

Year-End Report 2025 - Teqnon AB

TEQ Flash Year-End Report 2025

Grading time. We've moved from F to D- but the underlying business somehow feels stronger than that grade suggests. Profitability has climbed back to historical levels, which isn't much to write home about. The quarter's net sales are up 15% thanks to acquired companies and EBITA is up 92% boosted by reevaluated earnouts, while organic sales declined 7% and organic EBITA climbed up 60%. For the full year 2025 net sales are up 15% and EBITA is up 36% but organically net sales are down 5% and organic EBITA is down 10%. The quarter's EBITA margin is 10,5% (6,3%) and the margin for the full 2025 is 11,3% (9,6%). Free cash flow is back, up 95% for the quarter and 123% for the year. EPS has increased by 3%. We're on a path towards something better but still digging in the trenches.

- Johan Steene, CEO and founder

Events during the quarter

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

Events after the quarter

- Nothing significant... just everyday grinding...

Teqnon financial development, MSEK	2025 Q4	2024 Q4	Δ%	2025 Full year	2024 Full year	Δ%
FCF excluding acquisitions	90,3	46,2	+95%	173,1	77,8	+123%
EPS (SEK)	2,67	0,74	+262%	5,74	5,58	+3%
Diluted EPS (SEK)	2,67	0,74	+262%	5,74	5,58	+3%
Profit for the period	45,9	12,7	+262%	98,5	95,8	+3%
Profit before taxes	49,3	18,4	+169%	135,3	118,5	+14%
EBITA	48,6	25,3	+92%	203,1	149,7	+36%
EBITA margin (%)	10,5%	6,3%	--	11,3%	9,6%	--
Net sales	463,6	403,7	+15%	1 800,0	1 567,0	+15%
Net debt / EBITDA R12*	--	--	--	1,6	1,3	--
RoE R12 (%)*	--	--	--	11,3	11,7	--

* When calculations have been based on 12 months, they are only visualized in the YTD columns

CEO Letter – Johan's thoughts

Hi Teqniåns,

We have a real winter with freezing temperatures and snow that stays on the ground. It's bright and crisp and for Teqnon the final quarter delivered okay, and cash flow has bumped back. On the other side of the scale, we've been forced to get used to a world marked by horrific dark conflicts, aggression, and uncertainty. I've probably naively hoped that the turbulence was something temporary, a drawn-out parenthesis of unrest in an otherwise positive trajectory toward the future. I've endured it because I believed there was an end waiting. A clearly harmful mindset. Acceptance is better. This is how it is now. Don't focus on how you hope things will turn out later, do what's required to deal with the present. Since the present may last a very long time. The human animal has many flaws and is clearly irrational, but it is resilient. We will reach our goals.

Recap 2025

If you're new to this letter, you might wonder why I only give us a D- in the flash report, whilst showing an increase in EBITA of 92% for the quarter? I'll try to explain myself with a time-lapse from the year's reports (I get sick from repeating myself):

2024 Q4 report: *"F. That is our grade..." "Our real problem is profitability. The quarter's EBITA is down 42%..." "We are in the middle of fixing this, but it is a slow struggle."*

2025 Q1 report: *"...the reported earnings are driven by a strengthened Swedish krona..." "...temporary costs tied to major restructuring efforts are easier to bear when we know they're part of reshaping the business..." "...strengthened free cash flow in the quarter demonstrates the early effects of our ongoing actions..." "...our transformation journey isn't moving fast enough."*

2025 Q2 report: *"...the reported positive result is largely affected by reversed earn-outs which should be disregarded..." "We're tightening up how we work and introducing clearer performance metrics..." "Don't become a kākāpō."*

2025 Q3 report: *"...the turnaround has been slow, but clear improvements are being shown..." "...because things suddenly are resolved, far from it..." "...we've also made a larger goodwill impairment..." "More work with more improvements is coming."*

And here we are. One year later. It's fair to say I may have sounded like a parrot (not a kākāpō). But the changes are real. They're structural, even if they're not fully efficient yet. The free cash flow tells the story, since it's more than doubled compared to last year. Operationally, the team has made Teqnion significantly stronger. With the new platform now in place, we are better positioned to continue improving performance across the group. That's why we moved from an F to a D-.

Strength, growth, and selective improvement

Our new organization, as mentioned in previous reports, is now operational and our upgraded ways of working have continued to create positive momentum in the business. By fixing or removing underperformers and concentrating weight on performing and acquired companies, the trajectory of the group is much more appetizing today than six months ago, even though we still have plenty to repair and adjust. You'll find some numbers to emphasize this on page 9. Now that we have divided the group into two business areas, one in Sweden and one in the UK, these will be presented separately in our quarterly reports going forward. This will bring greater clarity for all Teqniāns. We have grown into a size where the benefits of this structure are very clear, with well-defined areas of responsibility and the right resources in the right place at the right time. This is the structure for a decentralized, acquisition-driven conglomerate in our size. Those who need local support are allocated resources, and those of us who are meant to push forward can focus fully on that. Business is still done by people, and people need a sense of belonging, encouragement and hope. Happy people do more and do it better. Aim to make as many as possible happy while increasing output.

