Interim report Q1: January – March 2026

Teqnion "Compressed Air Group"

Avelair
compressed air solutions

Cambs Compressors

POWERAIR

The Q&A will be held today, Thursday, April 23rd at 10:08 CEST.

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

Join by clicking here.

Interim report Q1: January – March 2026

TEQ Flash Q1 report 2026

We're on the right trajectory. The quarter's net sales are up 17% and EBITA is up 106%. Organic sales are down 5%, the result of deliberate actions to discontinue unprofitable business. The strategy is working since organic EBITA is up 13% corresponding to a Q1 EBITA margin record of 14,3% (8,1%). Free cash flow is up 7%. EPS is down 4%, driven by FX headwinds from a volatile SEK and higher taxes. No time for contemplation, full steam ahead.

- Johan Steene, CEO and founder

Events during the quarter

- Cambs Compressor Engineering Ltd was acquired

Events after the quarter

- Bolt-on acquisition - Powerair Limited

Teqnion financial development, MSEK	2026 Q1	2025 Q1	Δ%
FCF excluding acquisitions	19,8	18,5	+7%
EPS (SEK)	2,04	2,13	-4%
Diluted EPS (SEK)	2,04	2,13	-4%
Profit for the period	34,9	36,5	-4%
Profit before taxes	53,0	46,5	+14%
EBITA	68,0	33,0	+106%
EBITA margin (%)	14,3%	8,1%	--
Net sales	474,4	406,3	+17%
Net debt / EBITDA	1,6	1,8	--
RoE R12 (%)	11,0%	13,7%	--

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 numerus industries with leading products, which gives us good resistance to economic fluctuations as well as solid industrial know-how. For us, it is central to focus on profitability and long-term sustainable business relationships.

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

Johan’s thoughts

Hi Teqniåns,

The group’s operating result has continued to trend upward. When you step into the arena yourself instead of observing from the sidelines, my frustration with the group's slow pace of change eases. As Roosevelt so clearly put it: “The credit belongs to the man who is actually in the arena…”. Operationally a lot of good things are taking place. The financial results will follow. Our people are pushing hard, have been given clear targets and new tools, and we are working together to exceed our goals. A continuous forward movement.

I sense change

With the strategic and operational changes implemented since our last Q1 report, the Teqnion group has become significantly stronger. The operating profit and cash flows are now pointing in the right direction. At first glance, it may seem odd that profit before tax only increased 14% compared to the same quarter last year. This is primarily due to some currency volatility. Last year’s start, with a weakening krona, and the current strengthening of the krona, create obvious translation effects from our Sterling loans and future earn-outs, impacting the quarter and comparison figures. In short, factors outside our control lifted last year’s EBT and this year we’ve taken a hit in the opposite direction. And remember, the consolidated group accounts remain non-taxable. Taxes are primarily collected in the subsidiaries based on their operational profits. Operational profits are roughly doubled, therefore tax collected is roughly doubled. On the bright side, the described reevaluation effect has minimal impact on cash flow. The differences between the quarters are explained more clearly in this report’s Wipe Board on page 9.

Setting accounting effects aside, it is satisfying to note that all the work put in by many colleagues over the year has made the businesses function better, and the companies are reporting notably stronger operating results.

Organic sales are down a few percent, please don’t panic over this since it’s primarily the result of deliberate actions to discontinue unprofitable business, and should be seen in that context. As explained previously, there are no holy cows in this respect and we do what‘s necessary to advance. It’s operational result and cash flow we’re after. They are both improved. But we want more. The reported cash flow should be better, but as we had good sales at the end of the quarter, a quite big amount is currently tied up in receivables and stock that will be converted into cash.

Covering Nord & Väst

To bring some light into an otherwise rather gloomy world, I’m happy to say that we’ve come a long way with our new group organization. It’s genuinely exciting. From now on, Teqnion will report according to our two business areas, with improved processes in place for setting strategy at the individual company level and following up on it. We now operate with Teqnion Nord in Solna, supporting the Swedish companies, and Teqnion Väst in Birmingham, covering the UK and Ireland. This report therefore includes new financial information on these business areas on page 7 and further details in the note on page 23 and 24. Compared to Q1 last year, EBITA has increased substantially in Nord and meaningfully in Väst. It should be noted that last year's results in Väst were supported by rather favorable business that should not be considered standard. With that, nothing bad has happened this quarter and nothing extremely good has happened. We’re grinding on.

Tightening the group structure has been necessary to safeguard our model of decentralized decision-making and to create a foundation from which we can double, and then double again, and again... Clearer structure leads to better decisions, which leads to stronger earnings. Order in our processes drives value creation.

Johan Steene, CEO Teqnion

When conditions and targets are clear for the subsidiaries, we can focus on supporting them, not controlling them.

Bolting-on

More good things are happening. I'm pleased to see our companies starting to nourish their own smaller companies. We now have several acquisitions classified as bolt-ons. For example, Eloflex has established a subsidiary in France by acquiring the assets of its distributor there. Avelair is building a mini-group in the compressed air segment through the acquisitions of Cambs and Powerair. Wallmek in Kungälv, the "Invest in Time" tool company, has registered a subsidiary in the UK and will now invest in its own local sales force there. My guess is that more of these will come.

Our everyday acquisition activities are, as always, promising! Daniel is performing his magic and has several strong projects in progress while balancing a healthy inflow of new, interesting prospects. Our ambition remains to acquire companies that are better than the average of those we already own. The group grows while quality improves. We have also signed a new agreement with our bank, increasing our credit facility from 575 million kronor to one billion kronor. We see limited constraints on continuing acquisitions at the pace we have communicated. Onwards!

Despite all the positive developments in our House of Teqnion, we find ourselves operating in a turbulent and unsettling external environment where little seems certain or stable. The challenges facing societies and businesses are taken very seriously. Rising energy prices are fueling inflation. Everyone is forced to ride along. We are watching carefully and have initiated measures. There's never a dull moment when you're in the arena.

The direction of Teqnion is clearly more encouraging than it was a year ago. But as always, everything can be much better. I feel we are still only at the beginning.

