and the subsidiary Stans & Press i Olofström AB conducts activities that are subject to notification. Teqnion and its subsidiaries are not involved in any environment-related disputes.

Parent company

TEQ staff works on overall group strategies and deals with issues related to acquisitions and major investments. Such issues are prepared by TEQ Staff, which then submits them for decision by the parent company's Board of Directors. The Chief Executive Officer (CEO) is responsible for the day-to-day management of the company in accordance with the Board's decisions and guidelines. TEQ staff consists of the CEO, four business area managers whom we call CEO coaches, an acquisition general vice president (CXO), a chief controlling officer (CCO), a chief accounting officer (CAO) and an accountant. TEQ staff monitors the development of subsidiaries and ensures the safe integration of new companies into the group. Its tasks also include acquisition projects, group-wide projects, the group's financial reporting, internal and external communication, and the coordination and monitoring of safety, environment and quality. The Group's operational activities are carried out in Teqnion's subsidiaries, all of which have active boards led by TEQ staff. The boards of the subsidiaries monitor the day-to-day operations and establish the strategies that apply to each company. The subsidiaries work independently within their respective market niches, but in accordance with the rules, guidelines and policies established by management and by guidelines established by each subsidiary's board. The subsidiary managers are responsible for the results of their respective companies and for ensuring long-term earnings growth with good cash flows. Operational governance is characterised by management setting requirements and giving each subsidiary considerable freedom to make decisions and act in such a way as to achieve set targets.

Proposed distribution of earnings at the 2025 Annual General Meeting

The Board of Directors proposes that no dividend be paid for the financial year 2024 with the assessment that Teqnion can generate excess returns with the cash.

At the disposal of the Annual General Meeting of Teqnion AB (MSEK)	
Share premium account	287,6
Retained earnings	245,9
Net profit for the year	78,1
Total	**611,6**

The Board of Directors proposes the following appropriation of profits (MSEK)	
To be carried forward	**611,6**
Total	**611,6**

For changes in equity during the financial year, see the consolidated and parent company statements of changes in equity.

As regards the company's results and position in general, reference is made to the following income statements and balance sheets with associated supplementary information and comments.

Amounts in this Directors' Report are stated in millions of SEK (MSEK) unless otherwise stated. Comparisons in brackets refer to the corresponding period last year unless otherwise stated. Rounding may occur in tables and calculations, with the result that the total amounts stated may not always be an exact sum of the rounded partial amounts.

Consolidated income statement

Amounts in MSEK	Note	2024 Jan-Dec	2023 Jan-Dec
Net sales	2	1 567,0	1 475,6
Activated work for own account	11	2,0	1,4
Other operating income	5	42,0	20,1
Total		**1 611,0**	**1 497,1**
Operating expenses			
Change in inventories of PIP, finished goods and WIP		-7,7	-10,2
Raw materials and consumables		-84,2	-93,4
Merchandise		-770,6	-702,5
Other external costs	7	-136,4	-117,6
Employee benefit costs	6	-372,7	-329,9
Depreciation, amortisation and impairment of tangible and intangible assets	12	-64,4	-56,3
Other operating expenses		-27,5	-17,4
Total		**-1 463,5**	**-1 327,3**
Operating result		**147,5**	**169,7**
Financial income	9	10,5	4,6
Financial expenses	9	-39,5	-13,8
Result from financial items		**-29,0**	**-9,2**
Profit before tax		**118,5**	**160,5**
Income tax	10	-22,7	-35,4
Net profit for the year		**95,8**	**125,1**
Profit for the year attributable:			
Shareholders of the parent company		95,6	125,0
Non-controlling interests		0,2	0,1
Earnings per share before dilution, SEK	20	5,58	7,54
Earnings per share after dilution, SEK	20	5,58	7,51

Consolidated statement of comprehensive income

Amounts in MSEK	2024 Jan-Dec	2023 Jan-Dec
Result for the year	95,8	125,1
Other comprehensive income		
Items that can be subsequently reversed in the income statement		
Translation differences for the year	25,7	-11,9
Total comprehensive income for the year	**121,4**	**113,3**
Total comprehensive income attributable to:		
Shareholders of the parent company	121,3	113,1
Non-controlling interests	0,1	0,1

Consolidated balance sheet

Amounts in MSEK	Note	2024 31 Dec	2023 31 Dec
ASSETS			
Fixed assets			
Goodwill	11	731,3	608,7
Other intangible non-current assets	11	27,9	13,4
Buildings and land	12	12,8	10,9
Equipment, tools, fixtures and fittings	12	26,6	22,5
Right-of-use assets	13	165,6	147,7
Other long-term receivables	14, 15	0,4	0,4
Total fixed assets		**964,5**	**803,6**
Current assets			
Inventories	16	261,6	256,9
Trade receivables	14	231,1	180,0
Tax assets		8,7	8,9
Accrued revenue		19,2	13,1
Other receivables	14, 17	17,6	14,0
Prepaid expenses and accrued income	18	23,1	11,8
Cash and cash equivalents	14	196,0	199,8
Total current assets		**757,3**	**684,6**
TOTAL ASSETS		**1 721,8**	**1 488,2**

Amounts in MSEK	Note	2024 31 Dec	2023 31 Dec
EQUITY			
Share capital		0,9	0,9
Other contributed capital		294,7	286,1
Translation reserve		16,7	-8,9
Retained earnings including profit for the year		545,7	455,9
Equity attributable to owners of the parents		858,0	733,9
Non-controlling interests		1,3	1,6
Total equity	19	**859,3**	**735,6**
Long-term liabilities			
Liabilities to credit institutions	14	302,3	192,3
Non-current lease liabilities	13	116,2	105,1
Other non-current financial liabilities	14	30,5	45,9
Deferred tax liabilities		34,3	33,5
Other provisions	21	4,4	5,0
Total non-current liabilities		**487,7**	**381,8**
Current liabilities			
Liabilities to credit institutions	14	0,1	23,5
Current lease liabilities	13	47,7	39,9
Derivative instruments	14	0,0	0,3
Other current financial liabilities	14	84,1	74,9
Trade payables	14	119,5	99,9
Tax liabilities		11,8	31,5
Invoiced revenues not worked-up		6,5	0,5
Other liabilities	14, 23	46,3	37,9
Accrued expenses and deferred income	22	58,8	62,5
Total current liabilities		**374,8**	**370,8**
TOTAL EQUITY AND LIABILITIES		**1 721,8**	**1 488,2**

Consolidated statement of changes in equity

	Equity attributable to equity holders of the parent						
Amounts in MSEK Note 19	Share capital	Other contributed capital	Conversion reserve	Retained earnings including profit for the year	Total	Non-controlling interests	Total equity
Opening equity 2023-01-01	**0,8**	**108,4**	**3,0**	**330,8**	**443,0**	**1,5**	**444,5**
Result for the year	-	-	-	125,0	125,0	0,1	125,1
Other comprehensive income for the year	-	-	-11,8	-	-11,8	0,0	-11,9
Total comprehensive income for the year	**-**	**-**	**-11,8**	**125,0**	**113,1**	**0,1**	**113,3**
Transfers within equity	-	-	-	-	-	-	-
New issue	0,1	177,7	-	-	177,8	-	177,8
Option premiums, net	-	-	-	-0,0	-0,0	-	-0,0
Non-controlling interests, dividends	-	-	-	-	-	-	-
Closing equity 2023-12-31	**0,9**	**286,1**	**-8,9**	**455,8**	**733,9**	**1,6**	**735,6**
Opening equity 2024-01-01	**0,9**	**286,1**	**-8,9**	**455,8**	**733,9**	**1,6**	**735,6**
Result for the year	-	-	-	95,6	95,6	0,2	95,8
Other comprehensive income for the year	-	-	25,7	-	25,7	0,0	25,7
Total comprehensive income for the year	**-**	**-**	**25,7**	**95,6**	**121,3**	**0,2**	**121,4**
Transfers within equity	-	-	-	-	-	-	-
Capitalisation of development costs	-	5,8	-	-5,8	-	-	-
New issue	0,0	2,8	-	-	2,8	-	2,8
Option premiums, net	-	-	-	-	-	-	-
Non-controlling interests, dividends	-	-	-	-	-	-0,5	-0,5
Closing equity 2024-12-31	**0,9**	**294,7**	**16,7**	**545,7**	**858,0**	**1,3**	**859,3**

Consolidated statement of cash flows

Amounts in MSEK	Note 27	2024 Jan-Dec	2023 Jan-Dec
Current operations			
Operating result		147,5	169,7
Adjustment for items not included in cash flow		46,9	57,4
Interest received		5,0	2,6
Interest paid		-25,4	-16,1
Financial items		-0,6	-1,6
Taxes paid		-51,3	-23,3
Subtotal before changes in working capital		**122,0**	**190,2**
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventories and work in progress		11,1	0,5
Increase (-)/Decrease (+) in trade receivables		-40,8	-14,9
Increase (-)/Decrease (+) in other current receivables		-4,2	-5,3
Increase (+)/Decrease (-) in trade payables		17,4	-13,5
Increase (+)/Decrease (-) in other current liabilities		9,3	-31,8
Total change in working capital		-25,8	-65,0
Cash flow from operating activities		**96,2**	**125,2**

Amounts in MSEK	Note 27	2024 Jan-Dec	2023 Jan-Dec
Investment in intangible assets		-7,3	-2,0
Investment in tangible fixed assets		-13,2	-8,7
Disposal of tangible fixed assets		1,8	2,9
Investment in financial fixed assets		-0,2	-
Disposal of financial assets		0,5	0,5
Company acquisitions and divestments*)		-120,7	-151,7
Cash flow from investing activities		**-139,1**	**-159,0**
New issue		2,8	177,8
Option premium, net		-	0,0
New loans		397,5	288,6
Repayment of loans		-317,5	-233,3
Amortisation of lease debt		-51,5	-47,1
Dividends to non-controlling interests		-0,5	-
Dividends to owners of the parent company		-	-
Cash flow from financing activities		**30,8**	**185,9**
CASH FLOW FOR THE PERIOD		**-12,1**	**152,2**
Cash and cash equivalents at the beginning of the period		**199,8**	**47,3**
Exchange rate difference in cash and cash equivalents		**8,2**	**0,4**
Cash and cash equivalents at the end of the period		**196,0**	**199,8**

**) Acquisition of subsidiaries after deduction of cash acquired and cash paid contingent considerations from business combinations of previous years.*

Parent company income statement

Amounts in MSEK	Note	2024 Jan-Dec	2023 Jan-Dec
Net sales	2	56,5	49,1
Other operating income	5	0,4	0,2
Total		**56,9**	**49,3**
External costs	7	-5,4	-4,8
Employee benefit costs	6	-19,9	-22,1
Depreciation of tangible fixed assets		0,0	0,0
Other operating expenses		-2,5	0,0
Total operating expenses		**-27,8**	**-26,9**
Operating result		**29,1**	**22,3**
Income from participations in group companies	8	41,9	5,8
Other interest income and similar income items	9	7,2	5,4
Interest expense and similar income statement items	9	-33,3	-7,9
Result from financial items		**15,8**	**3,2**
Profit before appropriations and tax		**44,9**	**25,5**
Appropriations for the financial year		-10,3	-23,9
Group contribution		53,7	83,0
Income tax	10	-10,2	-16,6
Net profit for the year		**78,1**	**68,0**