Happy buyers

When it comes to acquisition activity, it's business as usual. Acquisitions remain our absolute top priority for capital allocation. Daniel, who has provided extensive support to the operating businesses to help us get back on track more quickly, while at the same time pushing through nine acquisitions last year, is now being freed up in the new organization. This gives him greater scope to apply more creativity and focus to corporate acquisitions. And to reiterate how we view our growth path: on average, it's a handful of companies per year, where we aim to acquire businesses with strong cash-flow generation (our raw material), companies that are better than the companies we already own. Jonathan has hectic days, ensuring in between all the year-end closings that we have bank facilities and capital in place to give Daniel the piles of cash he needs to continue grazing on green pastures. It looks solid.

Inspired by history (The good parts only)

We have now established ways of working that create greater predictability across the group. Predictability within one's own organization is the right starting point when making strategic decisions.

We find clear examples of this if we read a bit of military history. There we also learn that the greatest deeds have been achieved when officers were appointed based on skill rather than on the surname they carried. Victories come when tasks can be solved without detailed instructions on exactly how to solve them. Daniel has watched the Hollywood film Napoleon and has found a new role model. There's a lot of fun in that... and quite a bit of nonsense. I do buy into Napoleon's "One must change one's tactics every ten years if one wishes to maintain one's superiority" and "Victory belongs to the most persevering".

Stubbornness is a superpower in the right doses though Napoleon perhaps had a bag too much of it. Don't do Russia in winter. In our time, the interval implied by the first quote has become much shorter, but to build something truly large and decentralized requires endurance and an understanding of mission type tactics. Since plans must be adjusted the moment they touch reality, we want motivated and capable coworkers who know how to make decisions at the front line, where things actually happen. It's hard to scale if you live by Bonaparte's: "If you want a thing done well, do it yourself." We prefer colleagues and teams who hold the skillset, understand the "why" and where we're heading. They make better decisions, are happier, more loyal and are far more effective than people who just follow instructions. We must keep that in mind, whilst trying to erase the ending of the Napoleon quote: "Soldiers generally win battles; generals get credit for them".

The board sets capital discipline and financial targets, group management defines intent and its principles, and the subsidiaries choose the path to reach the goals. Easy in theory, right? Clear mission. Shared principles. Local execution. We have now taken major steps toward ensuring predictability within Teqnion. The strategy remains intact, continuous acquisitions and organic earnings growth. In our new setup we have better conditions to reach farther.

A short reminder here at the end about what sport we're competing in... what is Teqnion's purpose? **To create the highest possible return for shareholders over the long term.** Yes, we are motivated. Yes, we are moving forward. And we are only at the beginning. "Ability is nothing without opportunity" as the emperor stated, and now we are armed with both.

Run far, be nice!

Johan Steene

CEO and founder

The report is attached to this press release and is available via the following link:

<https://www.teqnion.se/en/investor-relations/financial-reports/>

Q&A

You are welcome to ask us questions about the report and anything else you would like to know about Teqnion on Monday, February 16th at 08:08 CET when we open a Teams meeting. We will be present on the screen with Johan Steene and Daniel Zhang.

Warmly welcome!

To participate, please press [here](#) or by the Teams meeting ID below.

Meeting ID: 312 045 274 195 5

Passcode: C2S8GG9u

Send in questions to the Q&A session, e-mail: QA@teqnion.se

For more information, please contact:

Johan Steene, CEO, phone: +46 73 333 57 33, E-mail: johan@teqnion.se

Daniel Zhang, CXO, phone: +46 721 555 695, E-mail: daniel@teqnion.se

Teqnion AB

Dalvägen 14

169 56 Solna

Phone: +46 (0)8-655 12 00

E-mail: info@teqnion.se

Org.no: 556713-4183

The information in this report is such that Teqnon AB is obligated to make public in accordance with the EU Market Abuse Regulation. The information was submitted for publication by the agency of the above contact persons on 14th of February 2026 at 8:08 CET.

About Teqnion

Teqnion AB is an industrial group that acquires stable niche companies with good cash flows to develop and own with an eternal horizon. The subsidiaries are managed decentralized with support from the parent company. We operate in many industries with leading products, which gives us good resistance to economic fluctuations as well as solid industrial know-how. For us, it is central to focus on profitability and long-term sustainable business relationships. The company's shares with the abbreviation TEQ are traded on the Nasdaq First North Growth Market.

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