



ANNUAL REPORT
2025

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.

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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 2025

For the full year 2025, net sales increased by 15% and EBITA grew by 36%, while organic net sales declined by 5%. Free cash flow has returned strongly, up 123% for the full year. Earnings per share increased by 3%.

We have a new Group structure in place, a platform to scale from. Now we build bigger.

- Johan Steene, CEO and Founder

KEY EVENTS 2025

Quarter 1:

- Midlands Special Fasteners Ltd was acquired.
- Awarded2U Ltd was acquired.
- Merridale Ltd was acquired.
- Thermasolutions International Ltd was acquired.
- Edurus Gravstenar AB was acquired.

Quarter 2:

- Mitab i Forsbacka AB was acquired.
- Norlin Polymers Ltd was acquired.
- Teqnion UK Ltd was established.

Quarter 3:

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

Quarter 4:

- Reward Catering liquidation process.
- Goodwill impairment of SEK 73 million recognised in Q3.

Events after the balance sheet date:

- Cambs was acquired.

The Board of Directors proposes that no dividend be paid for the financial year 2025 with the assessment that Teqnion can generate excess returns with the cash.

Group in brief

Amounts in MSEK	2025	2024	Förändring %
Net sales	1 800,0	1 567,0	+15%
EBITA	203,1	149,7	+36%
EBITA margin, %	11,3	9,6	-
Profit before tax	135,3	118,5	+14%
Result for the year	98,5	95,8	+3%
Earnings per share before dilution, SEK	5,74	5,58	+3%
Earnings per share after dilution, SEK	5,74	5,58	+3%
Cash flow from operating activities	184,6	96,2	+92%
Return on equity, %	11,3	11,7	-
Equity ratio, %	42,8	49,9	-



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

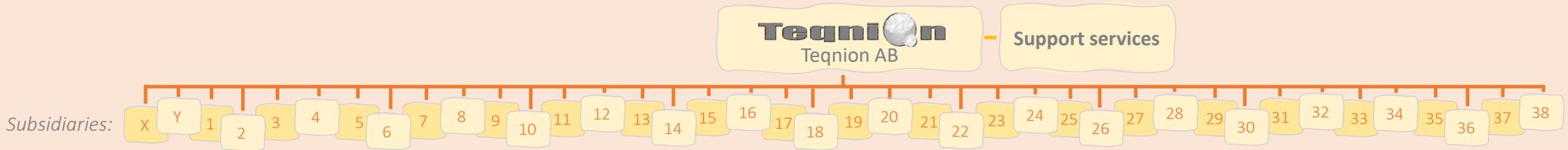


	<u>TEQ</u>	<u>OMX SPI</u>	<u>Difference</u>
Total yield*	+356,4%	+72,6%	+283,8%
CAGR*	+25,2%	+8,4%	+16,8%

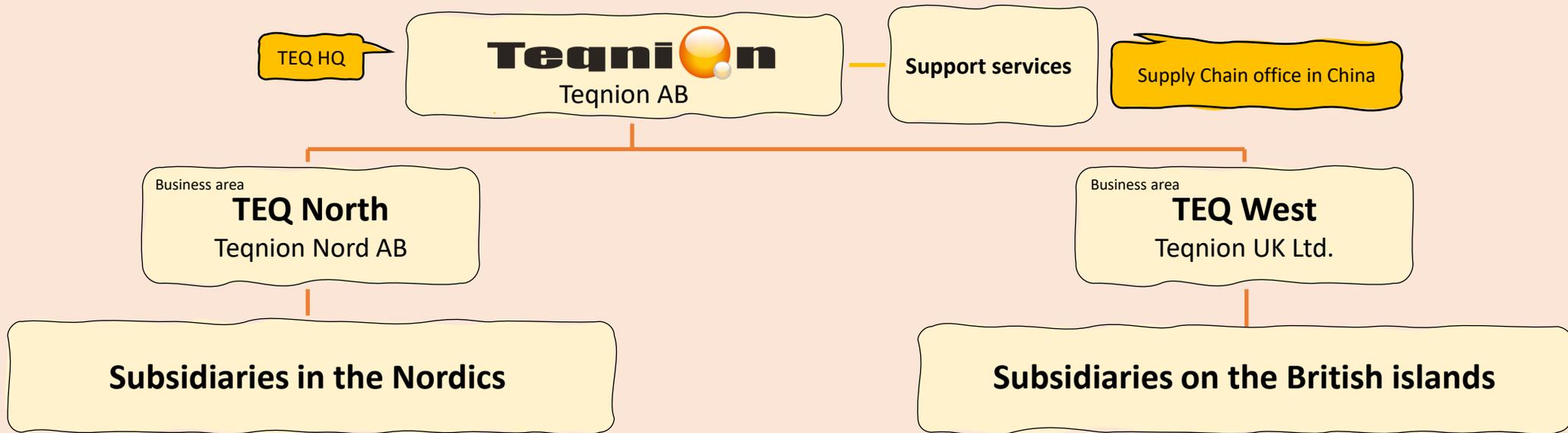
* After listing. No account taken of dividends

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

This was our starting point in 2025...



...and this is our new Group structure from 2026.



Johan's thoughts

Hello teqniåns!

The year has undoubtedly been defined by change. Having lost too much momentum in terms of growth and profitability across parts of the portfolio, we have been required to act restructuring our organisation and improving our ways of working in certain areas. Despite persistently driving this considerable transformation effort, we have at all times safeguarded our growth and value creation. During the year, we acquired nine new companies for Teqni, while scaling down unprofitable operations and reinforcing the companies already delivering strong performance. You may recall that we typically describe ourselves in simplified terms as consisting of three parts:

- Acquisition of new high-quality companies continuously larger and better with strong cash flows and lean balance sheets.
- Portfolio companies delivering steadily against their respective strategies and profitability targets.
- A third segment, which in recent years has been too large, comprising companies in need of operational turnaround.