Parent company statement of comprehensive income

Parent company statement of comprehensive income		
Result for the year	78,1	68,0
Other comprehensive income	-	-
Total comprehensive income for the year	**78,1**	**68,0**

Parent company balance sheet

Amounts in MSEK	Note	2024 31 Dec	2023 31 Dec
ASSETS			
Fixed assets			
Equipment, tools and installations		0,1	0,0
Participations in group companies	26	1 059,8	917,7
Other receivables	15	0,2	-
Receivables from group companies		-	-
Total fixed assets		1 060,1	917,7
Current assets			
Trade receivables		-	-
Receivables from group companies		66,6	44,6
Tax assets		1,0	-
Other receivables	17	0,0	0,0
Prepaid expenses and accrued income	18	0,4	0,2
Cash and cash equivalents		103,0	106,0
Total current assets		171,0	150,8
TOTAL ASSETS		1 231,1	1 068,5

Amounts in MSEK	Note	2024 31 Dec	2023 31 Dec
EQUITY AND LIABILITIES			
Restricted equity			
Share capital		0,9	0,9
Option premiums		1,3	1,3
Total restricted equity		2,2	2,2
Unrestricted equity			
Share premium account		287,6	284,8
Retained earnings		245,8	177,8
Result for the year		78,1	68,0
Total non-restricted equity		611,6	530,6
TOTAL EQUITY	19	613,7	532,8
Untaxed reserves			
Tax allocation reserves		95,8	85,8
Total untaxed reserves		95,8	85,8
Contingencies			
Contingencies for acquired companies		114,6	120,8
Total contingencies		114,6	120,8
Long-term liabilities			
Liabilities to credit institutions		298,5	188,1
Liabilities to group companies		62,5	56,0
Total non-current liabilities		361,0	244,1
Current liabilities			
Liabilities to credit institutions		0,0	22,3
Liabilities to group companies		36,5	32,3
Trade payables		0,3	0,4
Tax liabilities		-	17,3
Other liabilities	23	2,6	2,8
Accrued expenses and deferred income	22	6,7	10,4
Total current liabilities		46,1	85,4
TOTAL LIABILITIES AND EQUITY		1 231,1	1 068,5

Parent company statement of changes in equity

Amounts in MSEK Note 19	Share capital	Options	Share premium account	Retained earnings	Result for the year	Total equity
Opening equity 2023-01-01	**0,8**	**1,3**	**107,1**	**109,9**	**67,9**	**287,0**
Other appropriations of profit	-	-	-	67,9	-67,9	-
Result for the year	-	-	-	-	68,0	68,0
Total comprehensive income for the year	**-**	**-**	**-**	**67,9**	**0,1**	**68,0**
New issue	0,1	-	177,7	-	-	177,8
Option premiums, net	-	0,0	-	-	-	0,0
Closing equity 2023-12-31	**0,9**	**1,3**	**284,8**	**177,8**	**68,0**	**532,8**
Opening equity 2024-01-01	**0,9**	**1,3**	**284,8**	**177,8**	**68,0**	**532,8**
Other appropriations of profit	-	-	-	68,0	-68,0	-
Result for the year	-	-	-	-	78,1	78,1
Total comprehensive income for the year				**68,0**	**10,1**	**78,1**
New issue	0,0	-	2,8	-	-	2,8
Option premiums, net	-	-	-	-	-	-
Closing equity 2024-12-31	**0,9**	**1,3**	**287,6**	**245,8**	**78,1**	**613,7**

Parent company statement of cash flows

Amounts in MSEK	Note 27	2024 Jan-Dec	2023 Jan-Dec
Current operations			
Operating result		29,2	22,3
Adjustment for items not included in cash flow			
- Depreciation and amortisation		0,0	0,0
- Other items not affecting cash flow		0,0	-0,1
Interest received		7,2	4,4
Interest paid		-19,6	-11,6
Dividends received		86,3	5,8
Taxes received/paid		-28,5	-18,3
Cash flow from operating activities before changes in working capital		74,7	2,4
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in other current receivables		-22,1	66,4
Increase (+)/Decrease (-) in trade payables		-0,1	0,2
Increase (+)/Decrease (-) in other current liabilities		13,7	-11,6
Total change in working capital		-8,6	54,9
Cash flow from operating activities		66,1	57,4

Amounts in MSEK	Note 27	2024 Jan-Dec	2023 Jan-Dec
Disposals, tangible fixed assets		-	0,1
Investment, tangible fixed assets		-0,2	-0,0
Disposals, financial fixed assets		-0,2	0,5
Acquisition of subsidiaries		-157,4	-195,4
Cash flow from investing activities		-157,8	-194,8
New issue		2,8	177,8
Option premium, net		-	0,0
New loans		397,1	288,6
Repayment of loans		-315,1	-217,3
Change in overdraft facilities		0,0	-14,2
Change in non-current liabilities to subsidiaries		3,5	7,7
Dividends to non-controlling interests		-	-
Cash flow from financing activities		88,4	242,5
CASH FLOW FOR THE PERIOD		-3,4	105,1
Cash and cash equivalents at the beginning of the period		106,0	0,0
Exchange rate difference in cash and cash equivalents		0,4	0,9
Cash and cash equivalents at the end of the period		103,0	106,0

Notes

Note 1 Accounting principles

GENERAL ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations of the IFRS Interpretations Committee (IFRS IC) as adopted by the EU and the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups.

The parent company's annual accounts have been prepared in accordance with RFR 2 *Accounting for Legal Entities*. In cases where the Parent Company applies different accounting principles than the Group, this is stated under the heading "Parent Company accounting principles".

On 22 March 2025, these annual accounts and consolidated accounts were authorised for issue by the Board of Directors. The consolidated income statement, statement of other comprehensive income and balance sheet will be subject to adoption by the Annual General Meeting on 23 April 2025.

The parent company, Teqnion AB, is a limited liability company with its registered office in Stockholm. The company's address is Dalvägen 14, 169 56 Solna.

Presentation of the annual accounts

Amounts are in millions of Swedish kronor (SEK million) unless otherwise stated. Comparisons in brackets refer to the corresponding period last year unless otherwise stated. Rounding may occur in tables and calculations, with the result that the total amounts stated may not always be an exact sum of the rounded partial amounts.

Assets and liabilities are recognised at historical cost, except for other financial liabilities which are measured at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement, complexity or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 28.

Significant accounting policies are set out below.

New and amended standards to be applied by the Group in the current period

There are no new IFRS standards or IFRIC pronouncements that will have a material impact on the consolidated financial statements in the financial year 2024. No newly issued IFRS standards or interpretations have been applied early.

Amortisation periods for intangible assets

Amortisation is recognised in the income statement on a straight-line basis over the estimated useful lives of intangible assets. Amortisation is charged from the date on which they are available for use.

	Lifespan:
Goodwill	Indefinite - tested annually
Technology	10-20 years
Capitalised expenditure for development work	5 years
Software and licences	3 years

Note 1 Accounting principles

TANGIBLE FIXED ASSETS

Depreciation down to the estimated residual value is calculated on a straight-line basis over the following useful lives:

Depreciation periods for tangible fixed assets

Buildings	30-60 years
Machinery and other technical equipment	3-10 years
Improvement expenditure on another's property	3-20 years
Equipment, tools and installations	3-10 years
Cars	5 years
Computers	3 years

The residual values and useful lives of assets are reviewed at each balance sheet date and adjusted if necessary.

IMPAIRMENT OF NON-FINANCIAL FIXED ASSETS

Assets with an indefinite useful life are not amortised but are tested annually for impairment. At present, this applies to the Group only for goodwill.

Property, plant and equipment, right-of-use assets and intangible assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

CURRENT AND DEFERRED TAX

In the Group, there are mainly three items where there are temporary differences that form the basis for recognising deferred tax:

- Untaxed reserves
- Leasing
- Intangible assets

EMPLOYEE BENEFITS

Pension obligations

The Group has only so-called defined contribution pension plans.

Bonuses

The Group recognises a liability and an expense for bonuses, based on agreements with certain individuals. The Group recognises a provision when there is a legal or constructive obligation as a result of past practice.

Leasing

Teqnion's leasing contracts (right-of-use agreements) are divided into

the following types of assets:

(a) the premises in which the activities are carried out

b) Cars

c) Machinery and other

Otherwise, the existence of leasing contracts is limited to assets of lower value or with short rental periods. These are not recognised as assets or liabilities in the balance sheet.

The Group's premises contracts are generally for a period of 36-60 months. Cars are normally leased over a period of 36 months.

Note 1 Accounting principles

Minor value is assessed as those cases where the value of a leased asset, when new, is less than SEK 50 thousand.

INVENTORY

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of merchandise consists of the cost of purchasing the goods. Own-manufactured finished and semi-finished goods are valued at the manufacturing cost of the goods plus a reasonable share of indirect costs. Inventories consist mainly of finished goods, merchandise and raw materials. Net realisable value is the estimated selling price in the ordinary course of business, less the applicable selling expenses. The necessary provision for obsolescence has been made on an individual basis.

DISTRIBUTIONS

Any dividend paid to the parent company's shareholders is recognised as a liability in the consolidated financial statements in the period in which the dividend is approved by the parent company's shareholders. No dividend (0) is proposed to the 2025 Annual General Meeting for the financial year 2024.

EARNINGS PER SHARE

Earnings per share are calculated as profit for the year attributable to equity holders of the parent divided by the average number of shares in the respective period. Profit for the period attributable to equity holders of the parent divided by the weighted average number of ordinary shares outstanding, adjusted for dilutive potential ordinary shares arising from options issued.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The basis for recognising revenue from contracts with customers is that revenue is recognised when control of a good or service is transferred to the customer. The sales price is allocated to the performance obligations identified in the contracts. The performance obligations can be satisfied and control transferred at a specific point in time as well as over time. Normal payment terms in the Group are 30 days.

Sale of goods

The majority of the Group's revenue is derived from the sale of goods such as technical components, materials and advanced equipment. Delivery is not considered to have taken place until the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer and the customer has accepted the products in accordance with the sales contract, the terms of acceptance have expired or the Group has objective evidence that all acceptance criteria have been met. Sales of the above goods sometimes include discounts and warranties customary in the industry. Discounts are recognised in the period to which they relate. Transaction prices under contracts for the sale of goods are usually invoiced on fulfilment of the terms of delivery.

Sales of services

The Group sells services in the form of consulting, development, installation, service and maintenance often linked to product sales but also as stand-alone services. Revenue from the sale of services is recognised in the period in which the services are performed and the obligations are fulfilled. Revenue is calculated by determining the stage of completion of the specific transaction based on the proportion of the total services to be performed that the services performed represent. Contract revenue and contract costs for fixed price contracts are recognised as revenue and expenses based on the stage of completion at the balance sheet date (percentage of completion).