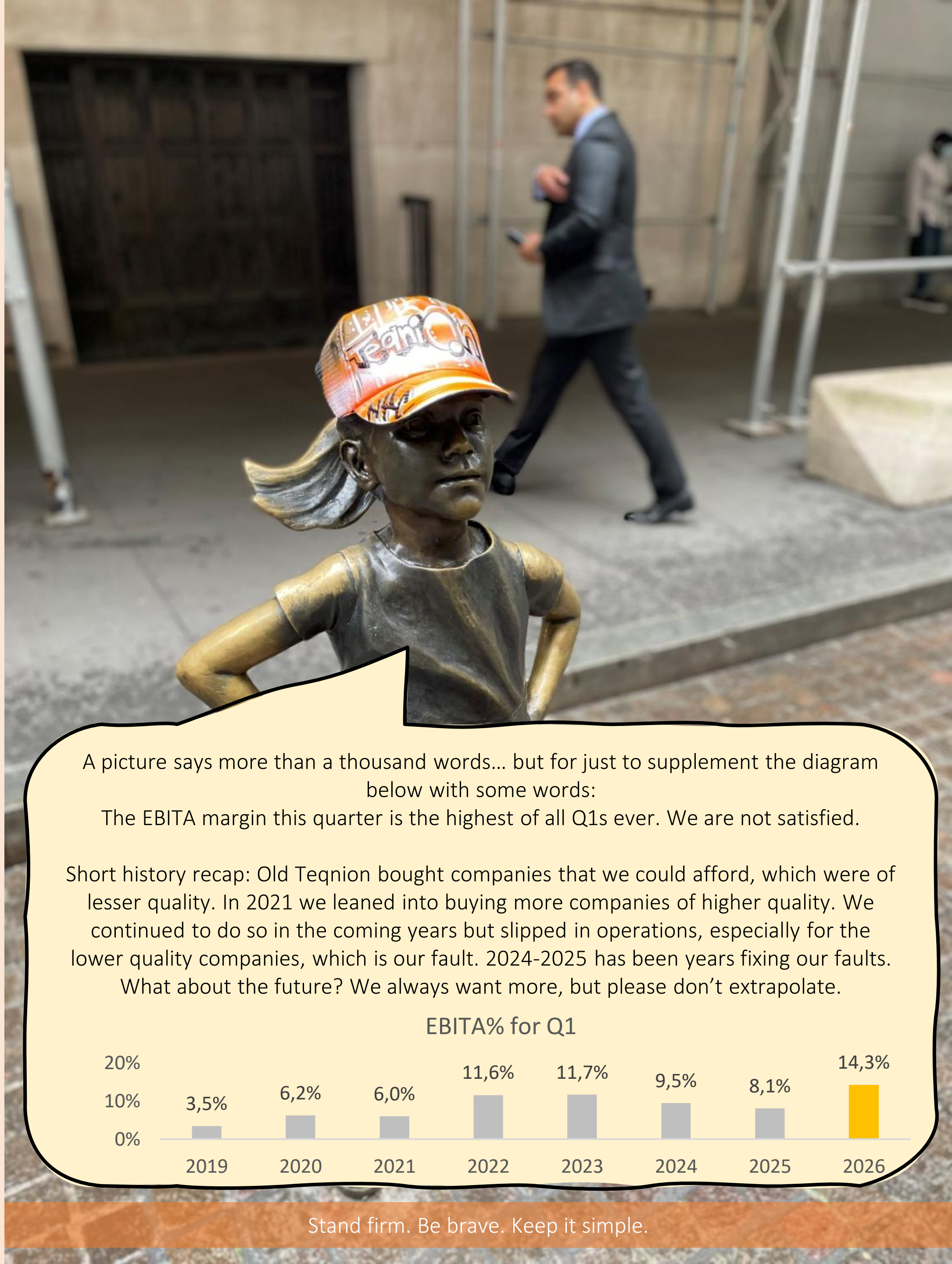
Run far, be nice

Johan Steene

CEO and founder

Teqnion ♥ our subsidiaries

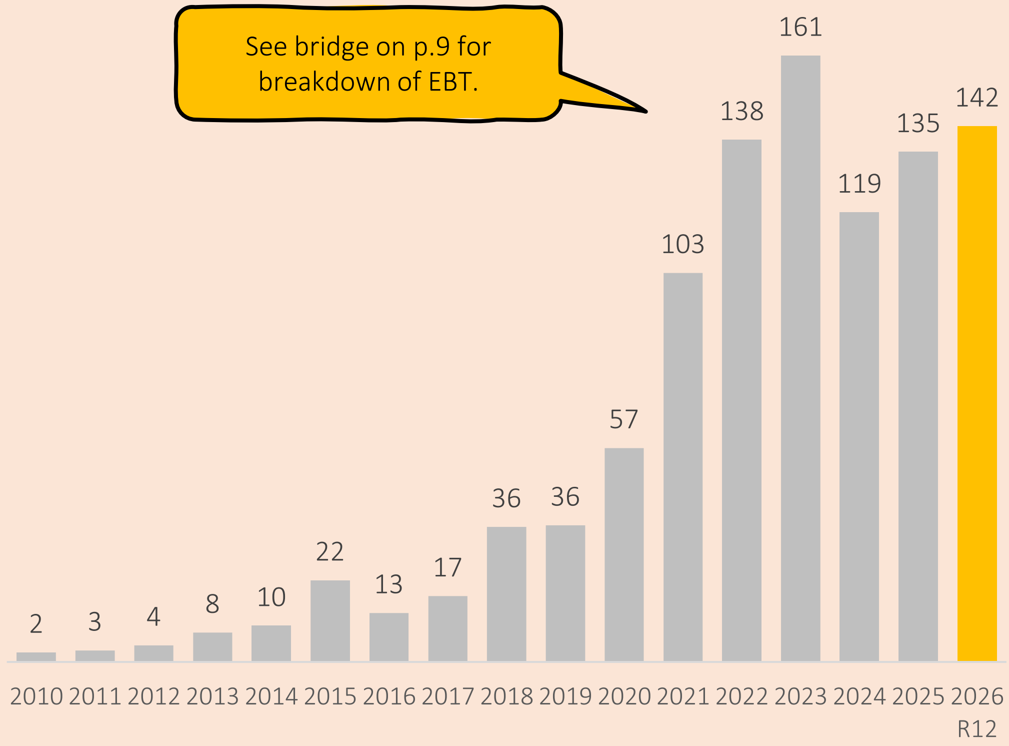
Слава Україні!



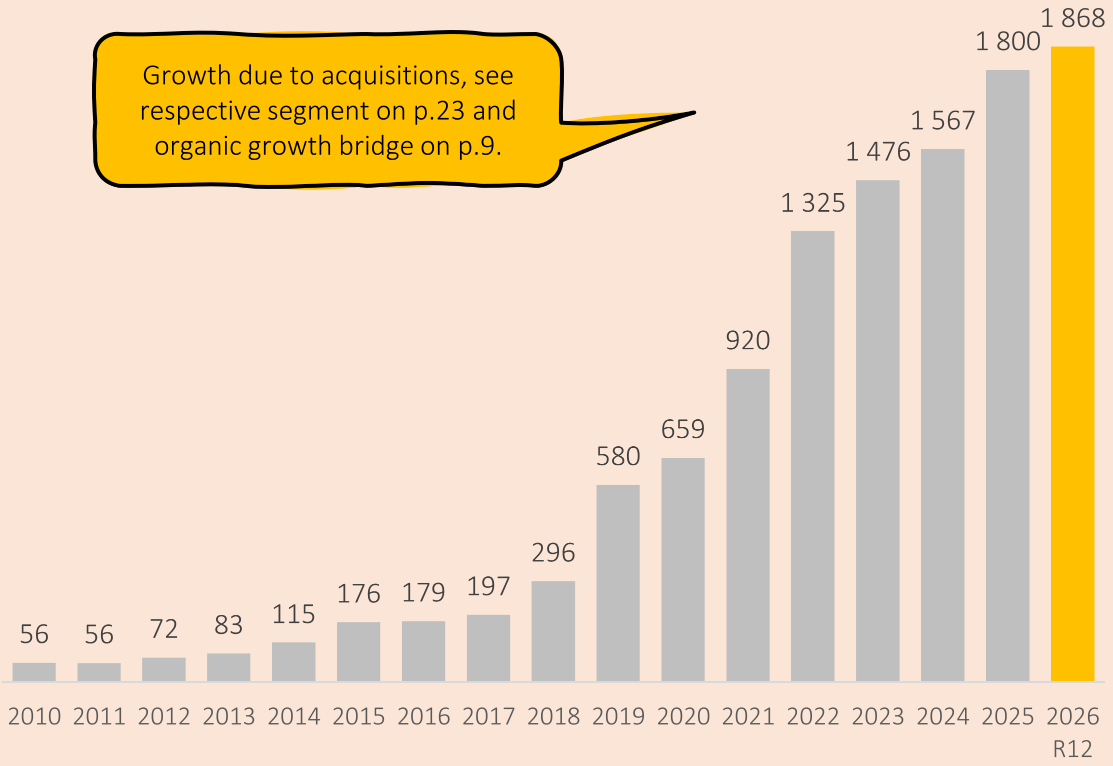
Teqnion

Financial development for the group (1/2)