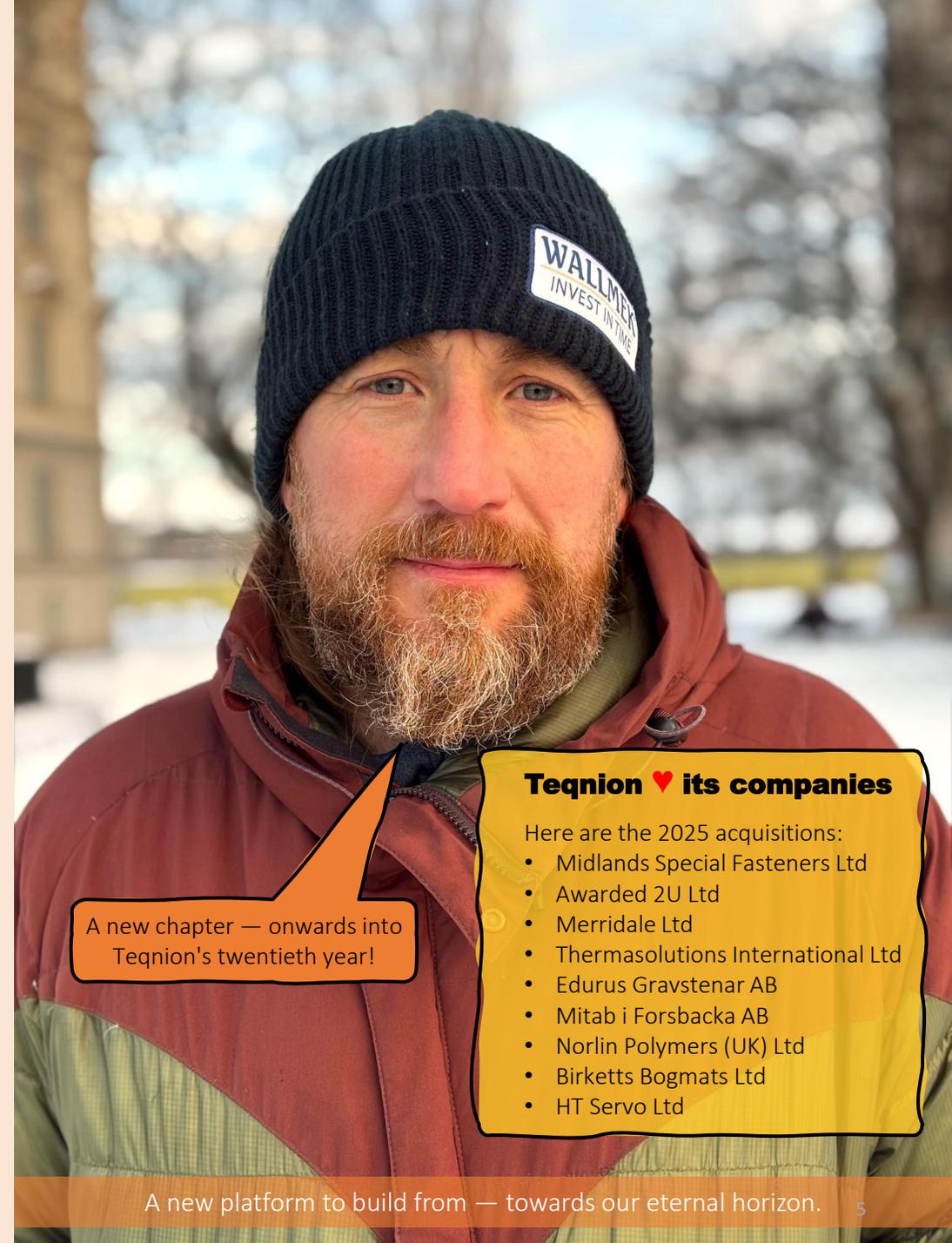
We have directed significant effort towards acquiring the right companies, while simultaneously providing operational support to reduce the unprofitable tail. That tail is now shorter, but the work continues to bring it down to as small tail stump as possible.

A new organisation has been planned and formed, with Teqni now serving as the parent company to two regional holding companies: Teqni Nord AB, the Swedish entity that owns and supports the Swedish operating companies, potentially Nordic companies going forward and Teqni West, the UK entity responsible for owning and managing operations across the British Isles. I believe this new Group structure creates significantly better foundation for scaling and building a much larger group of companies.



*Focus on the business,
People at the centre!*

Слава Україні!



A new chapter — onwards into
Teqni's twentieth year!

Teqni ♥ its companies

Here are the 2025 acquisitions:

- Midlands Special Fasteners Ltd
- Awarded 2U Ltd
- Merridale Ltd
- Thermasolutions International Ltd
- Edurus Gravstenar AB
- Mitab i Forsbacka AB
- Norlin Polymers (UK) Ltd
- Birketts Bogmats Ltd
- HT Servo Ltd



The accountability of each regional management team and their respective mandates are now significantly clearer. The right competence with the right experience is placed in the right position. Sense of belonging and competitive drive are strengthened. Resources and time are freed up at the parent company level, to be actively deployed on improvements across the existing portfolio and on outward-facing activities to secure new acquisitions, continuously better ones over time.

From 2026, we will report the two business areas, Nord (north) and Väst (west), separately in our financial reporting, with the aim and expectation that this will provide all stakeholders with greater understanding and transparency into how the group is developing.

Although we have grown significantly through multiple company acquisitions and have implemented substantial changes to how we are organised and how we monitor our operating businesses, we are still the same Teqniön. We focus on transactions that stand the test of time, generate strong cash flows, and build long-lasting relationships with both customers and suppliers. The foundation, now and always, is the competence and passion of our coworkers to deliver their very best. Our employees are our most valuable asset. We love our subsidiaries. Having had the privilege of being part of this journey from the very beginning, I know that curiosity and a willingness to keep learning are essential ingredients for continuous growth. Now, as we climb further in value creation and enter Teqniön's twentieth year, we have an entirely new and stable platform to build from. Now we build big. But we build big with the same DNA as before: The business in focus, people at the center.

Run far, be nice!

Johan Steene
CEO and founder

Teqniön ❤️ its companies
Hop on! Join the journey!

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



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

Strategy

Teqnon'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

Teqnon'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 Teqnon's central task force, TEQ Staff.

Business model

Teqnon'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. Teqnon continuously supports its companies with strategy work, problem solving beyond the everyday and financial resources.