Note 1 Accounting principles

ACCOUNTING POLICIES OF THE PARENT COMPANY

The accounting policies of the parent company are in all material respects consistent with the consolidated accounts. The parent company's accounts have been prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. RFR 2 specifies exemptions from and additions to the standards issued by the IASB and statements issued by IFRIC. The exemptions and additions shall be applied from the date on which the legal entity applies the specified standard or statement in its consolidated financial statements.

The parent company uses the formats specified in the Annual Accounts Act, which means that a different presentation of equity is applied.

Shares in subsidiaries are stated at amortised cost less any impairment losses. When there is an indication that shares and participations in subsidiaries have decreased in value, a calculation of the recoverable amount is made. If this is lower than the carrying amount, an impairment loss is recognised. Impairment losses are recognised in the item 'Income from investments in Group companies.

The cost of investments in subsidiaries includes transaction costs. In the consolidated financial statements, transaction costs are recognised as an expense in the period in which they are incurred.

Note 2 Segment

Teqnion's subsidiaries act independently as separate entities and we neither work with them nor track them as parts of segments. In order for you, the reader of our financial statements, to get the most accurate picture of our business, it is better to look at the whole.

All subsidiaries, except Belle Coachworks, Reward Catering, Stanwell Technic, Surge Protection Devices, Nubis Solutions, Avelair and UK Landyard Makers are geographically domiciled in Sweden. Non-current assets, as well as investments, are mainly attributable to Sweden. The majority of the subsidiaries' customers are based in Europe.

No single customer accounts for more than ten per cent of the Group's net sales.

Net sales by major type of income	Group		Parent company	
Amounts in MSEK	2024	2023	2024	2023
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Sale of goods	1 471,1	1 384,9	0,1	-
Sales of services	92,2	82,7	-	-
Invoiced costs	-1,8	2,2	0,0	0,0
Internal invoicing of services to group companies	-	-	56,4	49,1
Other	5,5	5,7	0,0	-
Total	**1 567,0**	**1 475,6**	**56,5**	**49,1**

Note 3 Financial risks and risk management

Risk management objectives and policy/Financial risk management
The Group's activities expose it to various financial risks: market risk (currency and interest rate risk), credit risk and liquidity/financing risk.

The Group's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on earnings and liquidity due to financial risks.

Risk management is carried out by the Chief Controlling Officer in consultation with the Chief Executive Officer and the Board of Directors, following guidelines established by the Board. The risk function includes identifying, evaluating and hedging financial risks. This is done in close co-operation with the Group's operational units.

MARKET RISK

Interest rate risk
The Group's interest rate risk arises mainly from long-term borrowings. The Group's borrowings from credit institutions are based on a floating 3-month interest rate plus a margin, the level of which depends on the current level of Net debt/EBITDA.
If the interest rate changes by one percentage point, the effect on net financial items based on liabilities to credit institutions as at the balance sheet date would be approximately SEK 3.0 million (2.2). The sensitivity analysis is based on all other factors remaining unchanged.

Note 3 Financial risks and risk management, *cont.*

Currency risk

Teqnion is mainly a national group but also has an international presence through subsidiaries in Ireland, the UK and Hong Kong. Several Swedish subsidiaries have sales in other countries. In addition, purchases are made from suppliers in foreign currency, preferably EUR and USD. Exposure to changes in currency is usually divided into two main groups, translation exposure and transaction exposure. The reporting currency is the Swedish krona. This means that the Group is exposed to currency risks due to the fact that changes in exchange rates can affect earnings and equity.

Translation exposure

The assets of foreign subsidiaries, less their liabilities, represent a net investment in foreign currency, which on consolidation gives rise to a translation difference. Such translation differences are recognised in other comprehensive income and accumulated in a separate category within equity called translation reserve.

Transaction exposure

Transaction exposure usually refers to exposures arising from commercial flows, i.e. cross-border sales and purchases, and exposures arising from financial flows. So far, the group's exposure to transactions is limited.

The Group's foreign currency risk exposure, i.e. financial assets and liabilities denominated in currencies other than each company's own functional currency, at the end of the reporting period, expressed in Swedish kronor (SEK million), is shown in the table below:

	SEK		USD		EUR		GBP		Other currencies	
Amounts in MSEK	2024-12-31	2023-12-31	2024-12-31	2023-12-31	2024-12-31	2023-12-31	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Trade receivable	-	-	41,8	15,4	26,1	19,6	0,1	1,0	0,4	0,2
Cash and cash equivalents	-	-	7,5	13,1	31,6	31,8	9,2	0,0	0,0	0,0
Liabilities from credit institutions	-	-	-	-	-22,8	-22,0	-137,5	-34,2	-	-
Other financial liabilities	-	-		-	-20,1	-28,2	-82,3	-70,2	-	-
Trade payables	-	-	-31,1	-25,7	-24,3	-17,8	-0,0	-0,0	-0,0	-0,0
Total	**-**	**-**	**18,2**	**2,8**	**-9,5**	**-16,6**	**-210,5**	**-103,4**	**0,4**	**0,2**

Note 3 Financial risks and risk management, *cont.*

CREDIT RISK

Credit risk or counterparty risk is the risk that the counterparty in a financial transaction will not fulfil its obligations on the due date. Teqnion's credit risk mainly comprises accounts receivable, but there is some credit risk regarding cash and cash equivalents. With regard to cash and cash equivalents, the credit risk is deemed to be negligible since the counterparties are large, well-known banks with high credit ratings.

Customer credit risk

Customer credit risk is the risk that customers will not fulfil their obligations. In addition to overall monitoring at Group level, more detailed monitoring of customer credit risk takes place at local level, i.e. at each subsidiary, close to the customer. In cases where no independent credit assessment is available, a risk assessment of the customer's creditworthiness is performed, taking into account the customer's financial position, past experience and other factors. Risk limits are set based on internal or external credit assessments. The use of credit limits is regularly monitored. There are no major concentrations of credit risk. The maximum exposure to credit risk in trade receivables is the carrying amount at any given time.

The combination of no single customer accounting for more than 10% of net sales and a large proportion of sales going to government agencies and relatively large private companies results in a limited credit risk. The Group's total credit losses during the financial year amounted to 0.1% (0.25) of Group turnover.

The subsidiaries make provisions for doubtful trade receivable based on a schedule established by the Group. Teqnion believes that the risk of bad debt losses is relatively low since sales are largely made to customers with whom the Group has had long-term relationships and/or good experience of willingness to pay.

Trade receivable	Group	
Amounts in MSEK	2024-12-31	2023-12-31
Trade receivable	233,5	184,5
Provision for doubtful debts	-2,4	-4,4
Total	**231,1**	**180,0**

Provision for doubtful debts	Group	
Amounts in MSEK	2024	2023
Opening value 1 January	4,4	0,9
Provision for bad debts for the year	0,8	1,1
Debts written off during the year as uncollectible	-2,2	2,5
Reversal of unutilised amounts	-0,7	-0,0
Closing value 31 December	**2,3**	**4,4**

Analysis of credit exposure in trade receivables	Group	
Amounts in MSEK	2024-12-31	2023-12-31
Trade receivables that are neither past due nor impaired	173,3	138,2
Obsolete:		
- less than 3 months	50,3	36,7
- 3-6 months	2,1	1,1
- more than 6 months	5,4	4,1
Total overdue	**57,8**	**41,9**
Of which impaired	*-2,4*	*-4,4*
Total	**231,1**	**180,0**

Note 3 Financial risks and risk management, *cont.*

LIQUIDITY RISK

As of 31 December 2024, the Group's cash and cash equivalents amounted to SEK 196.0 million (199.8). Liquidity consists of bank balances. In addition to the reported cash and cash equivalents, the Group has an overdraft facility of SEK 100 million (100), of which SEK 0 million (0) has been utilised as at the balance sheet date. In addition, the parent company has a further unutilised portion of the credit facility of approximately SEK 148.3 million.

The table below shows the undiscounted cash flows arising from the Group's financial liabilities, based on the earliest remaining contractual maturities at the balance sheet date. The amounts falling due within 12 months are consistent with the recognised amounts, as the discounting effect is immaterial.
Amounts denominated in foreign currencies and amounts payable based on a variable interest rate have been estimated using the exchange rates and interest rates prevailing at the balance sheet date.

Maturity analysis of financial liabilities

Amounts in MSEK	Group					Parent company				
2024-12-31	Within 12 months	12-24 months	24-60 months	>60 months	Total	Within 12 months	12-24 months	24-60 months	>60 months	Total
Liabilities from credit institutions	15,6	328,8	0,8	1,5	346,7	14,8	328,2	-	-	343,0
Leasing debt	46,0	35,6	52,7	29,1	163,4	-	-	-	-	-
Other financial liabilities	84,1	15,3	17,4	-	116,8	84,1	15,3	17,4	-	116,8
Trade payables	119,5	-	-	-	119,5	0,3	-	-	-	0,3
Other liabilities	5,9	-	-	-	5,9	-	-	-	-	-
Total	**271,1**	**379,7**	**70,9**	**30,6**	**752,3**	**99,2**	**343,5**	**17,4**	**-**	**460,1**
2023-12-31										
Liabilities from credit institutions	35,7	199,7	2,1	0,8	238,3	34,5	198,4	-	-	232,9
Leasing debt	46,0	35,6	52,8	29,1	163,4	-	-	-	-	-
Other financial liabilities	74,9	48,5	-	-	123,4	74,9	48,5	-	-	123,4
Trade payables	99,9	-	-	-	99,9	0,4	-	-	-	0,4
Other liabilities	4,8	-	-	-	4,8	-	-	-	-	-
Total	**261,3**	**283,8**	**54,9**	**29,9**	**629,8**	**109,8**	**246,9**	**-**	**-**	**356,7**

Note 3 Financial risks and risk policy, *cont.*

CAPITAL MANAGEMENT

Teqnion's financial targets are as follows:

1. STABILITY

To never jeopardise what we have built and ensure sustainable growth, financial stability is the foundation. This objective should always be met. Financial target 1: Net debt to EBITDA should be less than 2.5. The net debt to EBITDA ratio was 1.3, thus the target was met for 2024.

2. WAGES

We are always working hard on our margins and our profitability. Our focus is on projects and acquisitions with higher profitability margins than where we are today. Before we rush full speed ahead, we make sure that existing business is whole and profitable. Financial target 2: EBITA margin should be above 9%. EBITA margin amounted to 9.6%, thus the target was met for 2024.

3. SHAREHOLDER VALUE

Once objectives 1. and 2. are met, the focus is on creating shareholder value by increasing earnings per share (EPS). This is mainly done through acquisitions of great companies. This provides the clearest link to EPS over time for the long-term shareholder. Financial target 3: Double earnings per share every five years. Earnings per share amounted to SEK 5.58 for 2024. At earnings per share of SEK 4.24, earnings per share had doubled. The target was thus met in 2024.