Profit before taxes, MSEK

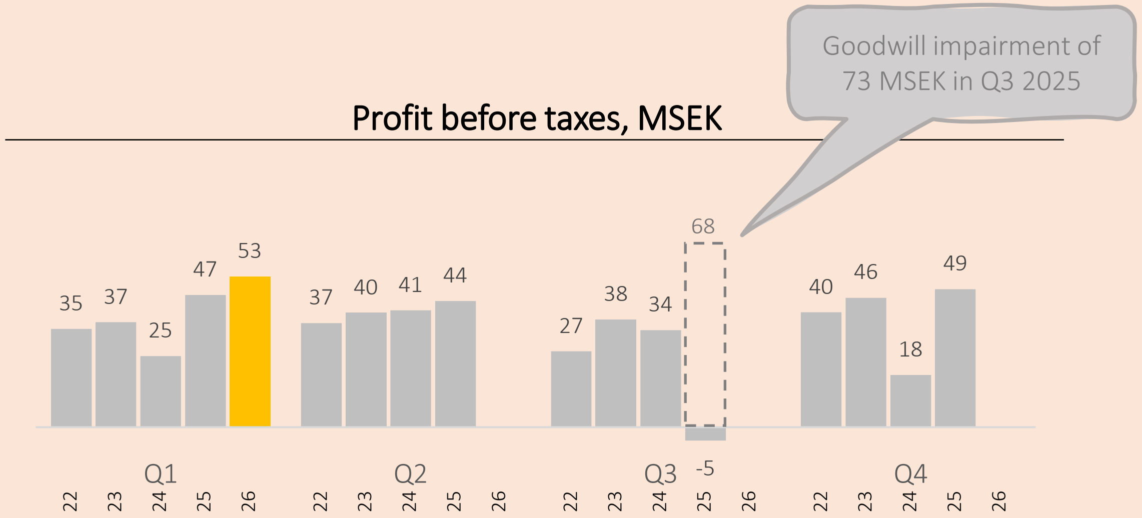


Net sales, MSEK

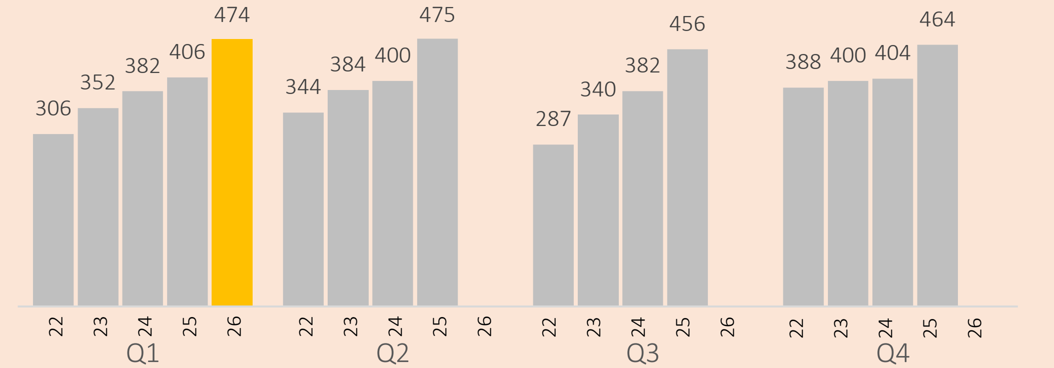


Financial development for the group (2/2)

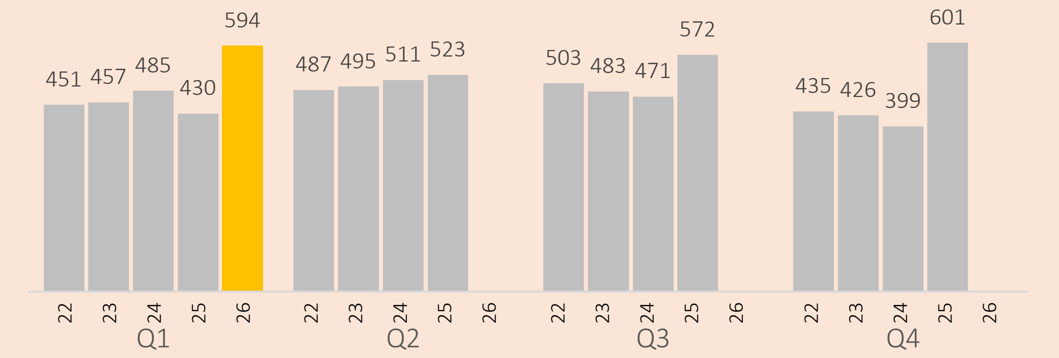
Profit before taxes, MSEK



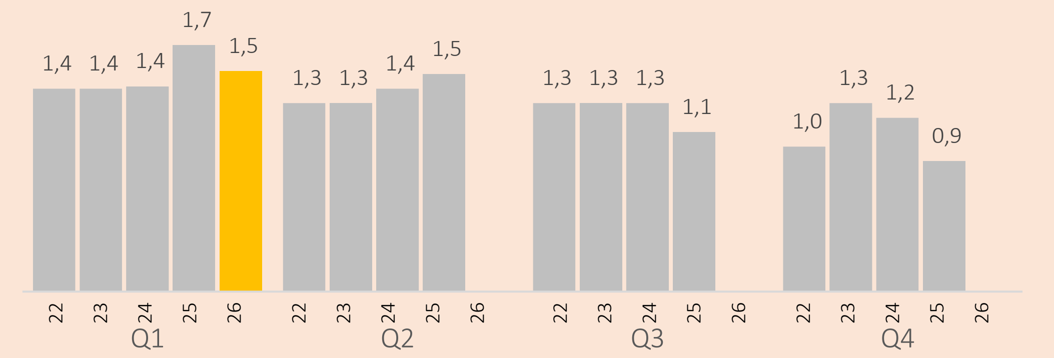
Net sales per quarter, MSEK



Order backlog*, MSEK



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



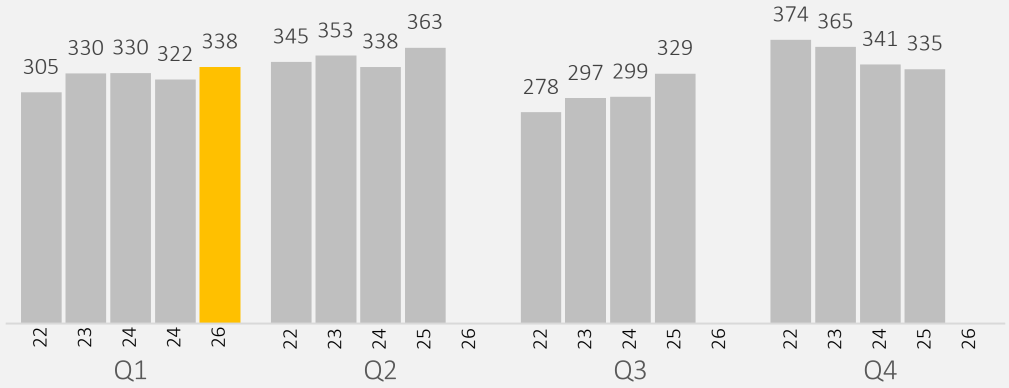
* Order backlog can give a rough indication of future sales but is far from a perfect crystal ball. The operations of our subsidiaries varies greatly – some companies have visibility over a year and some have only spot sales.