Our goals for value creation

Stability:
Net debt/EBITDA < 2.5

Marginal:
Profit above 9% (EBITA)
Earnings per share
Double earnings per share every five years

The strategy is continuous acquisitions of quality companies

BUSINESS IN FOCUS - PEOPLE AT THE CENTRE

Active support with strategy work and development of subsidiaries

Strategy

Growth strategy

Teqnon'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 a very driven management team with a high 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 a dozen businesses on the British islands (including the acquisitions so far in 2026). 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 criteria 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 10-30 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

Teqnon's subsidiaries operate in narrow technology niches where the specific expertise lies with the employees in the subsidiaries. Teqnon'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 value propositions and long, good relationships between the organisation's employees and its customers. Teqnon does not control from above. We are there and support from the side. Together we move safely and profitably towards the future.

Teqnon's central management function adds value by providing support and structure to the independent subsidiaries. Teqnon has also developed policies and processes to enable organisations that lack sufficiently clear ways of working in a particular area to be easily strengthened. Teqnon 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

Teqnon 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 managed 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 Teqnon 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. Teqnon shall always create value for the society ensuring that we, in turn, capture a share of that value. No matter in which direction and intensity the macro winds are blowing, we move forward.

Teqnon 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 Teqnon 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. Teqnon 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" (every saved penny is an earned penny).

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 shorttermism. 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 Teqnon. We invite all on the same wavelength along for our grand adventure.

/TEQ-command

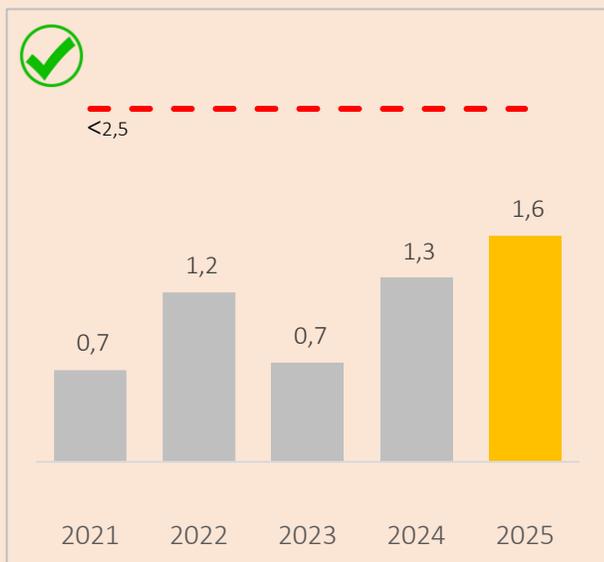
Do not wipe!

Follow-up of financial targets

1. STABILITY

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

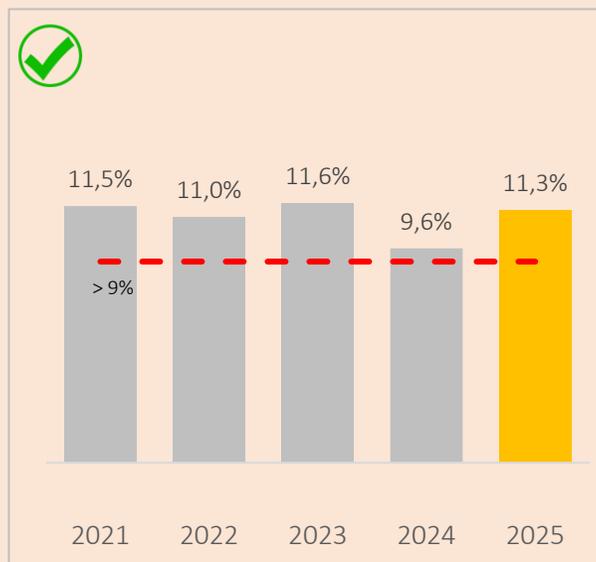
Financial target 1: Net debt/EBITDA < 2.5



2. PROFITABILITY

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

Financial target 2: EBITA margin > 9%



3. SHAREHOLDER VALUE

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

Financial Objective 3: > Double EPS 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 Teqnon

Acquired in 2024 or earlier

Acquired in 2025

Interview Mitch Lane

CEO and previous owner of Midlands Special Fasteners, UK



Please tell us about your background and about MSF?

MSF was formed in the year 2020 during the covid-19 pandemic – times were tough and business was incredibly difficult. However, our philosophy was to be completely customer driven and provide a level of service above our competitors to cement us in the market as their preferred special fastener supplier. Simply tell us what you want, and we will make it happen. We pride ourselves in speedy shut down deliveries to keep our customer's capital equipment moving resulting in them having little to no down time. We are a small to medium enterprise which gives us a lot of flexibility to get orders moving quicker and more efficiently for our clients.

Our supply is incredibly diverse, we manufacture anything from a one-off prototype, up to mass production of 10,000 pcs. Our market sectors are power generation, automotive, rail and subsea bolting solutions.

How did you get in touch with Teqnilon?

After careful consideration the directors all unanimously agreed to sell MSF to a suitable home. We were in discussions with Altius who pointed us in the direction of Teqnilon. From then on, we never had to look back.

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

After speaking with Johan & Daniel, we knew that Teqnilon would be the perfect home for MSF. They wanted total continuity with the business and did not want to make any changes to how the business was run on a day-to-day basis. This ensured that the customers of MSF continued to get their usual level of service and also the security of all members of staff's jobs remained unchanged despite the change of ownership.

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

The transition was extremely smooth, as far as the day-to-day running of the business, there is no change. We continue to delight customers and remain successful and profitable in business. However, having the backing and experience of Teqnilon is very positive for us and it only makes us stronger.

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

Business is on the up, and our turnover has increased every single year of trading. The future is looking bright for us.

Acquired 2025
More about MSF:
<https://www.msfasteners.co.uk/>



Interview Debbie Jacksson

CEO and previous owner of Awarded 2U,UK

Please tell us about your background and about Awarded 2U?

I built Awarded 2U Ltd from the ground up, starting with simple off-the-shelf solutions for the corporate industry before moving into manufacturing bespoke designs for clients worldwide. My background has always been in sales and marketing, which made it relatively straightforward to build strong relationships with large corporate clients. My entrepreneurial journey actually began at 15, when I spotted an opportunity supplying dog food to boarding kennels in my area — I even had to find someone with a car to help with deliveries, much to my parents' horror! But making business has always been in my blood. Over the years, Awarded 2U has grown considerably and today sits comfortably as number two in the marketplace.