Teqnion's dividend policy is to continue our growth journey by allocating available capital primarily to company acquisitions. If the Board considers that there is excess liquidity in the company, up to ten per cent of the estimated profit can be distributed. The Board of Directors proposes that no dividend be paid for the financial year 2024 with the assessment that Teqnion can create excess returns with the cash.

Note 4 Business combinations

Acquisitions completed in 2024

In 2024, the following acquisitions were completed: Nubis Solutions Limited, Avelair Limited and UK Lanyard Makers Limited.

On 19 February 2024, Nubis Solutions Limited was acquired. Nubis is a UK-based designer of bespoke enclosures used by customers operating data centres for high-intensity processing with a focus on GPUs and CPUs. The products are marketed under their own brand and help customers with high demands to get the highest possible power and lifetime out of their machinery while significantly reducing energy consumption and carbon footprint compared to their competitors.

On 17 July 2024, Avelair Limited was acquired, a leading UK manufacturer specialising in energy efficient and reliable screw compressors. The company provides complete compressed air solutions, including design, installation and maintenance. Products include fixed and variable speed compressors, air treatment systems and customised compressed air packages. Known for excellent customer service, Avelair ensures optimal efficiency, safe operation and cost savings for customers

On 1 August 2024, UK Lanyard Makers Limited, a UK-based manufacturer of customised lanyards used as a critical part of the customer's operation, such as large events, trade shows or product launches, was acquired. UKLM has become the obvious choice for those customers who value design quality, delivery precision and flexibility.

Completed acquisitions in 2024	Completion	Acquired share, %	Annual net sales, MSEK*
Nubis Solutions Limited	19 February	100	40 MILLION
Avelair Limited	17 July	100	41 MILLION
UK Lanyard Makers Limited	1 August	100	18 MILLION

**) Average of the last three years before the acquisition date*

Note 4 Business combinations, *cont.*

Impact of acquisitions in 2024

The acquisitions completed in 2024 have the following effects on the Group's assets and liabilities. The purchase price allocations have not been finalised as the Group has not received the final data from the acquired entities. Any adjustments in connection with the final acquisition analysis are not expected to have a material impact on the Group's results or financial position.

The assets and liabilities included in the acquisitions of the period, according to the acquisition analyses, are as follows

Fair value	MSEK
Intangible assets	8,8
Tangible fixed assets	4,1
Inventories	14,1
Trade and other receivables	18,8
Cash and cash equivalents	34,1
Provisions	-0,1
Deferred tax	-2,2
Trade and other payables	-24,7
Net identifiable assets and liabilities	**52,9**
Goodwill	105,5
Transferred remuneration	**158,4**
Of which	
paid in cash	112,4
contingent consideration	29,4
Delayed payment	16,6

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

Contingent considerations are defined per acquisition and divided into two or more parts and are dependent on future results achieved in the respective companies during the period from February 2024 to June 2027 at the latest. All contingent considerations have a fixed maximum level. The contingent considerations can fall out in the range of SEK 0.0-29.4 million. The fair value of the contingent considerations amounted to SEK 29.4 million at the acquisition dates of the specified acquisitions. Initially, contingent considerations are valued at the probable outcome.

Acquisition-related costs for the year's acquisitions, which are recognised under other external costs, amount to SEK 0.7 million.

Impact on the income statement Jan-Dec 2024	MSEK
Net sales	57,6
EBITA	4,5

Impact on the income statement if the acquisitions been part of the group from 1 Jan 2024	MSEK
Net sales	93,1
EBITA	13,6

Note 4 Business combinations, *cont.*

Acquisitions completed in 2023

In 2023, the following acquisitions were completed: Stanwell Group Limited, Schill Reglerteknik Aktiebolag and Surge Protection Devices Limited.

On 1 June 2023, Stanwell Group Limited was acquired, a company that develops and markets dispensers, pumps and complex systems for beverages. The company is based in the UK and customers are primarily in the UK but also to some extent in the EU. Stanwell's high quality products ensure that the customer can always rely on the beverage to flow so that customers can enjoy a perfectly poured beer. The consistently high reliability and service levels have meant that their products can be found in almost every pub throughout the UK.

On 14 June 2023, Schill Reglerteknik Aktiebolag, which develops advanced measurement equipment for dynamic and static calibration of weapon systems, was acquired. The products are mainly used on board warships but also on some land-based platforms. The company's products can be used to quickly and efficiently ensure that fire tubes have the highest accuracy.

On 10 November 2023, Surge Protection Devices Limited was acquired, providing surge protection to customers in the British Isles. Customers are found in most segments such as public buildings, defence, airports and museums, who can protect their electronic equipment using Surge's high-quality and innovative products. By always offering customised consultation and putting the customer's needs first, the company has both built lasting relationships and attracted more and more customers.

Completed acquisitions in 2023	Completion	Acquired share, %	Annual net sales, MSEK*
Schill Reglerteknik Aktiebolag	1 June	100	15 MSEK
Stanwell Group Limited	14 June	100	5 MGBP
Surge Protection Devices Limited	10 Nov	100	1.5 MGBP

**) Average of the last three years*

Note 4 Business combinations, *cont.*

Effects of acquisitions
The acquisitions completed in 2023 have the following effects on the Group's assets and liabilities. The acquisition analyses have been finalised.

The assets and liabilities included in the acquisitions of the period, according to the acquisition analyses, are as follows

Fair value	MSEK
Intangible assets	8,1
Tangible fixed assets	1,6
Inventories	20,2
Trade and other receivables	32,2
Cash and cash equivalents	42,7
Provisions	-1,3
Deferred tax	-3,4
Trade and other payables	-38,0
Net identifiable assets and liabilities	62,1
Goodwill	144,2
Transferred remuneration	206,3
Of which	
paid in cash	127,5
deferred payment	69,4
contingent consideration	9,4

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

Contingent considerations are defined per acquisition and divided into two or more parts and are dependent on future results achieved in the respective companies during the period from May 2023 to October 2025 at the latest. All contingent considerations have a fixed maximum level. The contingent considerations can fall out in the range of SEK 0-79.9 million. The fair value of the contingent considerations amounted to SEK 69.4 million at the acquisition dates for the specified acquisitions. Initially, contingent considerations are valued at the probable outcome.

Acquisition-related costs for the year's acquisitions, which are recognised under other external costs, amount to SEK 0.5 million.

Impact on the income statement Jan-Dec 2023	MSEK
Net sales	76,8
EBITA	27,6

Impact on the income statement if the acquisitions been part of the group from 1 Jan 2023	MSEK
Net sales	114,5
EBITA	35,0

Note 5 Other operating income

	Group		Parent company	
Amounts in MSEK	2024 Jan-Dec	2023 Jan-Dec	2024 Jan-Dec	2023 Jan-Dec
Exchange gains on operating receivables/liabilities	8,4	9,9	0,4	0,1
Commission income	0,5	0,2	-	-
Capital gain on disposal of property, plant and equipment	1,0	2,1	-	0,1
Revaluation of contingent consideration	28,4	0,5	-	-
Government grants	1,6	4,6	-	
Insurance claims	0,0	0,6	-	-
Other	2,1	2,2	-	-
Total other operating income	**42,0**	**20,1**	**0,4**	**0,2**

Note 6 Number of employees, staff costs and senior management and directors' remuneration

Average number of employees	2024 Average number of employees	2024 Of which women	2024 Percentage of women	2023 Average number of employees	2023 Of which women	2023 Percentage of women
Parent company	9	4	44%	7	4	57%
Subsidiary companies	503	110	22%	473	97	21%
Group total	**512**	**114**	**22%**	**480**	**101**	**21%**
Of which in						
Sweden	416	97	23%	425	96	22%
Ireland	14	1	7%	10	0	0%
United Kingdom	82	16	20%	44	5	12%

Gender distribution of Board members and other senior executives	2024 Number at balance sheet date	2024 Of which women	2024 Percentage of women	2023 Number at balance sheet date	2023 Of which women	2023 Percentage of women
Parent company						
Board members incl. CEO	7	2	29%	5	-	0%
Other senior executives (1 person)	1	0	0%	1	1	100%
Total	**8**	**2**	**25%**	**6**	**1**	**17%**

Note 6 Number of employees, staff costs and senior management and directors' remuneration, *cont.*

The Group	2024			2023		
Amounts in MSEK	Members of the board of directors, managing directors and other senior executives	Other employees	Total	Members of the board of directors, managing directors and other senior executives	Other employees	Total
Salaries and allowances	32,6	234,3	266,9	34,3	198,4	232,7
Of which bonuses	2,0	1,3	3,3	4,5	3,4	7,8
Pension costs	5,3	13,3	18,6	3,7	10,9	14,7
Social costs	11,6	69,8	81,4	11,7	64,9	76,6
Group total	**49,5**	**317,4**	**366,9**	**49,7**	**274,3**	**324,1**

Parent company	2024			2023		
Amounts in MSEK	Members of the board of directors, managing directors and other senior executives	Other employees	Total	Members of the board of directors, managing directors and other senior executives	Other employees	Total
Salaries and allowances	4,4	7,2	11,6	4,6	8,6	13,2
Of which bonuses	-	2,0	2,0	1,2	4,5	5,7
Pension costs	0,8	0,8	1,6	0,7	0,8	1,5
Social costs	1,6	4,8	6,4	1,6	5,6	7,1
Total parent company	**6,8**	**12,8**	**19,6**	**6,8**	**15,0**	**21,8**

Directors employed as subsidiary CEOs receive fixed salaries, other benefits and pension costs from their respective subsidiaries. Directors who are employed by the group do not receive a director's fee. Variable remuneration (bonuses) for subsidiary CEOs is paid by the parent company. The CEO and other senior executives are subject to a mutual notice period in accordance with current rules, which may not exceed nine months.

Note 6 Number of employees, staff costs and senior management and directors' remuneration, *cont.*

Warrant programme for senior executives and key employees

The 2020-2022 Annual General Meetings decided to issue warrants to senior executives within the Teqnion Group. The employees have paid a market premium for the warrants at a price corresponding to the valuation according to the customary valuation model (Black & Scholes). Each warrant entitles the holder to subscribe for one share in Teqnion. If the holder leaves his/her employment, Teqnion has the right to choose to buy back outstanding warrants.