Teqnion

Financial development for the business areas

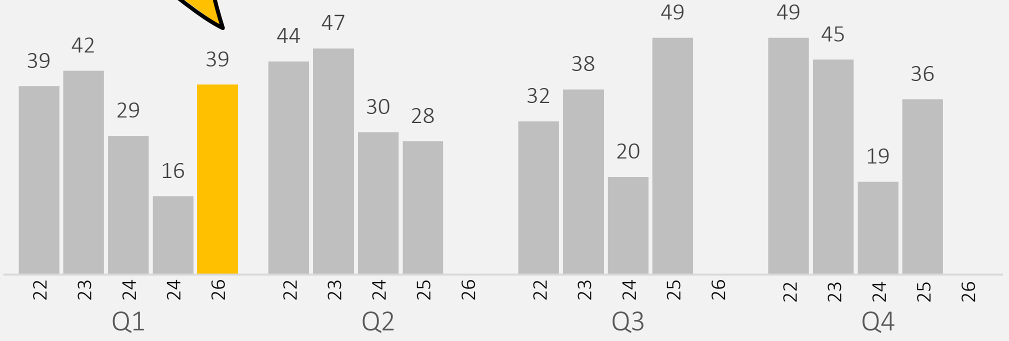
TEQ Nord

Net sales per quarter, MSEK



EBITA, MSEK

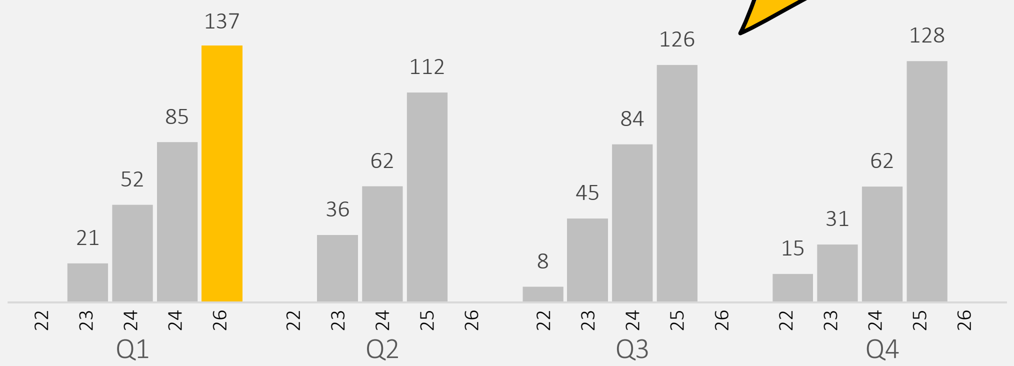
2026 Q1 EBITA%: 11,6%



TEQ Väst

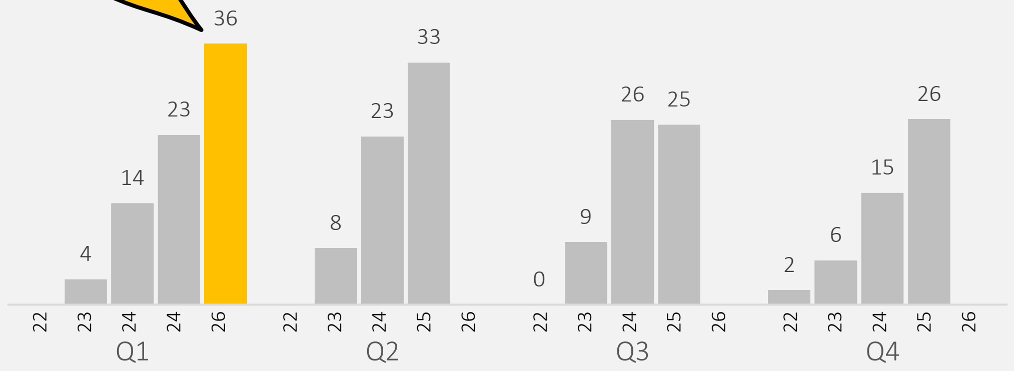
Net sales per quarter, MSEK

First acquisition in Väst was in Q3 2022.



EBITA, MSEK

2026 Q1 EBITA%: 26,4%



Liquidity and debt

Liquidity and debt

Group in summary MSEK	2026 31 Mar	2025 31 Mar	2025 31 Dec
Liabilities to credit institutions	513,5	376,1	496,0
Lease liabilities	158,9	154,4	146,9
Total interest-bearing liabilities	672,4	530,5	642,9
Cash and cash equivalents	176,7	146,0	209,5
Net debt	495,7	384,5	433,4
Net debt exl. leasing liabilities	336,8	230,1	286,6
Net debt / EBITDA	1,6	1,8	1,6

Comment

Liquidity and debt

Net debt / EBTIDA has been on the same levels during the quarter compared to Q4 2025. Compared to Q1 2025, however, the ratio decreased from 1.8x to 1.6x.

During the quarter, a new financing agreement was signed, raising the total credit facility to a maximum of 1 000 MSEK to use in future acquisitions.

Kema bespoke wine coolers at Slussporten in Stockholm.

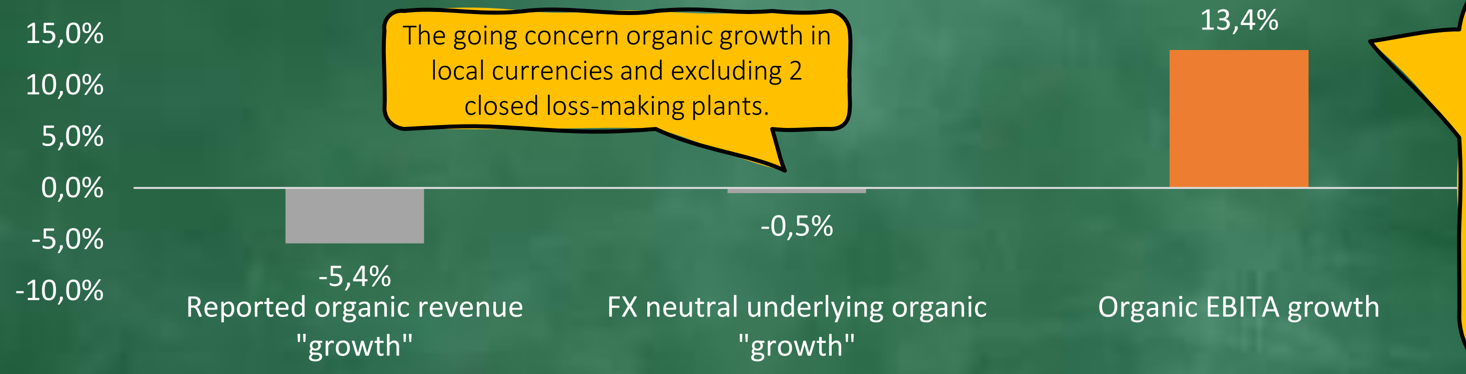
Wipeboard: New thoughts and insights will be presented here each quarter

To be wiped!

We continue to prioritize earnings and cash flow before low quality revenue

Organic revenue and EBITA change 2026 Q1 vs 2025 Q1, Percent

The going concern organic growth in local currencies and excluding 2 closed loss-making plants.

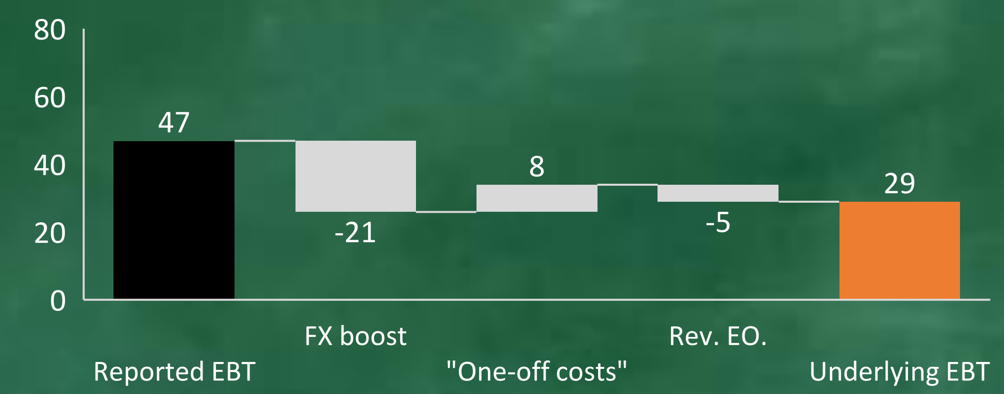


The 5 companies that contributed the most to a negative reported organic revenue pulled down the group around -7%. This was mostly achieved by closing down unprofitable activities together with cost savings. These 5 companies together grew their earnings from 10,3 MSEK in 2025 Q1 to 17,3 MSEK in 2026 Q1 (+68%).

If we kept the companies as-is, the FX neutral organic revenue growth would have been +7% but the profits lower. We like profit.

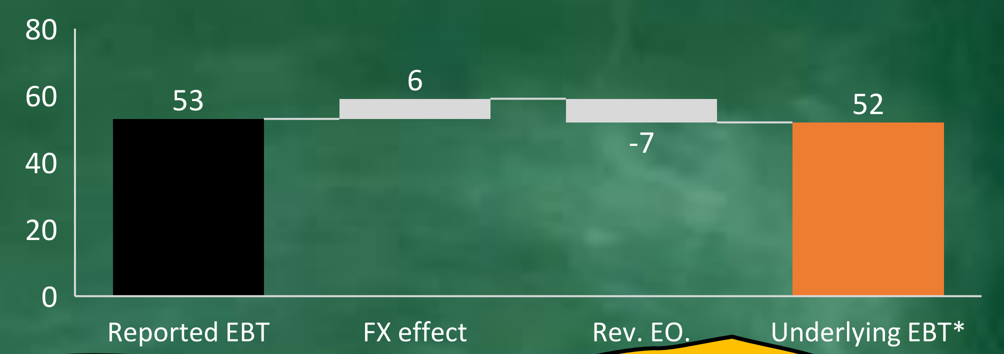
Underlying EBT has grown significantly

Bridge to true underlying 2025 Q1 EBT, MSEK



As reported in the 2025 Q1 report

Bridge to true underlying 2026 Q1 EBT, MSEK



Underlying EBT growth between 2025 Q1 to 2026 Q1 was +79%.
- a combination of less losses, good new companies and a stable base. If we disregard from the one-off costs from 2025, the underlying EBT grew with 147%.