How did you get in touch with Teqnon?

I approached KBS to help me find a buyer and Teqnon stood out as the company I felt most comfortable transitioning with.

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

After dedicating 25 years to growing this business, I reached a point where I wanted to take a step back and have some time to do things outside of work as well as running the company as the CEO.

How has the transition worked and how is it noticeable in the business that Awarded 2U is part of the Teqnon group?

One year on, I feel the transition has gone very well. I've been trusted to carry on doing what I've always done — running a profitable business — and that continuity has been really important to me.

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

I see the Company's future to keep growing and keep making money, we are structured to do so and my team are all dedicated. I feel I still have the passion to keep leading it for the next few years.

Acquired 2025
More about Awarded 2U:
<https://www.awarded2u.com/>



Interview David Baillie

CEO and previous owner of HT Servo, UK

Please tell us about your background and about HT Servo?

I joined HT Servo in 2004 with the intention of becoming a shareholder, and in 2006 — with a young family at home and a remortgaged house — I purchased a 20% stake. It was a bold decision, but one I have never regretted. Over the following two decades the company grew significantly, culminating in my wife and I acquiring the entire shareholding. Before HT Servo I worked for Harmonic Drive, a German precision gear manufacturer serving the robotics industry, and earlier still began my career at Eurotherm in what I would describe as my professional apprenticeship. All told, over 40 years in the industrial world. HT Servo was established in 2001 following a restructuring by one of our principal US suppliers — who remain a key partner to this day — to continue supporting the UK's Aerospace & Defence market. Based in Worthing, West Sussex, our team brings decades of expertise in the selection and supply of high-precision servo components and systems, with a particular focus on Direct Drive technologies including Brushed Torque Motors, Brushless and Frameless Motors.

How did you get in touch with Teqnon?

My daughter — a lawyer working in the corporate world — recommended M&A advisory firm FRP Advisory Ltd to help manage the sale process. Shortly after our Information Memorandum was circulated, we were introduced to Teqnon AB.

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

As I approached my 60th year, it felt like the right moment to think seriously about the future of the business. The industry I have worked in is genuinely fascinating — not many people get to clamber around military vehicles on customer sites for a living. But finding the right partner meant finding a company that shared our ethos: a pragmatic, people-first approach to solving customer challenges, delivered with a sense of enjoyment along the way. When we met Daniel and Johan in person in spring 2025, it felt as though we had known each other for years. There was an instinctive mutual trust and a shared outlook on life, family, and business integrity. Teqnon's commitment to supporting our existing staff and customer base gave me the confidence that everything we had built would not only be preserved, but continue to grow. It was an easy decision.

How has the transition worked and how is it noticeable in the business that HT Servo is part of the Teqnon group?

The transition has been remarkably smooth. We have been given the freedom to operate as an independent unit, with the reassurance that the wider Teqnon team is firmly behind us — a combination of autonomy and support that has made the whole process feel entirely natural.

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

I have always loved what I do — I cannot recall a single day where I didn't want to come to work. Handing over something you have built is never straightforward, but I have every confidence that HT Servo is in excellent hands with Teqnon, and that both will go from strength to strength. I look forward to continuing to support the business in the years ahead — this time as an employee rather than an owner. And perhaps, finally, the occasional full night's sleep.



Acquired 2025
More about HT Servo:
<http://www.htservo.com/>

Ownership structure

Ownership structure of Teqnon AB	Number of shares	Share of votes and capital, %
Stravaigin AB	3 045 000	17,74%
Investment Aktiebolaget Spiltan	1 958 100	11,41%
Vixar AB	1 786 664	10,94%
Johan Steene	861 471	5,02%
Woodlock Family Capital	769 000	4,48%
Danske Bank Asset Management	765 069	4,46%
Broadcrest	758 942	4,42%
Erik Surén	567 000	3,30%
Mikael Rockhammar inklusive bolag	457 650	2,67%
Ingegerd Häggqvist	300 000	1,75%
Total ten largest shareholders	11 358 896	66,19%
Other shareholders	5 806 860	33,81%
Total number of shares	17 165 756	100,0%

The ten largest shareholders as of 2026-03-07, based on information from Euroclear and from shareholders.



Board of Directors



Lena Almefelt

Chairman of the Board since 2024
 Born in 1964
 Master of Law from Lund University.
 Background: General Counsel at EQT 2012-2023, partner at Advokatfirman Vinge 2000-2012.
 Holdings: 3 000 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 + 6 000 options



Helena Nathhorst

Board Member since 2025
 Born 1967
 M.Sc. in Business and Economics, Uppsala University
 Background: Former CFO of Addnode Group AB (publ) and current CFO of Byggmax Group AB (publ)
 Holdings: 0 shares + 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: 16 202 shares (excluding Spiltan which owns 1 948 100 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 group management



Johan Steene

CEO, Founder and Board Member
Teqniån from the start in 2006
Born in 1973
Mechanical engineer, KTH
Outside Teqniån: runs far
Holdings: 861 471 shares + 6 000 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



Jonathan Alexandersson

CCO (Chief Controlling Officer)
Teqniån since 2024
Born in 1993
Business & Economics, Kau
Background: Authorized Public Accountant
PwC
Holdings: 2 250 shares + 3 000 options



HT Servo supplies critical components for Challenger 3 main battle tanks

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

Corporate governance

Corporate governance shall ensure that we run Teqnon sustainably, responsibly and efficiently. Clear corporate governance helps to ensure confidence in Teqnon and increases the focus on business benefits and shareholder value in the company. Teqnon'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. Teqnon 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 in the following respects:

- During the year, Teqnon has maintained an investment committee comprising the CEO, CXO and CCO, mandated by the Board to acquire companies within a specific framework; acquisitions outside this framework require a Board resolution. Written terms of reference have been established.
- No formal internal control function has been established. The TEQ staff function works closely with the subsidiaries through active board engagement as well as within accounting and financial reporting. The staff function monitors financial and operational reporting on a monthly basis and performs such controls as are deemed relevant. In addition, the Group maintains a number of shared policies, a finance manual and governing documents.
- The Board has not formally evaluated the need for internal audit on an annual basis. The Board continuously evaluates the Company's internal control and considers existing governance and monitoring processes to be fit for purpose in relation to the Company's size and complexity. Against this background, the Board has concluded that a formal internal audit function is not currently warranted

- As the Board and the Company have not established a formal internal control function, such activities are not described in this Corporate Governance Report. An informal internal control function exists, whereby the Group maintains a number of key controls that each subsidiary is required to comply with, as set out in an internal control matrix.
- The Board has elected not to engage the auditor to review the Group's quarterly reports, as the Board considers an annual audit to be sufficient.