Change in issued warrants

	2024-12-31		2023-12-31	
	Number of options	Equivalent number of shares	Number of options	Equivalent number of shares
Outstanding at the beginning of the period	42 000	42 270	185 000	185 850
Recalculation due to dividend paid in 2022	-		-	850
Issued	-	-	-	-
Repurchased	-	-	-2 000	-2 020
Options exercised	-27 000	-27 270	-142 000	-142 410
Outstanding at the end of the period	**15 000**	**15 000**	**42 000**	**42 270**

Warrant terms for outstanding warrants

				2024-12-31		2023-12-31		
Series	Price per warrant	Subscription price, SEK*)	Right to buy number of shares*)	Number of options	Equivalent number of shares	Number of options	Equivalent number of shares	Subscription period
2022/2025 series 1	12,31	172,28	1	15 000	15 000	15 000	15 000	12 May 2025-12 June 2025
2021/2024 series 1	11,86	104,52	1,01	-	-	27 000	27 270	6 May 2024-31 May 2024
2020/2023 series 1	5,02	23,19	1,01	-	-	-	-	1 May 2023-31 May 2023
2020/2023 series 2	13,86	23,19	1,01	-	-	-	-	1 May 2023-31 May 2023
				15 000	**15 000**	**42 000**	**42 270**	
Maximum increase in the number of shares in relation to shares outstanding at the end of the period				0,1%		0,2%		

*) Subscription price and the number of shares that each option entitles to purchase are recalculated due to dividend paid in 2022

Note 6 Number of employees, staff costs and senior management and directors' remuneration, *cont.*

2024 - Parent company	Fixed salary/board fee	Variable remuneration	Other benefits	Pension costs	Total
Lena Almefeldt, chairman of the board since 2024	0,3	-	-	-	0,3
Mikael Vaezi, member of the board	0,2	-	-	-	0,2
Henrik Joelsson, member of the board	0,2	-	-	-	0,2
Per Berggren, member of the board	0,2	-	-	-	0,2
Johan Steene, CEO and member of the board	1,6	-	0,0	0,5	2,1
Boel Sjöstrand, member of the board since 2024	0,2	-	-	-	0,2
Christopher Mayer, member of the board since 2024	0,1	-	-	-	0,1
Other senior executives (1 person)	1,6	-	0,0	0,3	1,9
Total	4,4	-	0,0	0,8	5,2

2023 - Parent company	Fixed salary/board fee	Variable remuneration	Other benefits	Pension costs	Total
Per Berggren, chairman of the board	0,2	-	-	-	0,2
Mikael Vaezi, member of the board	0,1	-	-	-	0,1
Claes Mellgren, member of the board until 21 February 2024	0,1	-	-	-	0,1
Henrik Joelsson, member of the board since the 2023 AGM	0,1	-	-	-	0,1
Johan Steene, CEO and member of the board	1,5	1,3	0,0	0,5	3,2
Other senior executives (1 person)	1,2	-	0,0	0,2	1,4
Total	3,3	1,3	0,0	0,7	5,2

Note 7 Auditor's fees

Audit assignment refers to the examination of the annual report and accounts and the administration of the board of directors and the managing director, other tasks that are incumbent on the company's auditor to perform, and advice or other assistance arising from observations made during such examination or the performance of such other tasks. Everything else is divided into tax consultancy and other assignments.

	Group		Parent company	
Amounts in MSEK	2024 Jan-Dec	2023 Jan-Dec	2024 Jan-Dec	2023 Jan-Dec
BDO Mälardalen AB				
Audit assignments	1,8	1,5	0,3	0,3
Other counselling services	0,3	0,0	0,3	0,0
Other auditors				
Audit assignments	0,6	0,3		
Other counselling services	-	-		
Total	**2,7**	**1,8**	**0,6**	**0,4**

Note 8 Income from participations in group companies

	Parent company	
Amounts in MSEK	2024 Jan-Dec	2023 Jan-Dec
Dividends	86,3	5,8
Impairment	-44,4	-
Total	**41,9**	**5,8**

Comment to note 8:

Refers to write-downs to net asset value in Stans & Press Blomstermåla AB (SEK -4.1 million) and Stanwell Group Ltd (SEK -40.3 million). These write-downs relate to restructuring within the Group.

During the year, Stans & Press i Blomstermåla AB moved its operations to the sister company Stans & Press i Olofström AB, after which a write-down to net asset value was made as of 31 December 2024. The book value of the shares in Stans & Press Blomstermåla amounts to SEK 16.5 million as of 31 December 2024, which corresponds to the equity in Stans & Press Blomstermåla AB.

Stanwell Group Ltd was a dormant parent company of Stanwell Technic Ltd at the time of the acquisition in 2022. In 2024, a dividend has been paid corresponding to the equity in the company and the amount of the impairment corresponds to the amount of the dividend. Stanwell Group Ltd has as of 2024-12-31 been liquidated. Teqnion AB now owns Stanwell Technic Ltd directly to 100%. Thus, the transaction in the income statement has no net effect on the result.

Note 9 Financial income and expenses

	Group		Parent company	
Amounts in MSEK	2024 Jan-Dec	2023 Jan-Dec	2024 Jan-Dec	2023 Jan-Dec
Financial income				
Interest income	4,5	2,6	2,8	1,6
Interest income from group companies			4,0	2,7
Net, exchange rate change	5,8	1,9	0,4	0,9
Other financial items	0,2	0,0	-	0,1
Financial income	**10,5**	**4,6**	**7,2**	**5,4**
Financial expenses				
Interest costs				
- borrowing	-17,5	-11,0	-17,3	-10,6
- contingent considerations, valued at fair value through profit or loss	-1,6	-1,4	-1,6	-1,4
- lease liabilities	-7,3	-4,4		
- group companies			-1,8	-0,9
- other interest expenses	-0,7	-0,2		
Net, exchange rate change				
- contingent considerations, valued at fair value through profit or loss	-6,4	0,5	-6,4	0,5
- borrowing	-5,8	3,6	-5,8	3,6
- other	0,1	1,0		1,0
Fee on disposal of trade receivables	-0,6	-1,6		
Other financial charges	0,3	-0,2	-0,5	
Financial expenses	**-39,5**	**-13,8**	**-33,4**	**-7,9**
Income from participations in group companies	-	-	41,9	5,8
Result from financial items	**-29,0**	**-9,2**	**15,8**	**3,2**

Note 10 Taxes

Recognised in the income statement	Group		Parent company	
Amounts in MSEK	2024 Jan-Dec	2023 Jan-Dec	2024 Jan-Dec	2023 Jan-Dec
Current tax	-24,7	-30,7	-10,2	-16,6
Current tax attributable to previous years	0,2	-1,0	-	-
Deferred tax	1,8	-3,7	-	-
Total	**-22,7**	**-35,4**	**-10,2**	**-16,6**

Reconciliation of effective tax	Group		Parent company	
Amounts in MSEK	2024 Jan-Dec	2023 Jan-Dec	2024 Jan-Dec	2023 Jan-Dec
Profit before tax	118,5	160,5	88,3	84,6
Income tax calculated at the applicable rate (20.6%)	-24,4	-33,1	-18,1	-17,4
Non-taxable income	33,5	0,3	17,8	1,2
Non-deductible expenses	-12,3	-1,8	-9,3	-0,0
Non-deductible interest expenses	-0,3	-0,2	-	-
Adjustment of current tax relating to previous years	0,2	-1,0	-	-
Effect of foreign tax rates	-1,3	0,2	-	-
Tax effect on standardised revenue on tax allocation reserve	-0,8	-0,5	-0,5	-0,2
Revaluation of deferred tax due to changed tax rate in Sweden				
Other	0,5	0,7	-0,1	-0,0
Total	**-22,7**	**-35,4**	**-10,2**	**-16,6**

Recognised deferred tax liabilities	Group	
Amounts in MSEK	2024-12-31	2023-12-31
Untaxed reserves	29,3	31,5
Intangible fixed assets	3,9	2,1
Right-of-use assets	33,2	-29,4
Lease liabilities	-32,3	28,9
Other	0,2	0,4
Total	**34,3**	**33,5**

Change in deferred tax liability	Group	
Amounts in MSEK	2024	2023
Opening balance	33,5	26,5
Business combinations	2,3	4,0
Exchange rate difference	0,2	-0,1
Recognised in the income statement	-1,7	3,7
Total	**34,3**	**33,5**

Deficit

Total deficits amount to 0.0 MSEK (1.4), of which 0 MSEK (0) relates to Teqnion AB. The deficits have no expiry dates. The tax value of the deficits amounts to 0.0 MSEK (0.3). Of the total deficits in the Group, no deferred tax assets have been recognised.

Note 11 Intangible fixed assets

Amounts in MSEK	Goodwill	Licences and capitalised expenditure[1])	Technology
Accumulated cost of acquisition			
Opening balance 2023-01-01	505,5	5,5	2,0
Business combinations	144,2	-	8,1
Investments	-	2,0	-
Exchange rate differences for the year	-8,0	-	-0,3
Disposals/disposals	-	7,5	-
Closing balance 2023-12-31	**641,7**	**7,5**	**9,8**
Opening balance 2024-01-01	641,7	7,5	9,8
Business combinations	105,3	-	8,8
Investments	-	7,3	-
Sales/disposals	-0,4	-	-
Exchange rate differences for the year	17,3	-	0,6
Closing balance 2024-12-31	**763,9**	**14,8**	**19,2**
Accumulated amortisation and impairment losses			
Opening balance 2023-01-01	-33,0	-2,9	-0,1
Amortisation for the year	-	-0,5	-0,4
Sales/disposals	-	-	-
Closing balance 2023-12-31	**-33,0**	**-3,4**	**-0,5**
Opening balance 2024-01-01	-33,0	-3,4	-0,5
Amortisation for the year	-	-0,9	-1,3
Sales/disposals	0,4	-	-
Closing balance 2024-12-31	**-32,6**	**-4,3**	**-1,8**
Carrying amount 2024-12-31	**731,3**	**10,5**	**17,4**
Carrying amount 2023-12-31	**608,7**	**4,1**	**9,3**

[1])Includes licences, software and capitalised development expenditure

Impairment and testing of goodwill

The carrying amount of goodwill at 31 December 2024 was 731.3 MSEK (608.7). The table below shows how the amount has been allocated between cash-generating units, which are the respective companies.

	Goodwill	
	2024-12-31	**2023-12-31**
Reward Catering	112,8	108,8
Surge Devices	79,4	73,1
Nubis Solutions	47,6	-
Wallmek	44,4	44,4
Stanwell Technic	42,5	39,1
UK Lanyard Makers	40,6	-
WiMa	37,7	37,7
Hem1	35,0	35,0
Innoguard	34,9	34,9
Vicky Teknik	30,0	30,0
Other cash generating units	226,4	205,7
Total	**731,3**	**608,7**

Teqnion continuously assesses whether there is an indication that any company has decreased in value. If such an indication exists, the company's recoverable amount is calculated. Goodwill is tested annually, regardless of whether there is an indication of impairment. The carrying amounts are tested by calculating the recoverable amount for each company. The recoverable amount, which is the higher of value in use and fair value less costs to sell, is compared with the carrying amount. If the recoverable amount is lower than the carrying amount, an impairment loss is recognised. In the first instance, goodwill is impaired.