* We had "one-offs" in this quarter as well but have chosen to not show it on the slide. After all, realistically, we and all companies will always have one-offs – just different ones. We will only highlight "one-offs" going forward if it is something material and exceptional.

Business philosophy and financial targets

Teqnion is always in movement. We always start from people and relationship building when targeting profitable business in well-defined industry niches. The mission is to invest our money today so that we have even more money tomorrow. It is a simple goal that is easy to measure. We keep to what we understand and what is tangible. We don't try to predict how the world will change – we are not smart enough for that. We focus on what will not change including human 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), roll up our sleeves , learn something and continue moving forward.

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

SURVIVAL ABOVE ANYTHING ELSE. ALWAYS.

As individuals we are always prepared that anything can go south at any moment. This means that we never take risks that we cannot afford to lose. Even if the upside potential in Excel shows an off-the chart RoIC, we would rather sell special fasteners to Formula 1 teams rather than make bets on which VMS that will survive the AI tsunami.*

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

CREATE VALUE AND CAPTURE VALUE

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

CREATE SHAREHOLDER VALUE.

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

In practice, in 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 in important. To acquire wonderful business can be both value creating or value destructive, depending entirely on the size of the money pile you give up. We focus on the long-term and leans on the compounding effect of our capital by effectively allocating your capital – we are stewards of it.

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

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

/TEQ-team

Do not wipe

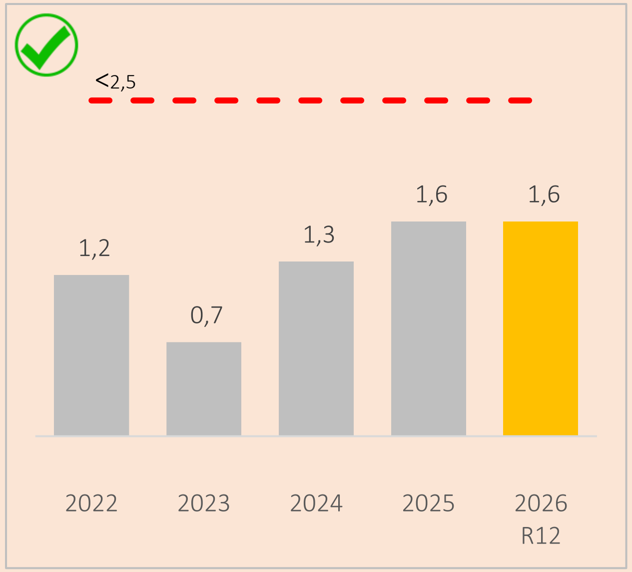
By the same... our subsidiary Midland Special Fasteners is the go-to-place when you need fasteners that can sustain the most demanding environments.

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.

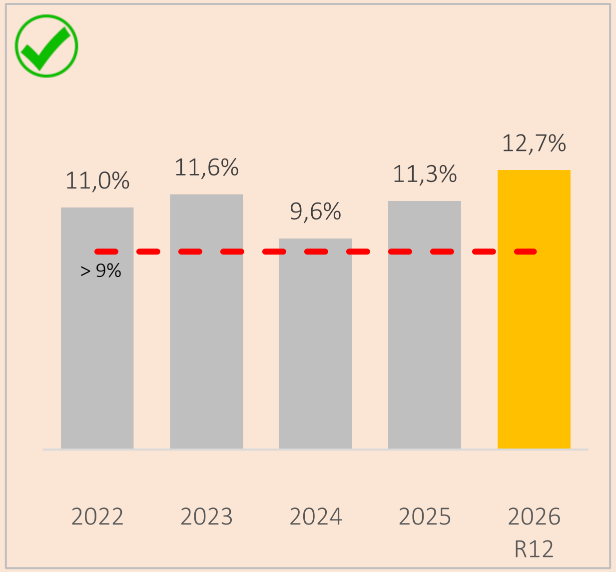
Financial target 1: Net debt / EBITDA < 2,5



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.

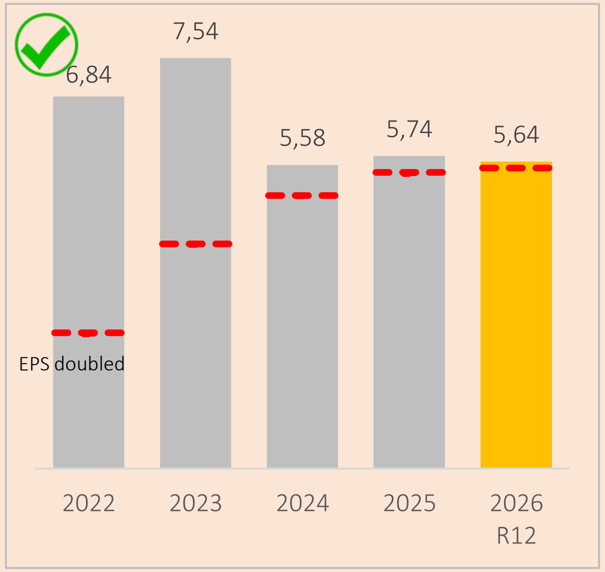
Financial target 2: EBITA margin > 9%



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.

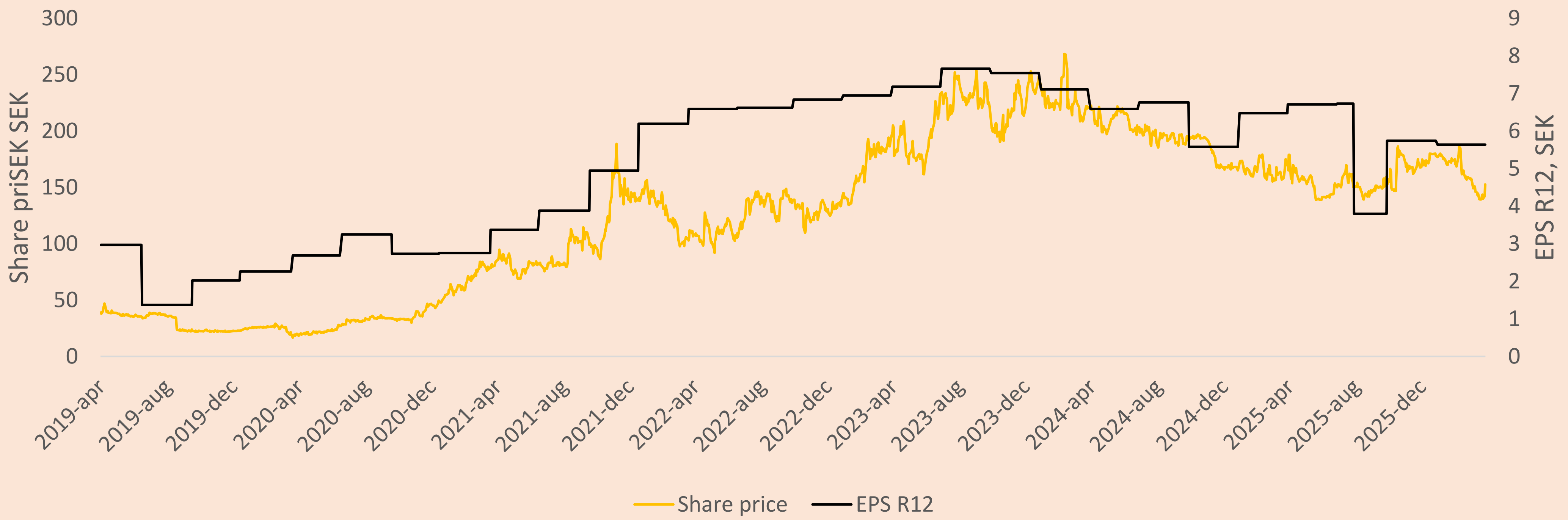
Financial target 3: > Double EPS every five years*



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

Share price and earnings per share since IPO

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



Over the long term, we believe share price follows earnings per share*. That's why growing EPS is our focus. The graph above shows the historical correlation.