Compliance with applicable stock exchange trading rules

There were no breaches of applicable stock exchange rules during the financial year 2025.

Events in 2025

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

Articles of Association

Teqnon'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

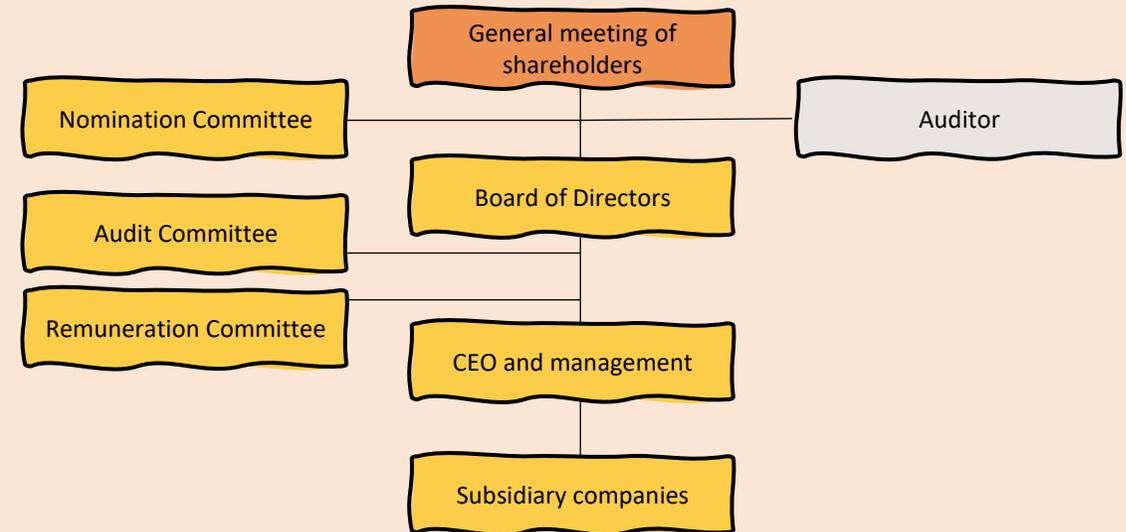
General meeting of shareholders

In accordance with the Swedish Companies Act, shareholder influence in Teqnon is exercised at the General Meeting, which is Teqnon's highest decision-making body. At the General Meeting, shareholders resolve on key matters.

In accordance with the Articles of Association, notice of a General Meeting shall be given by way of announcement in Post- och Inrikes Tidningar, an advertisement in Dagens Industri, and by making the notice available on Teqnon's website. Notice of the Annual General Meeting and notice of an Extraordinary General Meeting at which amendments to the Articles of Association are to be considered shall be issued no earlier than six weeks and no later than four weeks prior to the General Meeting. Notice of any other Extraordinary General Meeting shall be issued no earlier than six weeks and no later than two weeks prior to the General Meeting. Shareholders who are recorded in a transcript of the share register as of five business days prior to the General Meeting, and who have registered their attendance — together with any assistants — with Teqnon no later than the date specified in the notice, are entitled to attend the Meeting. Shareholders are generally able to register for the General Meeting in several ways, as further specified in the notice convening the Meeting.

Annual General Meeting 2025

Teqnon's Annual General Meeting was held on 23 April 2025 at the premises of TM Partners, Jakobs torg 3, Stockholm. At the Meeting, 30 shareholders were represented in person or by proxy, representing 46.41 per cent of the votes and share capital. Seven members of the Board were in attendance, as was auditor Carl-Johan Kjellman, who was re-elected as auditor. Advocate Johan Wigh was elected as Chairman of the Meeting.



The decisions taken by the Annual General Meeting were:

- Re-election of Board members Lena Almefelt, Christopher Mayer, Boel Sjöstrand, Mikael Vaezi, Henrik Joelsson and Johan Steene, and election of Helena Nathhorst as a new Board member. Lena Almefelt was re-elected as Chairman of the Board.
- Approval of annual fees to Board members of SEK 200 thousand, SEK 300 thousand for the Chairman of the Board, and SEK 50 thousand per person for members of the Audit Committee and the Remuneration Committee. Fees to the auditor to be paid in accordance with approved invoice.
- Re-election of BDO Mälardalen AB as the Company's auditor, with Carl-Johan Kjellman as auditor in charge.
- Resolution on guidelines for remuneration to senior executives.
- Resolution on the establishment of a warrant-based incentive programme.
- Resolution on the establishment of a cash bonus programme.

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 Teqnon's website under the tab Investor Relations/Corporate Governance/General Meetings.

Nomination 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 2026 Annual General Meeting

Name	Appointed by	Percentage of votes (2025-12-31)
Per Berggren (Chairman)	Vixar AB	10,93%
Kent Söderström	Investment AB Spiltan	11,41%
Moritz Sitte	Stravaigin AB	17,74%

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 Teqnon'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 Teqnon 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 Teqnon's organisation and the management of Teqnon'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 elected by the Annual General Meeting for the period until the close of the next Annual General Meeting. In accordance with Teqnon's Articles of Association, the number of Board members elected by the Annual General Meeting shall be no fewer than three (3) and no more than ten (10). The Board currently comprises seven (7) ordinary Board members. Six were re-elected at the 2025 Annual General Meeting and one was newly elected.

Rules of procedure

The Board operates in accordance with written terms of reference, which are reviewed annually and adopted at the constitutive Board meeting each year. The terms of reference govern, among other things, the Board's practices, functions and the division of responsibilities between the Board members and the Chief Executive Officer. At the constitutive Board meeting, the Board also adopts instructions for the Chief Executive Officer, including instructions for financial reporting. Where the Board establishes committees within its ranks, the terms of reference shall specify the duties and decision-making authority delegated by the Board to such committees, as well as how the committees are to report to the 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 2025

In accordance with the Board's terms of reference, the Board shall convene at a constitutive Board meeting, in connection with the publication of interim reports and the annual report, and at four ordinary Board meetings evaluating the following themes: Evaluation, Strategy, Risk Management and Budget. The number of Board meetings held from 25 March 2025 to 13 February 2026 totalled 14, and attendance is set out in the table on the following page.