Note 11 Intangible assets, *cont.*

Impairment and testing of goodwill, *cont.*

The recoverable amount of cash-generating units has been determined in 2024 by calculating value in use, which is based on discounted future cash flows. The discounted cash flows are based on the budget for 2025 set by management and in some cases for forecasts for 2026-2028. As the companies are deemed to be in a phase that is representative of the long-term perspective, the first forecast year's cash flow is extrapolated with a long-term growth rate, which is estimated at 2 per cent (2) per year. For some units, including units in construction and contract manufacturing, sales increases exceeding 2 per cent have been forecast, based on management's assessment that there is great potential for recovery for these units in 2026-2028 given the measures implemented in 2024 to increase margins. These include staff redundancies, renegotiating supplier contracts, changing CEOs in a couple of companies and other measures to strengthen margins. Forecast earnings and investments for the forecast period are based on reasonable assumptions based on previous outcomes and experience. Cash flows have been discounted using a weighted cost of capital of 15-19 per cent (16-19) before tax. Significant assumptions that have the greatest impact on the recoverable amount are profitability, discount rate, change in working capital and investment needs.

The impairment tests are performed by increasing the discount rate by one percentage point and decreasing the long-term growth rate by one percentage point, each parameter separately. All cash-generating units pass this test, except for contract manufacturing units. These do not pass the test. The value in use for these companies is in line with the carrying amount, which means that a change in the above assumptions would result in an impairment requirement.

Note 12 Tangible fixed assets.

Amounts in MSEK	Buildings and land[1)]	Machinery and equipment[2)]
Accumulated cost of acquisition		
Opening balance 2023-01-01	22,1	99,7
Business combinations	-	1,6
Investments	2,7	6,0
Disposals/disposals	-	-5,9
Exchange rate differences for the year	-	-0,5
Reclassification	-0,3	0,3
Closing balance 2023-12-31	**24,5**	**101,3**
Opening balance 2024-01-01	24,5	101,3
Investments	3,3	9,8
Business combinations	0	4,1
Disposals/disposals	-0,5	-20,4
Exchange rate differences for the year	0,0	1,8
Reclassification	-	0,0
Closing balance 2024-12-31	**27,3**	**96,6**
Accumulated amortisation and impairment losses		
Opening balance 2023-01-01	-12,9	-76,0
Amortisation for the year	-0,8	-7,6
Sales/disposals	-	4,7
Exchange differences for the year	-	-0,4
Reclassification	0,1	0,4
Closing balance 2023-12-31	**-13,5**	**-78,8**
Opening balance 2024-01-01	-13,5	-78,8
Amortisation for the year	-1,2	-8,9
Sales/disposals	0,2	19,1
Exchange differences for the year	0,0	-1,4
Reclassification	-	-
Closing balance 2024-12-31	**-14,5**	**-70,0**

Amounts in MSEK	Buildings and land[1)]	Machinery and equipment[2)]
Carrying amount 2024-12-31	12,8	26,6
Carrying amount 2023-12-31	10,9	22,5

1) This also includes improvement expenditure on other property

2) Including cars, computers and construction in progress

Note 13 Right-of-use assets and lease liabilities

Amounts recognised in the balance sheet.

The breakdown of the right-of-use assets recognised is as follows:

	Group	
Amounts in MSEK	**2024-12-31**	**2023-12-31**
Premises	125,6	115,4
Vehicles	6,6	7,5
Machinery and other	33,4	24,8
Total	**165,6**	**147,7**

Leasing liabilities	Group	
Amounts in MSEK	**2024-12-31**	**2023-12-31**
Short-term	47,3	39,9
Non-current	116,5	105,1
Total	**163,8**	**145,0**

For a maturity analysis of the lease liability see note 3.

Additional rights of use	Group	
Amounts in MSEK	**2024**	**2023**
Premises	47,8	74,7
Vehicles	5,0	6,1
Machinery and other	19,0	15,6
Total	**71,8**	**96,3**

Amounts recognised in the income statement	Group	
Amounts in MSEK	**2024**	**2023**
	Jan-Dec	Jan-Dec
Depreciation, premises	36,4	35,2
Depreciation, vehicles	4,9	4,5
Depreciation, machinery and other	10,4	7,4
Interest expense, lease liabilities	7,4	4,4
Total	**59,1**	**51,5**

Cash flow	Group	
Amounts in MSEK	**2024**	**2023**
	Jan-Dec	Jan-Dec
Amortisation of lease liabilities	51,7	47,1
Interest paid on lease liabilities	7,4	4,4
Total	**59,1**	**51,5**

Note 13 Right-of-use assets and lease liabilities, *cont.*

Amounts in MSEK	
Accumulated cost of acquisition	
Opening balance 2023-01-01	207,3
Acquisition in connection with business combinations	6,9
Acquisitions for the year	89,4
Divestments	-36,1
Exchange rate differences for the year	-0,3
Closing balance 2023-12-31	**267,1**
Opening balance 2024-01-01	267,1
Acquisition in connection with business combinations	2,5
Acquisitions for the year	69,3
Divestments	-27,1
Exchange rate differences for the year	1,5
Closing accumulated cost	**313,3**
Accumulated amortisation	
Opening balance 2023-01-01	-107,3
Amortisation for the year	-47,1
Divestments	34,9
Exchange rate differences for the year	0,1
Closing balance 2023-12-31	**-119,4**
Opening balance 2024-01-01	-119,4
Amortisation for the year	-51,7
Divestments	23,9
Exchange rate differences for the year	-0,4
Closing accumulated amortisation	**-147,6**
Closing net book value	**165,6**

Amounts in MSEK	Right-of-use assets
Carrying amount 2024-12-31	165,6
Carrying amount 2023-12-31	**147,7**

Note 14 Financial assets and liabilities

The Group

Amounts in MSEK	Amortised cost 2024-12-31	Amortised cost 2023-12-31	Fair value through profit or loss 2024-12-31	Fair value through profit or loss 2023-12-31
Assets in the balance sheet				
Other long-term receivables	0,4	0,4	-	-
Accounts receivable	231,1	180,0	-	-
Other receivables	2,3	1,0	-	-
Cash and cash equivalents	196,0	199,8	-	-
Total	**429,8**	**381,3**	**-**	**-**
Liabilities in the balance sheet			-	
Borrowing from credit institutions, long-term	302,2	192,3	-	-
Other non-current financial liabilities	-	-	30,5	45,9
Borrowing from credit institutions, short-term	0,1	23,5	-	-
Other current financial liabilities	-	-	84,1	74,9
Derivative instruments	-	-	-	0,3
Trade payables	119,5	99,9	-	-
Other liabilities	5,9	4,8	-	-
Total	**427,7**	**320,7**	**114,6**	**120,8**

The difference between carrying amount and fair value is marginal for assets and liabilities measured at amortised cost. Borrowings from credit institutions carry variable interest rates, so the difference between carrying amount and fair value is not significant. The same applies to other financial assets and liabilities of larger amounts, as the maturity is short. Other financial liabilities at fair value through profit or loss relate to contingent consideration for business combinations.

Contingent considerations	2024	2023
Opening book value at 1 January	120,8	103,8
New contingent considerations related to acquisitions during the period	46,0	78,8
Purchase price paid	-42,4	-66,9
Revaluation through profit or loss	-17,8	4,0
Interest costs	1,6	1,4
Exchange rate differences	6,4	-0,5
Closing book value 31 December	**114,6**	**120,8**

Contingent consideration is recognised at fair value in the balance sheet and presented as Other financial liabilities, non-current and current. For contingent consideration, a cash flow based valuation, which is not based on observable market data, is performed, level 3.
The outcome of contingent considerations is dependent on future results achieved in the companies and has a fixed maximum level. The basis for assessment is established budgets and business plans as well as historical outcomes. Contingent considerations with a maturity of more than two years have been discounted to present value using an interest rate deemed to be in line with the market.

Note 15 Other long-term receivables

Amounts in MSEK	Group	Parent company
Accumulated cost of acquisition		
Opening balance 2023-01-01	0,5	0,0
Deposits received	-0,1	-
Closing balance 2023-12-31	**0,4**	**0,0**
Opening balance 2024-01-01	0,4	0,0
Deposits received	0,2	0,2
Refunded deposits	-0,2	-
Closing balance 2024-12-31	**0,4**	**0,2**

Note 16 Inventories

	Group	
Amounts in MSEK	2024-12-31	2023-12-31
Work in progress	31,3	29,6
Finished goods and merchandise	230,3	227,3
Total	261,6	256,9

No impairment losses or reversals of impairment losses recognised in prior years have been recognised in 2024 or 2023.

Note 17 Other current receivables

	Group		Parent company	
Amounts in MSEK	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Advances to suppliers	6,5	5,7	-	-
Tax account	6,3	5,5	0,0	0,0
VAT receivable	2,4	1,9	-	-
Other receivables	2,4	1,0	-	0,4
Total	17,6	14,0	0,0	0,4

Note 18 Prepaid expenses and accrued income

	Group		Parent company	
Amounts in MSEK	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Prepaid rental expenses	4,5	1,6	0,1	0,0
Prepaid insurance premiums	2,9	0,6	-	-
Accrued income	-	-	-	-
Other items	15,7	9,6	0,3	0,2
Total	23,1	11,8	0,4	0,2

Note 19 Equity capital

The Group

Other contributed capital
Refers to equity capital contributed by owners. It includes share premium accounts paid in connection with share issues and paid-in option premiums/exercised options for warrants issued by the parent company.

Translation reserve
The translation reserve comprises all exchange differences arising from the translation of the financial statements of foreign operations that have prepared their financial statements in a currency other than the currency in which the consolidated financial statements are presented. The Parent Company and the Group present their financial statements in Swedish kronor.

Retained earnings including profit for the year
Retained earnings including profit for the year include retained earnings of the parent company and its subsidiaries.

Dividends
The Board of Directors proposes that no dividend be paid for the financial year 2024 with the assessment that Teqnion can generate excess returns with the cash.

Parent company

Under Swedish law, equity must be divided between non-distributable (restricted) and distributable (unrestricted) funds respectively.

Restricted funds
Restricted funds may not be reduced by dividends and consist of share capital paid in option premiums/exercised options for warrants issued by the parent company.

Retained earnings including profit for the year
Consists of the previous year's unrestricted equity after any dividends have been paid. Together with the profit for the year, it represents total non-restricted equity, i.e. the amount available for distribution to shareholders.

Number of shares and quota value
The number of shares at 31 December 2024 is 17 165 756 shares with 1 vote per share. The quota value of the share is SEK 0.05.

Note 20 Earnings per share

Earnings per share have been calculated by dividing the profit attributable to equity holders of the parent by the weighted average number of ordinary shares outstanding during the period, see below for the calculation of the two components.