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

Our 10 most recent acquisitions

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

Acquisition	Completion	Business Area	Net sales * (according to press release, MSEK)
Cambs Compressor Engineering Ltd	2026 February	Väst	30
HT Servo Ltd	2025 September	Väst	60
Birketts Bogmats Ltd	2025 September	Väst	70
Norlin Polymers (UK) Ltd	2025 May	Väst	30
MITAB i Forsbacka AB	2025 April	Nord	65
Edurus Gravstenar AB	2025 March	Nord	45
Thermasolutions International Ltd	2025 March	Väst	35
Merridale Ltd	2025 February	Väst	35
Awarded 2U Ltd	2025 February	Väst	35
Midlands Special Fasteners Ltd	2025 February	Väst	30

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

TEQ Group Management

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

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

Jonathan Alexandersson
Teqniån since 2024
Chief Controlling Officer (CCO)
Born 1993
M. Sc. Business Administration and Economics, Kau
Background: Authorized Public Accountant from PwC
Holdings: 2 250 shares + 3 000 options

Teqnion

Teqnion consolidated income statement and statement of comprehensive income

MSEK	2026 Q1	2025 Q1	2026 R12	2025 Calendar year
Net sales	474,4	406,3	1 868,1	1 800,0
Operating costs				
Change in inventories of PIP, finished goods and WIP	7,8	4,0	5,1	1,3
Raw materials and consumables & Merchandise	-248,8	-225,3	-968,8	-945,3
External costs	-43,5	-42,8	-185,3	-184,7
Employee benefit costs	-113,8	-100,6	-458,9	-445,7
Depreciation and amortization	-17,4	-16,0	-146,7	-145,3
Other operating income and expenses	8,8	6,8	47,4	45,4
Total operating costs	**-406,9**	**-374,0**	**-1 707,2**	**-1 674,3**
Operating profit	**67,5**	**32,3**	**160,9**	**125,7**
Financial income	3,1	18,6	27,8	43,4
Financial expenses	-17,6	-4,4	-46,9	-33,7
Net financial items	**-14,5**	**14,6**	**-19,1**	**9,7**
Profit before tax	**53,0**	**46,5**	**141,8**	**135,3**
Income tax	-18,1	-9,9	-45,0	-36,9
Profit for the period	**34,9**	**36,5**	**96,8**	**98,5**
Other comprehensive income for the period				
Translation differences for the period	13,7	-47,4	-15,0	-76,2
Total comprehensive income for the period	**48,7**	**-10,9**	**81,8**	**22,2**
Owners of the parent	48,8	-10,8	81,7	21,1
Non-controlling interests	-0,1	-0,1	0,1	0,1

Teqnion

Teqnion consolidated balance sheet

MSEK	2026 31 Mar	2025 31 Mar	2025 31 dec
Assets			
Non-current assets			
Goodwill	1 022,7	873,9	987,2
Other intangible non-current assets	62,6	31,9	59,9
Buildings and land	27,3	12,6	27,4
Equipment, tools, fixtures and fittings	33,3	32,3	32,5
Right-of-use-assets	157,3	155,2	145,5
Other receivables	0,6	0,4	0,5
Total non-current assets	**1 303,8**	**1 106,3**	**1 253,0**
Current assets			
Inventories	301,5	288,7	292,4
Trade receivables	284,5	245,0	228,2
Tax assets	7,5	16,0	5,7
Accrued revenue	16,7	12,8	10,2
Other receivables	25,4	13,5	28,7
Prepaid expenses and accrued income	23,9	24,3	20,1
Cash and cash equivalents	176,7	146,0	209,5
Total current assets	**836,2**	**746,3**	**794,8**
TOTAL ASSETS	**2 140,0**	**1 852,6**	**2 047,8**

MSEK	2026 31 Mar	2025 31 Mar	2025 31 dec
Equity			
Share capital	0,9	1,0	0,9
Other capital provided	298,1	288,9	298,2
Translation reserve	-45,7	-21,7	-59,5
Retained earnings including profit for the year	664,4	578,9	635,1
Equity attributable to owners of the parents	917,7	847,1	874,7
Non-controlling interests	1,3	1,2	1,4
Total equity	**919,0**	**848,3**	**876,1**
Liabilities			
Non-current liabilities			
Liabilities to credit institutions	513,5	376,1	496,0
Non-current lease liabilities	107,6	109,2	103,0
Deferred tax liabilities	51,0	35,6	49,9
Other non-current financial liabilities	103,9	70,6	124,5
Other provisions	3,7	4,3	3,7
Total non-current liabilities	**779,7**	**595,8**	**777,1**
Current liabilities			
Liabilities to credit institutions	0,0	0,0	0,0
Current lease liabilities	51,3	45,2	43,8
Other current financial liabilities	63,2	87,5	71,1
Trade payables	144,0	127,2	119,5
Tax liabilities	11,7	15,1	0,2
Invoiced revenues not worked-up	10,6	5,8	4,9
Other liabilities	93,3	59,2	74,3
Accrued expenses and deferred income	67,2	68,4	80,7
Total current liabilities	**441,3**	**408,4**	**394,6**
TOTAL EQUITY AND LIABILITIES	**2 140,0**	**1 852,6**	**2 047,8**

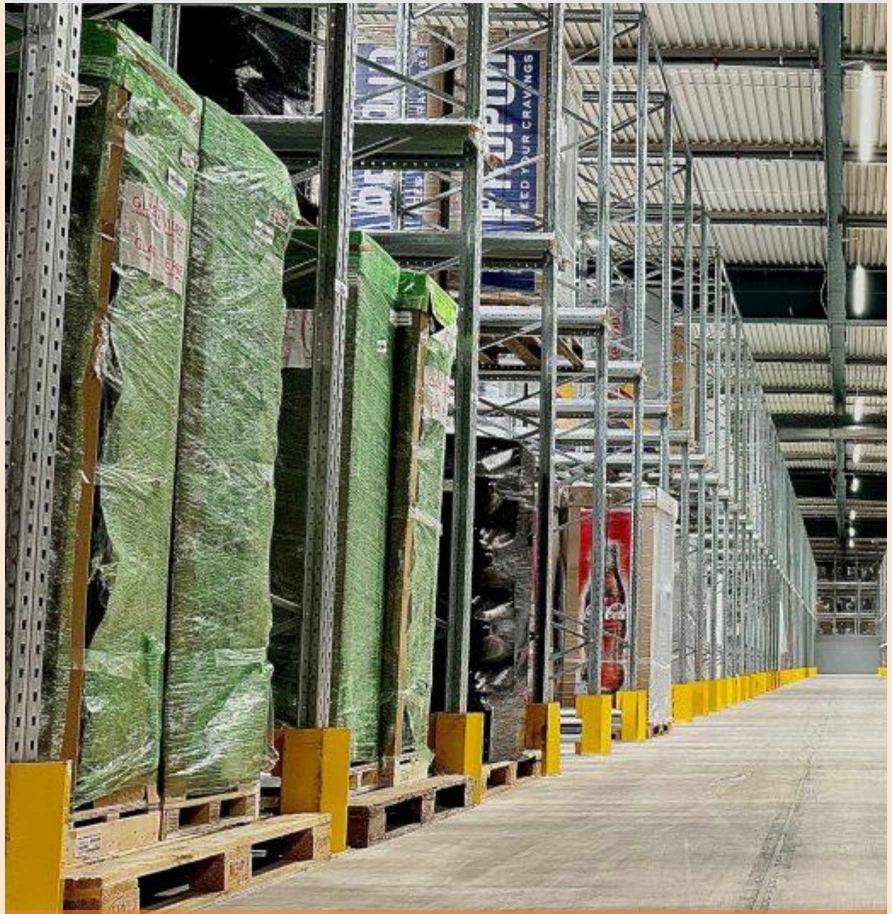
Teqnion

Teqnion consolidated statement of changes in equity (condensed)

Attributable to equity holders of the parent company MSEK	2026 31 Mar	2025 31 Mar	2025 31 dec
Opening equity (1 Jan)	**874,7**	**858,0**	**858,0**
Total comprehensive income for the period	48,7	-10,9	22,1
New issues	-	-	-
Transfers within equity	-5,7	-	-6,3
Option premiums	-	-	0,9
Closing equity	**917,7**	**847,1**	**874,7**
Equity attributable to:			
Owners of the parent	917,7	847,1	874,7
Non-controlling interests	1,3	1,2	1,4
	919,0	**848,3**	**876,1**

Outstanding shares	2026 31 Mar	2025 31 Mar	2025 Full year
Average number of shares outstanding before dilution	17 165 756	17 165 756	17 165 756
Average number of shares outstanding after dilution	17 165 756	17 167 691	17 166 358
Number of shares outstanding at the end of the period	17 165 756	17 165 756	17 165 756

MARKIS CITY SERVICE AB



The biggest beverage companies in Sweden have entrusted Markis City to make sure that their fridges are fully functional and in a good shape at the right place to sell their products.