All meetings have followed an approved agenda with supporting materials distributed in good time prior to each meeting. Ordinary Board meetings are typically half-day meetings. In addition to the Board, the CFO/CCO frequently attends, along with other members of the TEQ staff function as required. The Board discussed the following during its meetings in 2025:

- 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 Committees

At the constitutive Board meeting, the Board resolved to establish an Audit Committee and a Remuneration Committee. The Audit Committee comprises Helena Nathhorst, Lena Almfelt and Henrik Joelsson, and the Remuneration Committee comprises Lena Almfelt, Henrik Joelsson and Christopher Mayer. Each committee has held two minuted meetings during the year.

Internal Control and Audit

In accordance with the Swedish Companies Act, the Board has overall responsibility for ensuring that Teqnon's organisation is structured in such a way that accounting, asset management and Teqnon's financial affairs in general are controlled in a satisfactory manner. Teqnon's internal control structure is based on the division of responsibilities between the Board and the Chief Executive Officer. The Chief Executive Officer is responsible for ensuring that robust internal controls and formalised procedures are in place to safeguard the reliability of external financial reporting and to ensure that such reporting is prepared in accordance with applicable accounting standards, applicable legislation and other requirements applicable to listed companies.

The board's year 2025

Name	Assignment	Elected	Independent of the company	Independent of major shareholders	Remuneration (MSEK) ¹⁾	Attendance ²⁾ Board meeting	Attendance AC	Attendance RC
Lena Almfelt	Chair of the board	2024	Yes	Yes	0,4	13/14	2/2	2/2
Johan Steene	Board member/CEO	2012	No	Yes	- ³⁾	14/14		
Henrik Joelsson	Board member	2023	Yes	Yes	0,3	14/14	2/2	2/2
Mikael Vaezi	Board member	2020	Yes	No	0,3	14/14		
Boel Sjöstrand	Board member	2024	Yes	Yes	0,2	14/14		
Christopher Mayer	Board member	2024	Yes	Yes	0,1	14/14		2/2
Helena Nathhorst	Board member	2025	Yes	Yes	0,2	12/12 ⁵⁾	2/2	
Per Berggren	Board member	2009	Yes	No	-	2/2 ⁶⁾		

1) Refers to fees expensed during 2025.

2) From Board meeting 25 March 2025 up to and including Board meeting 13 February 2026.

3) Johan Steene does not receive any fee for his assignment as an ordinary Board member.

4) In accordance with the Swedish Corporate Governance Code, a major shareholder is generally considered to be a shareholder who directly or indirectly controls 10 per cent or more of the shares or votes in the company.

5) All from the date Helena Nathhorst was elected at the 2025 Annual General Meeting.

6) All up to and including the 2025 Annual General Meeting.

Teqnon has a simple legal and operational structure where the Board of Directors continuously monitors Teqnon'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 Teqnon'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 Teqnon'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 Teqnon's annual accounts, consolidated accounts and accounting records, as well as the administration of the Board of Directors and the Managing Director.

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 Teqnon'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 Chief Executive Officer of Teqnon, other senior executives and key personnel within the parent company, as well as the Chief Executive Officers of the subsidiaries, may receive variable remuneration upon fulfilment of one or more predetermined and measurable performance targets set by the Board. In order to avoid excessive risk-taking, there shall be a fundamental balance between fixed and variable remuneration. The fixed salary shall be market-based and shall also constitute a sufficiently large proportion of the senior executive's total remuneration to allow the variable component to be reduced to zero.

By linking the level of variable remuneration to performance targets, such remuneration promotes the execution of the Company's business strategy, long-term value creation and the interests of shareholders. The terms and basis for calculation of variable remuneration shall be determined for each financial year. Fulfilment of the criteria for payment of variable remuneration shall be measurable over a period of one financial year. Variable remuneration is settled in the financial year following the year in which it is earned.

Managing Director Teqnon

The variable salary of the CEO of Teqnon 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 eighteen 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 eighteen months' salary and is not pensionable.

Corporate governance

Subsidiary CEOs

All subsidiary CEOs are eligible for variable remuneration, with the exception of those who have recently been former owners of the subsidiaries and who therefore continue to be covered by the possibility of earnout payments. A prerequisite for the payment of variable remuneration is that the annual result (profit before tax) is positive. Variable remuneration is calculated on the basis of predetermined measurable targets related to profit before tax, before any bonus costs for the subsidiary CEO and before unbudgeted year-end appropriations. Variable remuneration may amount to a maximum of six monthly salaries and is not pensionable.

Long-term Incentive Programmes

At the end of the financial year, Teqnon had an outstanding warrant programme covering a total of up to 55,000 shares. The purpose of the programmes is to provide key personnel within the Group with the opportunity to participate in, and contribute to, the positive development in value of the Company's shares through a personal investment. The warrants have been acquired on market terms. The programmes are designed to create conditions for recruiting and retaining skilled personnel within the Group, to offer competitive remuneration, and to align the interests of shareholders and key personnel.

Long-term Cash Bonus Programme 2025 for the CEO and Deputy CEO

At the end of the financial year, Teqnon had an outstanding cash bonus programme for the CEO and Deputy CEO. If the market capitalisation of all Teqnon shares equals or exceeds SEK 6,000 million (the "Threshold Level") on 23 April 2030 (the "End Date"), each participant shall be entitled to a bonus amount corresponding to 2 per cent of the value exceeding the Threshold Level, up to a cap corresponding to a market capitalisation of SEK 8,000 million (the "Cap Level"). Value increases exceeding the Cap Level do not give rise to any bonus entitlement. The maximum bonus amount payable to participants in the programme, if the market capitalisation of the Company's shares equals the Cap Level, is therefore SEK 40 million per participant, corresponding to a total of SEK 80 million for all participants. If the market capitalisation of the Company's shares at the End Date is below the Threshold Level of SEK 6,000 million, no bonus will be paid to the participants.