	Group	
	2024	2023
Profit for the year attributable to equity holders of the parent	95,6	125,0
Total number of ordinary shares	17 165 756	17 138 486
Weighted average number of ordinary shares before dilution	17 153 696	16 564 174
Effect of warrants issued	15 000	17 592
Weighted average number of ordinary shares after dilution	17 160 449	16 635 483
Basic earnings per share	5,58	7,54
Earnings per share after dilution	5,58	7,51

Note 21 Provisions

Guarantee provisions	Group	
Amounts in MSEK	2024	2023
Opening balance 1 January	5,0	4,3
Additions	0,4	1,0
Revaluation	-1,0	-0,3
Closing balance 31 December	**4,4**	**5,0**

Note 22 Accrued expenses and deferred income

	Group		Parent company	
Amounts in MSEK	2024-12-31	2023-12-31	2024-12-31	2023-12-31
Accrued wages and salaries	7,6	12,1	3,3	8,1
Accrued holiday pay	23,1	22,1	1,7	1,4
Accrued social security contributions	10,9	10,8	0,9	0,7
Other	17,2	17,5	0,8	0,2
Total	**58,8**	**62,5**	**6,7**	**10,4**

Note 23 Other current liabilities

	Group		Parent company	
Amounts in MSEK	2024-12-31	2023-12-31	2024-12-31	2023-12-31
VAT debt	19,0	14,6	1,7	1,7
Personnel-related liabilities	12,8	13,0	0,9	1,1
Advance payment from customer	8,7	5,4	-	-
Other	5,9	4,8	-	-
Total	**46,3**	**37,9**	**2,6**	**2,8**

Note 24 Pledged assets and contingent liabilities

Recognised amounts of assets pledged as collateral for short-term and long-term borrowings:

	Group		Parent company	
Amounts in MSEK	**2024-12-31**	**2023-12-31**	**2024-12-31**	**2023-12-31**
For own liabilities				
Assets subject to liens	2,4	3,1	-	-
Total	**2,4**	**3,1**	**-**	**-**

Contingent liabilities
The parent company has an unlimited guarantee to the bank via the credit facility (personal surety).

Note 25 Related party transactions

Transactions with related parties are conducted at arm's length.

Related parties are defined as the Executive Management, the Board of Directors of the Parent Company, Teqnion AB, the owners of Teqnion AB and the subsidiaries included in the Group, see Note 26.

The parent company's net sales comes from internal invoicing of services to subsidiaries.

For a description of salaries and other remuneration to senior executives and the Board of Directors, see Note 6. The 2020-2022 AGMs decided to issue warrants to senior executives within the Teqnion Group. The employees have paid a market premium for the options. Terms and conditions are stated in Note 6.

Note 26 Shares in group companies

Amounts in MSEK	Shares in group companies
Accumulated cost of acquisition	
Opening balance 2023-01-01	662,5
Investments	253,2
Adjusted cost of acquisition*)	2,0
Closing balance 2023-12-31	**917,7**
Opening balance 2024-01-01	917,7
Investments	204,4
Impairment losses	-44,4
Adjusted cost of acquisition*)	-17,8
Closing balance 2024-12-31	**1 059,8**

*) Refers to fair value adjustmentsdue to revaluation of contingent liabilities.

Comment to note:

Based on the impairment test performed annually, see note 11, the carrying amount of investments in subsidiaries is also assessed for impairment. In 2024, impairment losses were recognised in Stans & Press i Blomstermåla AB and Stanwell Group Ltd.

During the year, Stans & Press i Blomstermåla AB moved its operations to the sister company Stans & Press i Olofström AB, after which a write-down to net asset value was made as of 31 December 2024. The book value of the shares in Stans & Press Blomstermåla amounts to MSEK 16.5 as of 31 December 2024, which corresponds to the equity in Stans & Press Blomstermåla AB.

Comment to note, **cont:**

Stanwell Group Ltd was a dormant parent company of Stanwell Technic Ltd at the time of the acquisition in 2022. In 2024, a dividend has been paid corresponding to the equity in the company and the amount of the impairment corresponds to the amount of the dividend. Stanwell Group Ltd has as of 2024-12-31 been liquidated. Teqnion AB now owns Stanwell Technic Ltd directly to 100%. Thus, the transaction in the income statement has no net effect on the result.

No impairment losses were recognised in 2023.

					Carrying amount, parent company MSEK	
Name of the organisation	Org. no.	Seats	Owned share (%)	Number of shares	2024-12-31	2023-12-31
Industrikomponenter AB	556111-8505	Stockholm	100	1 000	1,0	1,0
AB Elrond Component	556336-8868	Huddinge	100	1 000	4,1	4 ,1
Narva Scandinavia AB	556436-6515	Stockholm	100	6 000	6,9	6,9
GB Verkstads & Industrivaror AB	556260-3679	Sundsvall	100	1 000	12,0	12,0
Storebro Energy Systems AB	556441-3010	Vimmerby	100	1 000	0,5	0,5
Air Target Sweden AB	556097-3132	Stockholm	100	20 000	9,0	9,0
K-Fab Sverige AB	556621-4242	Stockholm	91	910	18,8	18,8
TQ Sweden AB	559057-5048	Stockholm	100	1 000	0,0	0,0
Cellab Nordia AB	556637-2347	Stockholm	100	1 000	6,8	6,8
Grimstorp Byggkomponenter AB	556607-7508	Stockholm	100	462	33,0	31,0
Shanty TEQ AB	556411-7116	Stockholm	100	1 000	22,1	22,1
Stans & Press i Blomstermåla AB	556553-8757	Stockholm	100	2 000	16,5	20,6
Stans & Press i Olofström AB	556175-2154	Stockholm	100	10 000	23,3	23,3
Eloflex AB	559071-5164	Stockholm	100	1 000	25,0	25,0

Note 26 Shares in group companies, *cont.*

					Carrying amount, parent company MSEK	
Name of the organisation	Org. no.	Seats	Owned share (%)	Number of of shares	2024-12-31	2023-12-31
Hem1 Sydost AB	556787-6841	Karlskrona	100	1 000	35,0	35,0
Markis City AB	556478-2752	Stockholm	100	1 000	26,5	26,5
Injab Kraft Teknik AB	556432-2864	Stockholm	100	500	41,5	41,5
WiMa Propulsion AB	556609-5740	Stockholm	100	100	42,7	42,7
Cutting Metal Works i Valdermarsvik AB	556681-2847	Valdemarsvik	100	100	32,1	32,1
Kema Storköksförsäljning Aktiebolag	556361-2356	Jordbro	100	100	5,1	3,1
Wallmek i Kungälv Aktiebolag	556566-7333	Kungälv	100	100	55,1	55,1
INNOGUARD AB	556224-9374	Höör	100	100	54,5	54,5
Vicky Teknik AB	556508-5049	Grödinge	100	100	45,6	45,6
Teltek i Örebro AB	556239-4550	Örebro	100	100	32,7	32,7
Belle Coachworks Holdings Limited	14191709	Lowestoft	100	100	27,7	27,7
Reward Catering Limited	701553	Dublin,	100	100	107,0	115,7
Lundahl Transformers AB	559216-7869	Norrtälje	100	100	20,3	17,1
Stanwell Group Limited	09803440	Huddersfield	100	99	63,3	74,8
Schill Reglertknik Aktiebolag	556278-1731	Stockholm	100	3 000	37,5	37,5
Surge Protection Devices Limited	5920962	Oldham	100	300	94,6	94,3
Nubis Solutions Limited	06750103	Cambridge	100	100 064	76,0	-
Avelair Limited	02800984	Suffolk	100	600	38,5	-
UK Lanyard Makers Limited	09153094	Farnham	100	50	37,8	-
					1 059,8	917,7

Note 27 Cash flow statement

Adjustment for items not included in cash flow	Group	
Amounts in MSEK	**2024**	**2023**
	Jan-Dec	Jan-Dec
Depreciation and amortisation	64,4	56,3
Realization gains	-2,7	-1,7
Provisions	-0,6	0,0
Unrealised foreign exchange differences on translation of operating receivables/liabilities	3,6	-1,2
Revaluation of contingent considerations	-17,9	4,0
Adjustment for items not included in cash flow	**46,9**	**57,4**

Unutilised credit facility

Unutilised credit facilities for the parent company and the Group amount to MSEK 248.3 (243.9).

Acquired companies - Group		
Amounts in MSEK	**2024**	**2023**
	Jan-Dec	Jan-Dec
Intangible assets	8,8	8,1
Tangible fixed assets	4,1	1,6
Inventories	14,1	20,2
Trade and other receivables	18,8	32,2
Cash and cash equivalents	34,1	42,7
Provisions	-0,2	-1,3
Deferred tax	-2,2	-3,4
Trade and other payables	-24,7	-38,0
Net identifiable assets and liabilities	**52,9**	**62,1**
Acquisition at low price	-	-
Goodwill	105,5	144,2
Transferred remuneration	**158,4**	**206,3**
Resigns:		
Conditional purchase price	-29,4	-69,4
Delayed payment	-16,6	-9,4
Cash and cash equivalents in acquired companies	-34,1	-42,7
Contingent considerations paid	42,4	66,9
Impact on consolidated cash and cash equivalents	**120,6**	**151,7**

Note 27 Cash flow statement, *cont.*

Changes in liabilities related to financing activities - Group

Amounts in MSEK	Opening balance 2024-01-01	Cash flow: New loans	Cash flow: Amortisation	Changes not affecting cash flow: Business acquisitions	Changes not affecting cash flow: New contracts	Changes not affecting cash flow: Currency	Changes not affecting cash flow: Other changes	Closing balance 2024-12-31
Liabilities from credit institutions, long-term	192,3	397,1	-293,0	-	-	5,6	-	302,2
Liabilities from credit institutions, short-term	23,5	-	-23,4	-	-	-	-	0,1
Leasing debt	145,0	-	-51,7	2,6	69,2	-1,4	0,2	163,9
Total liabilities from financing activities	**360,8**	**397,1**	**-368,1**	**2,6**	**69,2**	**4,2**	**0,2**	**466,2**
	Opening balance 2023-01-01	New loans	Amortisation	**Business acquisitions**	New contracts	Currency	Other changes	Closing balance 2023-12-31
Liabilities from credit institutions, long-term	124,5	230,9	-159,4	-	-	-3,6	-	192,3
Liabilities from credit institutions, short-term	39,7	57,7	-73,9	-	-	-	-	23,5
Leasing debt,	97,3	-	-47,1	6,9	89,6	-0,2	-1,5	145,0
Total liabilities from financing activities	**261,5**	**288,6**	**-280,4**	**6,9**	**89,6**	**-3,8**	**-1,5**	**360,8**

Note 27 Cash flow statement, *cont.*

Changes in liabilities related to financing activities - parent company

Amounts in MSEK	Opening balance 2024-01-01	Cash flow: New loans	Cash flow: Amortisation	Currency	Closing balance 2024-12-31
Liabilities from credit institutions	210,3	397,1	-315,1	6,2	298,5
Total liabilities from financing activities	**210,3**	**397,1**	**-315,1**	**6,2**	**298,5**
	Opening balance 2023-01-01	New loans	Amortisation	Currency	Closing balance 2023-12-31
Liabilities from credit institutions	156,8	288,6	-231,5	-3,6	210,3
Total liabilities from financing activities	**156,8**	**288,6**	**-231,5**	**-3,6**	**210,3**

Note 28 Key estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant estimates and assumptions for accounting purposes
The Group makes estimates and assumptions about the future. The resulting estimates for accounting purposes will, by definition, rarely correspond to the actual outcome. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are summarised below.