Teqnion consolidated cash flow statement (condensed)

MSEK	2026 Q1	2025 Q1	2026 R12	2025 Calendar year
Operating profit	67,5	32,3	160,9	125,7
Adjustments for non-cash items	8,7	-0,7	125,1	115,8
Interest and other financial items, net	-8,4	-6,2	-30,3	-28,1
Paid tax	-15,1	-18,3	-45,3	-48,6
Change in working capital	-30,3	15,3	-25,8	19,8
Cash flow from operating activities	**22,4**	**22,4**	**184,6**	**184,6**
Net capital expenditure in non-current assets	-2,6	-3,9	-10,2	-11,5
Company acquisitions and divestments	-53,3	-130,2	-230,0	-306,9
Cash flow from investing activities	**-55,9**	**-134,1**	**-240,2**	**-318,4**
Net issues	-	-	-	-
Option premiums paid	-	-	0,9	0,9
Dept/repayment of debt, net	-3,6	67,0	85,9	156,5
Dividend paid	-	-	-	-
Cash flow from financing activities	**-3,6**	**67,0**	**86,8**	**157,4**
CASH FLOW FOR THE PERIOD	**-37,1**	**-44,7**	**31,2**	**23,5**
Cash and cash equivalents at the start of the period	209,5	196,0	146,0	196,0
Exchange differences in cash and cash equivalents	4,3	-5,3	-0,5	-10,1
Cash and cash equivalents at the end of the period	**176,7**	**146,0**	**176,7**	**209,5**

Parent company income statement and statement of comprehensive income

MSEK	2026 Q1	2025 Q1	2026 R12	2025 Calendar year
Net sales	23,8	16,8	90,7	83,8
Operating costs				
External costs	-6,1	-1,8	-20,4	-16,1
Employee benefit costs	-4,2	-5,0	-27,4	-28,2
Depreciation and amortization	0,0	0,0	-0,1	-0,1
Other operating income and expenses	0,0	-0,1	8,4	8,3
Total operating costs	**-10,3**	**-6,9**	**-39,5**	**-36,2**
Operating profit	**13,5**	**9,9**	**51,2**	**47,6**
Profit from investments in group companies	0,6	21,5	15,1	36,1
Financial income	1,0	19,9	26,9	45,8
Financial expenses	-15,6	-2,2	-40,2	-26,9
Net financial items	**-14,0**	**39,2**	**1,8**	**55,0**
Profit after financial items	**-0,5**	**49,1**	**53,0**	**102,5**
Appropriations	-	-	-29,0	-29,0
Group contributions	-	-	56,2	56,3
Income tax	-0,2	-5,9	-14,1	-19,8
Profit for the period	**-0,7**	**43,2**	**66,1**	**110,0**
Other comprehensive income for the period				
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	**-0,7**	**43,2**	**66,1**	**110,0**

Teqnion

Parent company balance sheet

MSEK	2026 31 Mar	2025 31 Mar	2025 31 dec
Assets			
Non-current assets			
Equipment, tools, fixtures and fittings	0,1	0,1	0,1
Participations in group companies	1 550,0	1 287,3	1 529,6
Other receivables	0,3	0,2	0,3
Total non-current assets	**1 550,4**	**1 287,6**	**1 530,1**
Current assets			
Trade receivables	-	-	-
Receivables from group companies	37,1	113,4	84,5
Tax assets	1,8	5,7	-
Other receivables	6,6	0,4	8,5
Prepaid expenses and accrued income	0,7	0,8	0,3
Cash and cash equivalents	26,8	33,6	61,7
Total current assets	**73,0**	**153,9**	**155,0**
TOTAL ASSETS	**1 623,4**	**1 441,5**	**1 685,1**

MSEK	2026 31 Mar	2025 31 Mar	2025 31 dec
Equity			
Restricted equity	2,2	2,2	2,2
Unrestricted equity	721,8	654,8	722,5
Total equity	**724,0**	**657,0**	**724,7**
Untaxed reserves			
Tax allocation reserves	124,8	95,8	124,8
Total untaxed reserves	**124,8**	**95,8**	**124,8**
Contingencies			
Contingencies for acquired companies	167,1	158,1	195,6
Total contingencies	**167,1**	**158,1**	**195,6**
Liabilities			
Non-current liabilities			
Liabilities to credit institutions	510,2	372,6	492,8
Liabilities to group companies	82,1	123,2	70,6
Total non-current liabilities	**592,3**	**495,8**	**563,3**
Current liabilities			
Liabilities to credit institutions	-	-	-
Liabilities to group companies	-	16,5	55,6
Trade payables	1,1	1,2	3,2
Tax liabilities	-	-	2,7
Other liabilities	3,0	12,0	3,0
Accrued expenses and deferred income	11,1	5,1	12,1
Total current liabilities	**15,2**	**34,8**	**76,6**
TOTAL EQUITY AND LIABILITIES	**1 623,4**	**1 441,5**	**1 685,1**

Teqnion

Other financial information

Note 1 Reporting principles

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

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

For a more detailed description of the accounting principles that have been applied for the group and the parent company in this interim report, please see note 1 in the annual report for 2025.

Note 2 Risks and uncertainty factors

Please review the annual report for 2025. No new material risks or uncertainty factors have been identified since the publication. We're monitoring the Iran war and its effect on markets and prices.

Note 3 Transactions with related parties

Transactions with related parties are described in the annual report for 2025 in note 25. No new types of significant related party transactions have taken place during the period. Transactions with related parties are conducted on an arm's length basis. The parent company's net sales derive from intercompany invoicing of services to its subsidiaries.

Note 4 Financial instruments – fair value accounting

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

MSEK	2026 31 Mar	2025 31 Mar	2025 31 Dec
Opening book value	195,6	114,6	114,6
Acquisitions during the year	8,9	81,0	174,0
Consideration paid	-33,8	-25,1	-49,5
Reclassified via income statement	-7,1	-5,3	-31,7
Interest expenses	0,6	0,6	3,6
Exchange rate differences	2,8	-7,7	-15,3
Closing book value	**167,1**	**158,1**	**195,6**

Note 5 Business combinations

During 2026 the following acquisition have been completed; Cambs Compressor Engineering Ltd .

Cambs, founded in 1992 and based in Cambridgeshire, UK specializes in compressed air systems and solutions for a wide range of industries. They provide system critical products and provide a full suite of services 24/7/365 from design to maintenance, service and compliance. The company has over the last decades enjoyed steady growth and robust margins due to the high level of customer satisfaction, their experienced labour and strong & long partnerships with key players within the sector.

Acquisitions completed in 2026	Completion	Acquired share, %	Net Sales, MSEK*
Cambs Compressor Engineering Ltd	February 2026	100%	30

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

Note 5 Business combinations

Assets and liabilities acquired in 2026

The acquisitions completed in 2026 have the following effects on the Group's assets and liabilities. The purchase price allocations have not been finalized as the Group has not received finalized information from the acquired entities. Any adjustments in connection with the final acquisition analysis are not expected to have a material impact on the Group's results or financial position.

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

Preliminary purchase price allocations	
Fair value	**MSEK**
Intangible assets	--
Tangible fixed assets	0,8
Inventories	2,6
Trade and other receivables	3,4
Cash and cash equivalents	0,9
Provisions	--
Deferred tax	-0,2
Trade and other payables	-5,9
Net identifiable assets	**1,7**
Goodwill	25,3
Considerations	**27,0**
Of which	
paid in cash	18,1
contingent consideration	--
deferred payment	8,9

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

Contingent consideration is defined per acquisition and divided into two or more parts and is dependent on future results achieved in the respective companies during a fixed period. For 2026, no acquisitions with contingent consideration have been made.

Acquisition-related costs for the year's acquisitions, which are reported under other external costs, amount to 0,1 MSEK.

Impact on the income statement January-March 2026	**MSEK**
Net sales	4,2
EBITA	0,9

Impact on the income statement if the acquisitions been part of the Group from January 1, 2026	**MSEK**
Net sales	7,0
EBITA	1,6

Teqnion

Note 6 Segment information

The Teqnion group is organized under two business areas: Teqnion Nord and Teqnion Väst. Teqnion AB acts as a strategic holding company focused on capital allocation, M&A and governance, while operational activities are managed through regional head offices. Each regional office oversees its respective operating subsidiaries, creating clear accountability, stronger risk separation and a more efficient structure for strategy, reporting and future acquisitions.