Receipt of a bonus payment under Bonus Programme 2025 is conditional upon the participant remaining employed by Teqnon at the End Date, and upon neither the participant nor Teqnon having given notice of termination of the participant's employment, subject to the terms and conditions further specified in the agreement between the Company and the participant.

The market capitalisation of Teqnon's shares shall be calculated based on the volume-weighted average price of the Company's share on Nasdaq First North Growth Market, or such other marketplace on which the Company's shares are admitted to trading, during the sixty (60) trading days immediately preceding the End Date. If the market capitalisation of the Company's shares equals or exceeds the Cap Level of SEK 8,000 million on 23 April 2028, an early bonus payment shall be made to the participants within sixty (60) days thereafter. No financial instruments will be issued or transferred to participants under Bonus Programme 2025.

Bonus Programme 2025 aims to strengthen Teqnon's financial development by promoting a community of interest between the participants in the programme and Teqnon, and by creating conditions for Teqnon to retain key personnel expected to contribute to the Company's continued development. The Board considers that Bonus Programme 2025 creates a strong incentive for participants to contribute to the Company's growth and development and to promote long-term sustainable decisions in order to achieve results in a manner consistent with the Company's vision and overall strategy, which is to the benefit of both Teqnon and its shareholders.

Sustainability

General Information

B1 – Basis of Preparation

In advance of the 2025 financial year, Teqnon anticipated that the Group would be subject to the requirements of the CSRD (Corporate Sustainability Reporting Directive), the EU directive on sustainability reporting aimed at increasing the transparency and comparability of companies' impact on environment, society and governance (ESG). Against this background, a current state analysis was conducted to identify the relevant regulatory requirements, their implications and the activities required to meet them. This work resulted in a number of initiatives that collectively formed the basis for carrying out a double materiality assessment.



As part of this work, Teqnon's value chains were mapped and documented, both at subsidiary level and at overall Group level. Within the scope of the mapping exercise, impacts, risks and opportunities associated with each value chain were identified. Furthermore, the business models of the subsidiaries were analysed with regard to the scope, nature and geographic spread of their operations. A stakeholder analysis was conducted in which Teqnon's key stakeholders were identified. A structured approach to stakeholder engagement was developed, and the engagement was carried out through interviews with the Chief Executive Officers of all subsidiaries, Teqnon's Chief Executive Officer, Teqnon's Board of Directors, the Group's banking partner and a selection of Teqnon's shareholders.

The activities described above formed the basis for the double materiality assessment, which identified the sustainability topics where Teqnon's impact on the external environment and its financial risks and opportunities are considered material. The assessment was carried out in accordance with the ESRS (European Sustainability Reporting Standards) and has been reviewed by the Company's auditor. The conclusion of the assessment is that Teqnon, when reporting in accordance with the ESRS, would report on certain aspects within the following areas:

- E1 Climate Change
- E5 Resource Use and Circular Economy
- S1 Own Workforce
- S2 Workers in the Value Chain
- G1 Business Conduct

Sustainability at Teqnon

Business in focus - people at the centre.

Teqnon's business model is based on constantly working to achieve sustainable value creation for suppliers, customers and for Teqnon'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 Teqnon 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

Following the introduction of the EU's so-called Omnibus proposal and the decision to "stop the clock", it is clear that Teqnon is not legally required to report in accordance with the CSRD until 2027 at the earliest — and likely not even then, as the scope criteria within the European Union have been raised whilst the corresponding amendments have yet to be transposed into Swedish legislation. Against this background, Teqnon has chosen to continue working with the sustainability topics identified through the double materiality assessment, to continue collecting relevant sustainability data from its subsidiaries, and to prepare its sustainability reporting in accordance with the VSME (Voluntary Sustainability Reporting Standard for SMEs), comprehensive module. The report is prepared on a consolidated basis. Information on Teqnon's subsidiaries is provided in Note 26 of the annual report.

C1- Strategi, affärsmodell och hållbarhet

Teqnon's strategy and business model are designed to create long-term and sustainable value for customers, suppliers, employees and shareholders. Sustainability is embedded in the business model and constitutes a fundamental prerequisite for the Group's long-term profitability and development.

Business Model and Strategic Direction

Teqnon is an acquisition-driven and decentralised group that invests in profitable, well-managed companies with strong market positions within clearly defined niches. The Group comprises companies active within technology, manufacturing, industrial distribution and technical services, primarily located in Sweden and the United Kingdom. The business model is founded on long-term ownership, whereby subsidiaries are given significant operational responsibility whilst the parent company contributes strategic support, knowledge sharing and sound financial stewardship.

A central element of the strategy is that subsidiaries shall conduct their operations with a focus on quality, specialisation and customer value rather than price competition. By offering products and services with a clear and distinctive value proposition, the conditions are created for stable profitability — a necessary foundation for sustainable business practices over time.

Sustainable Business Relationships in the Value Chain

Teqnon's value creation is built on long-term and sound business relationships with suppliers and customers. For operations to be sustainable, relationships and agreements must be structured in a balanced and fair manner, where all parties have the opportunity to conduct their business whilst maintaining quality, good working conditions and responsible resource use. The vast majority of subsidiaries operate within B2B and deliver solutions to corporate customers.

The Group strives to be perceived as a reliable and trustworthy business partner, as evidenced by its recurring customer base. Through stable, long-term relationships, incentives are created for continuous development, mutual trust and shared responsibility within the value chain. Agreements or business models that place undue pressure on any single party are considered incompatible with Teqnon's view of long-term sustainable value creation, and the ambition is to avoid such agreements and relationships.

People at the Heart — Leadership and Culture

In Teqnon's business model, people are the most important resource. The Group's decentralised structure places high demands on leadership, values and corporate culture within the subsidiaries. Already at the acquisition stage, significant emphasis is placed on ensuring a shared view of business ethics, sustainability and long-term value creation. The parent company's responsibility encompasses appointing and supporting leaders who not only drive the business successfully, but who also act in accordance with Teqnon's values — where responsible and inclusive leadership that fosters engaged employees, low staff turnover and a corporate culture supporting both business objectives and sustainability ambitions is actively sought.

Environment and Resource Efficiency

Teqnon conducts its operations through companies with varying business models and consequently differing environmental impacts. Given the decentralised structure, each subsidiary is responsible for identifying and managing its material environmental aspects. Environmental responsibility is integrated into day-to-day business operations through a focus on resource efficiency, reduced environmental impact and conscious choices in the supply and customer chain.