Impairment testing of goodwill
The Group tests goodwill annually for impairment. The recoverable amount of cash-generating units has been determined by calculating value in use. The calculation of these values requires several assumptions about future conditions and estimates of parameters to be made. See also note 11.

Business combinations
The calculation of the fair value of contingent consideration is dependent on the outcome of several variables including the future profitability of the acquired company. See also note 4 and note 14.

Note 29 Events after the balance sheet date

- In February, Midlands Special Fasteners Limited, a UK manufacturer and global exporter of speciality fasteners, with an average annual net sales of just over GBP 2.0 million over the last three years, was acquired. The Purchase Price Allocation has not been finalised.
- In February, Awarded 2U Limited, with an average annual net sales of GBP 2.5 million over the last three years, was acquired as one of the UK's leading providers of customised awards to corporate clients. The Purchase Price Allocation has not been finalised.
- In February, Merridale Ltd, with an average annual net sales of more than GBP 2.5 million over the past three years, was acquired as one of the UK's leading manufacturers of commercial fuel systems. The Purchase Price Allocation has not been finalised.
- In March, Thermasolutions International Ltd, which specialises in energy saving products for the retail sector, was acquired, with an average annual net sales of more than GBP 2.5 million over the past three years. The Purchase Price Allocation has not been finalised.

Note 30 Disclosures about the Parent Company

Teqnion AB, corporate identity number 556713-4183, is the parent company of the Group. The company has its registered office in Stockholm, Stockholm County, and is a limited liability company under Swedish law.

Teqnion was founded in 2006 and focuses on narrow industrial niches where companies can have market-leading positions with their products and services.

Address of the head office:
Teqnion AB
Dalvägen 14
169 56 Solna, Sweden
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www.teqnion.se

Note 31 Proposed distribution of earnings

The Board of Directors proposes that the available profits, SEK 611.6 million, be appropriated
as follows:

At the disposal of the Annual General Meeting of Teqnion AB (SEK million)	2024-12-31
Share premium account	287,6
Retained earnings	245,8
Net profit for the year	78,1
Total	**611,6**

The Board of Directors proposes the following distribution of earnings (MSEK)	
To be carried forward	611,6
Total	**611,6**

The consolidated income statement and balance sheet will be submitted to the Annual General Meeting on 23 April 2025 for adoption.

Stockholm 22 March 2025

Lena Almefelt
Chair of the Board

Johan Steene
Chief Executive Officer
and board member

Mikael Vaezi
Board member

Henrik Joelsson
Board member

Per Berggren
Board member

Christopher Mayer
Board member

Boel Sjöstrand
Board member

Our audit report was submitted on 22 March 2025

BDO Mälardalen AB

Carl-Johan Kjellman
Authorized Public Accountant

Auditor's report

Unofficial translation

To the General Meeting of Teqnion AB
Company registration number 556713-4183

Report on the annual accounts and consolidated accounts

Statements

We have audited the annual accounts and consolidated accounts of Teqnion AB for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 29-82 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flows 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 its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. The Directors' Report is consistent with the other parts of the annual accounts and consolidated accounts.

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

Basis for statements

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 section "Auditor's responsibilities". We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Information other than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and can be found on pages 1-28 and 88-91. This other information is the responsibility of the Board of Directors and the Chief Executive Officer.

Our opinion on the annual accounts and consolidated accounts does not cover this information and we do not express any form of assurance conclusion on 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 review, we also take into account the knowledge we have otherwise obtained during the audit and assess whether the information otherwise appears to contain material misstatements.

If, based on the work performed on this information, we conclude that the other information is materially misstated, we are required to report that fact. We have nothing to report in that regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing

Auditor's report

Unofficial translation

Director are also responsible for such internal control as they determine is necessary to enable the preparation of the annual accounts and consolidated accounts are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, the Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters that may affect the ability to continue as a going concern and to adopt the going concern basis of accounting. However, the going concern basis of accounting is not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or have 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 judgement and maintain professional scepticism throughout the audit. In addition:

- 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 a material misstatement resulting from error, as fraud may include collusion, forgery, intentional omissions, misrepresentation or 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 Managing Director.
- we conclude on the appropriateness of the Board of Directors' and the Managing Director'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 on the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause a company and group to cease to continue as a going concern.

Auditor's report

Unofficial translation

- 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.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for directing, supervising and performing the group audit. We are solely responsible for our opinions.

We must inform the board of directors, among other things, of the planned scope and timing of the audit. We must also communicate significant audit findings, including any significant deficiencies in internal control that we identified.

Report on other legal and regulatory requirements

Statements

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Teqnion AB for the 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 as proposed in the administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for statements

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the section "Auditor's responsibilities". We are independent of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our 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 opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for the appropriation of the company's profit or loss. When a dividend is proposed, this includes an assessment of whether the dividend is justifiable in view of the requirements that the nature, scope and risks of the Company's and the Group's operations place on the size of the Company's and the Group's equity, consolidation requirements, liquidity and position in general.

Auditor's report

Unofficial translation

The Board of Directors is responsible for the organisation of the Company and the management of its affairs. This includes, among other things, continuously assessing the company's and the group's financial situation and ensuring that the company's organisation is designed so that the accounting, asset management and the company's financial affairs in general are controlled in a reassuring manner. The CEO shall manage the day-to-day administration in accordance with the Board of Directors' guidelines and instructions and, among other things, take the measures necessary to ensure that the company's accounting is carried out in accordance with the law and that the management of assets is managed in a reassuring manner.

Auditor's responsibility

Our objective for the audit of the administration, and hence our opinion on discharge, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director is guilty of any material misstatement:

- has taken any action or been guilty of any omission which may give rise to liability to the company; or
- in any other way acted in breach 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 thereon, is to assess with reasonable 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 a proposed appropriation of the company's profit or loss is not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgement and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. The additional audit procedures performed are based on our professional judgement based on risk and materiality. This means that we focus the audit on those actions, areas and conditions that are significant to the business and where deviations and violations would have a particular impact on the company's situation. We review and examine decisions made, supporting documentation, actions taken and other matters that are relevant to our opinion on 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 whether the proposal is in accordance with the Companies Act.

Stockholm 22 March 2025
BDO Mälardalen AB

Carl-Johan Kjellman
Authorized Public Accountant

Five-year overview

Amounts in MSEK	2024	2023	2022	2021	2020
Result					
Net sales	1 567,0	1 475,6	1 324,8	920,2	659,1
EBITDA	211,9	226,0	185,4	140,5	85,9
EBITA	149,7	170,6	146,1	105,6	61,4
Operating result	147,5	169,7	144,9	104,7	60,8
Profit before tax	118,5	160,5	138,2	103,0	56,6
Result for the year	95,8	125,1	110,4	79,8	44,0
Margins					
EBITDA margin	13,5%	15,3%	14,0%	15,3%	13,0%
EBITA margin	9,6%	11,6%	11,0%	11,5%	9,3%
Net profit margin	6,1%	8,5%	8,3%	8,7%	8,6%
Financial position					
Balance sheet total	1 721,8	1 488,2	1 070,8	799,1	534,3
Equity	859,3	735,6	444,5	338,6	259,1
Capital employed	1 325,6	1 096,3	705,9	515,4	373,3
Cash and cash equivalents	196,0	199,8	47,3	85,8	120,3
Interest-bearing liabilities	466,3	360,7	261,4	176,7	114,2
Interest-bearing liabilities excluding lease liabilities	302,3	215,8	164,1	124,8	79,0
Net debt	270,2	160,9	214,2	90,9	-6,2
Net debt/EBITDA	1,3	0,7	1,2	0,6	-0,1
Net debt, excluding lease liabilities	106,3	15,9	116,9	39,1	-41,3
Solidity	50%	49%	42%	42%	48%

Five-year overview, *cont.*

Amounts in MSEK	2024	2023	2022	2021	2020
Yield measure					
Return on capital employed	12,0%	18,3%	23,4%	23,6%	15,4%
Return on equity	11,7	20,4%	27,5%	26,5%	18,3%
Per share					
Equity per share, SEK	50,06	42,92	27,56	20,99	16,06
Earnings per share before dilution, SEK	5,58	7,54	6,84	4,95	2,73
Earnings per share after dilution, SEK	5,58	7,51	6,79	4,90	2,70
Dividend per share, SEK	0,00*	0,00	0,00	0,50	0,00
Number of shares					
Average number of shares before dilution, thousands	17 154	16 564	16 130	16 130	16 130
Average number of shares after dilution, thousands	17 161	16 635	16 252	16 296	16 267
Number of shares outstanding at the end of the period	17 166	17 138	16 130	16 130	16 130
Other					
Average number of employees	512	480	421	314	200
Employees at year-end	506	482	452	369	224
Market capitalisation, SEK million	2 836	3 719	2 232	2 331	874

*Proposed by the Board of Directors to the 2025 AGM.

Definitions

Return on equity	Profit after tax on a rolling 12-month basis divided by average equity over the last four quarters.
Return on capital employed	EBITA on a rolling 12-month basis divided by average capital employed over the last four quarters.
CAGR (Compound Annual Growth Rate)	Average annual growth rate
EBITDA	Operating profit before depreciation and amortisation.
EBITDA margin, %	EBITDA divided by net sales.
EBITA	Operating profit before amortisation and impairment of intangible assets.
EBITA margin, %	EBITA divided by net sales.
Equity per share	Equity, including non-controlling interests, divided by the number of shares outstanding at the end of the period.
Parent company cost as a percentage of total sales	Total operating expenses of the parent company, excluding bonus costs, divided by consolidated net sales.
Net debt	Borrowings from credit institutions and lease liabilities less cash and cash equivalents.
Net debt/EBITDA	Net debt at the end of the period divided by EBITDA rolling 12 months.
Net profit margin	Profit after tax divided by net sales.
Organic growth	Changes in net sales excluding acquisitions and disposals compared with the same period last year.
Basic earnings per share/earnings per share (EPS)	Profit for the period attributable to owners of the parent divided by the average number of ordinary shares outstanding.
Earnings per share after dilution	Profit for the period attributable to owners of the parent divided by the weighted average number of ordinary shares outstanding, adjusted for dilutive potential ordinary shares arising from options issued.
Interest-bearing liabilities	Borrowings from credit institutions and lease liabilities
R12	Rolling 12 months
Operating result	Profit before tax and financial income and expenses.
Solidity	Equity as a percentage of total assets.
Capital employed	Equity plus interest-bearing liabilities
Contingent considerations	Payments for acquisitions that will be paid out contingent on that the vendor and/or the company performs according to certain pre-determined future goals. The total purchase price including the conditional payments are included in the balance sheet according to purchase price allocation. In the case that the contingent payments become higher or lower than estimated, cost or revenue will be recorded under “other operating income and expenses” in the income statement. This income or cost has no cashflow impact.

Teqnion is a diversified group of sound, niche and independent industrial companies with sustainable business models and good future potential.

Do you have or know of a great company that could suit us? Give me a call!

- Daniel, +46 721 555 695

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