Net sales	2026	2025	2026	2025
MSEK	Q1	Q1	R12	Full year
Teqnion Nord	337,9	321,1	1 366,2	1 349,4
Teqnion Väst	136,5	85,2	501,8	450,5
Central Group Functions	--	--	--	--
Total	474,4	406,3	1 868,1	1 800,0

Teqnion Nord	2026	2025		2026	2025
MSEK	Q1	Q1	Δ%	R12	Full year
Net sales	337,9	321,1	+5,0%	1 366,2	1 349,4
EBITA	39,3	16,2	+143,0%	152,1	129,0
EBITA margin %	11,6%	5,0%	--	11,1%	9,6%

EBITA	2026	2025	2026	2025
MSEK	Q1	Q1	R12	Full year
Teqnion Nord	39,3	16,2	152,1	129,0
Teqnion Väst	36,0	23,4	119,8	107,2
Central Group Functions	-7,3	-6,6	-33,8	-33,2
Total	68,0	33,0	238,1	203,1

Teqnion Väst	2026	2025		2026	2025
MSEK	Q1	Q1	Δ%	R12	Full year
Net sales	136,5	85,2	+60,3%	501,8	450,5
EBITA	36,0	23,4	+54,0%	119,8	107,2
EBITA margin %	26,4%	27,5%	--	23,9%	23,8%

EBITA	2026	2025	2026	2025
Margin %	Q1	Q1	R12	Full year
Teqnion Nord	11,6%	5,0%	11,1%	9,6%
Teqnion Väst	26,4%	27,5%	23,9%	23,8%
Central Group Functions	--	--	--	--
Total	14,3%	8,1%	12,7%	11,3%

Teqnion

Note 6 Segment information *cont.*

All subsidiaries are domiciled in Sweden, the UK and Ireland where non-current assets and investments are attributable. The majority of the subsidiaries' customers are located within Europe. No individual customer accounts for more than ten percent of the Group's net sales. Revenue by geographic area is based on where the customer is located.

Net sales by major type of income	TEQ Nord		TEQ Väst		Group	
Amounts in MSEK	2026 Q1	2025 Q1	2026 Q1	2025 Q1	2026 Q1	2025 Q1
Sales of goods	317,3	293,3	129,6	77,8	446,9	371,1
Sales of services	19,4	25,8	7,1	7,3	26,5	33,1
Other	1,2	1,9	-0,2	0,2	1,0	2,1
Total	**337,9**	**321,1**	**136,5**	**85,2**	**474,4**	**406,3**

Revenue by geographic area	TEQ Nord		TEQ Väst		Group	
Amounts in MSEK	2026 Q1	2025 Q1	2026 Q1	2025 Q1	2026 Q1	2025 Q1
Sweden	260,7	245,0	0,0	0,1	260,7	245,1
EU	37,7	35,4	17,1	13,5	54,9	48,9
United Kingdom	0,8	0,0	113,6	69,8	114,4	69,8
USA	4,8	2,3	4,5	3,1	9,3	5,4
Rest of the world	33,7	38,4	1,4	-1,4	35,1	37,0
Total	**337,9**	**321,1**	**136,5**	**85,2**	**474,4**	**406,3**

Mitab has designed and installed Sweden's first electric cremation system.

Teqnion

Looking for the next dream team!

The Far East Supply Chain and Sourcing Team.

CONTACT AD

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

WHAT ARE WE LOOKING FOR?

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

Teqnion

Definitions

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

Financial calendar

2026 Q1 Interim report (this report)	23rd of April 2026 (Thursday)
2026 AGM	23rd of April 2026 (Thursday)
2026 Q2 Interim report	18th of July 2026 (Saturday)
2026 Q3 Interim report	17th of October 2026 (Saturday)
2026 Year-End report	13th of February 2027 (Saturday)

All reports will be published on Teqnion's website:
www.teqnion.se/investor-relations/finansiella-rapporter/

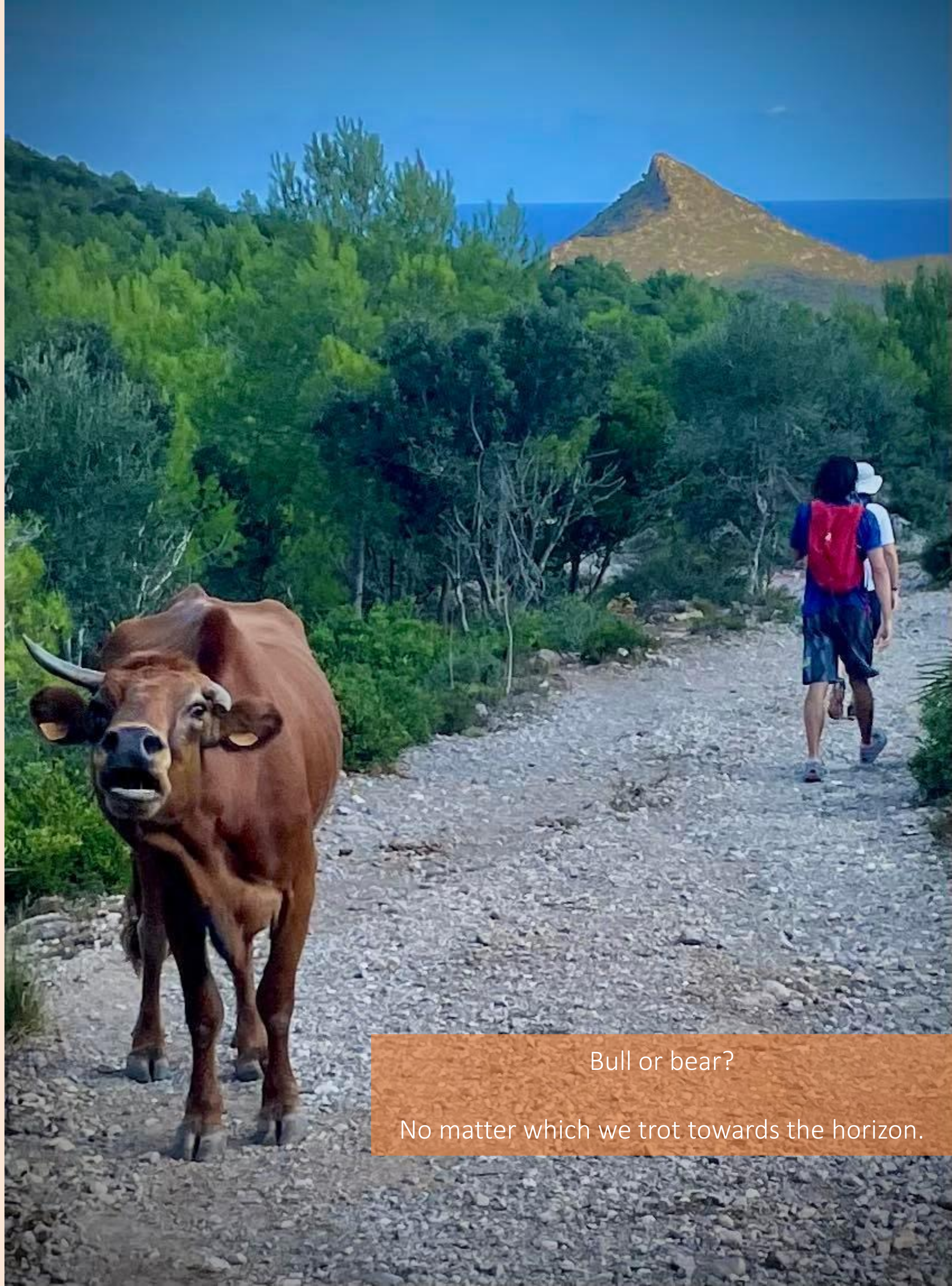
For more information, please contact
Johan Steene, CEO, 073 333 57 33, johan@teqnion.se
Daniel Zhang, CXO, 0721 555 695, daniel@teqnion.se

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

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

Certified Adviser
Redeye Nordic Growth AB

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



Teqnion interim report

Q1: January - March 2026

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