Sustainability

The Group encourages its subsidiaries to work systematically on areas such as energy efficiency, emissions reduction, waste minimisation and more sustainable transportation where relevant. Through long-term business relationships and stable profitability, the conditions are created for continuous improvements in the environmental area as well.

Sustainable Profitability and Value Creation for Shareholders

Teqnon's strategy aims to generate sustainable returns for shareholders over time. This requires the trust of the capital markets, which is built through responsible business conduct, transparent communication and a clear connection between strategy, business model and sustainability practices.

By integrating sustainability into business decisions, acquisition strategy and governance, Teqnon creates the conditions for a long-term resilient company capable of managing risks, capitalising on opportunities and continuing to create value in a changing world.

B2 – Measures, Policies and Future Initiatives for the Transition to a More Sustainable Economy

We strive to progressively develop our operations in the direction of a more sustainable economy. The table below, on page 33, describes the practices, policies and initiatives that guide our work in managing our impact on people and the environment.

C2 – Description of Measures, Policies and Future Initiatives for the Transition to a More Sustainable Economy

The Group and its subsidiaries work with policies, measures and initiatives to support the transition to a more sustainable economy. Environmental work is governed by, among other things, an environmental policy focusing on monitoring energy use, improving the efficiency of transportation and business travel through measures such as consolidated shipments and the selection of transport modes with lower environmental impact. Operations actively work to reduce the use of consumables and to improve the efficiency of raw material use. Waste is managed through source separation and recycling with the aim of reducing environmental impact and resource consumption.

Social sustainability work is governed by, among other things, a work environment policy, a code of conduct, an equal opportunities policy and a policy against harassment and victimisation. The subsidiaries conduct their work environment activities with ongoing monitoring of workplace accidents and sick leave, with the aim of ensuring a safe, secure and inclusive working environment. Forward-looking initiatives include the continued development of internal procedures for monitoring, data collection and improvement measures to strengthen the Group's long-term sustainability performance.



*To learn more about how one of our subsidiaries approaches sustainability, read Avelair's "[Net Zero Report](#)".

Sustainability

Environment

B3 – Energy and Greenhouse Gas Emissions

Energy Use

The Group's energy use is presented in the table below. The data has been compiled by each subsidiary and subsequently consolidated at Group level. The conditions of the companies vary depending on whether operations are conducted in leased or owned premises, and whether electricity consumption is invoiced separately or included in the lease.

Energy data is based primarily on actual consumption as per invoices. Where actual consumption has not been available, data has been obtained from property owners or alternatively estimated using standard rates based on costs and/or floor area. The choice of method has been dependent on available data, which means that the reported figures are subject to a degree of uncertainty. For companies that have either reported for part of the year or were acquired during the year, the actual electricity consumption during the period for which they reported and formed part of the Group has been used as the basis for estimating their full-year consumption. For companies where reliable data has been unavailable, energy use has been estimated through proportional extrapolation. For the reporting year, reliable and complete information on the breakdown between renewable and non-renewable energy sources is not available at Group level. For this reason, only total electricity consumption is currently reported.

Energy 2025	Total MWh
Electricity consumption	6 898
Fuel	2 550
Distric heating	1 654
Total	11 102

The figure stated for the Group's electricity consumption is based on actual full-year consumption from 46% of subsidiaries, standard rate-based or partially calculated on actual consumption for part of the year from 36% of companies, and proportional extrapolation for 18% of companies.

Raw materials and fuels not used for energy production through combustion are excluded from the reported figures. "Fuel" includes gas and pellets used for heating, as well as petrol and diesel used in company-owned vehicles in operations. Conversion factors have been sourced from the Swedish Energy Agency, SCA and Carbontrust.com.

Consumption covers subsidiaries that use district heating. The figure stated for the Group's district heating consumption is based on actual full-year consumption from 35% of subsidiaries, standard rate-based or partially calculated on actual consumption for part of the year from 53% of companies, and comparison with similar operations for 12% of companies.

Greenhouse Gas Emissions

During the reporting year, we have commenced a structured effort to collect relevant data relating to greenhouse gas emissions from our own operations. This work has focused on establishing procedures, identifying data sources and improving data quality as a foundation for future calculations.

At present, complete and reliable calculations of emissions have not yet been performed at Group level, although there are examples of subsidiaries that calculate and report their Scope 1, 2 and 3 emissions. In the coming years, we plan to begin calculating greenhouse gas emissions at Scope 1 and Scope 2 level on a Group basis, using the data collected. This work aims to create a stronger foundation for monitoring, target-setting and emissions reduction over time.

Sustainability

C3 – Greenhouse Gas Reduction and Transition

We have not yet adopted a Group-wide transition plan, nor have we established Group-wide targets for the reduction of greenhouse gas emissions. Work to reduce climate impact is conducted on an ongoing basis within each subsidiary, based on their respective operations and circumstances. This work includes, among other things, measures to reduce energy use, evaluate suppliers and progressively transition to more climate-smart solutions for materials, transportation and technology.

Three of the Group's subsidiaries are currently certified under ISO 14001 and work in a structured manner with targets, action plans and monitoring with the aim of continuously improving their environmental performance and reducing their environmental impact.

Additional subsidiaries have plans for certification in the coming years.

During the reporting year, the overall focus has been on building knowledge, mapping relevant emission sources and establishing fundamental structures for monitoring.

C4 – Climate Risks

Teqnon has conducted a high-level analysis of climate-related risks and opportunities at Group level. The Group's business model is characterised by significant diversity and variety across the subsidiaries' operations, which contributes to overall resilience against the identified climate transition risks.

Transition Risks

Common risk areas for the Group relate primarily to transportation, energy use and dependencies on raw materials and products in the supply chain. Changes related to, for example, increased energy prices, fuel costs, taxes, charges, tariffs, new regulations and carbon-related policy instruments may lead to increased costs. At Group level, however, these risks are not considered to have a material impact, although they may be significant for individual subsidiaries.

Physical Climate Risks

The Group considers that direct physical climate risks to its own operations are currently limited. Some indirect exposure exists through dependencies on transportation and supply chains, which may be affected by extreme weather events such as increased rainfall. Certain suppliers have taken measures to adapt their operations to changing climate conditions.

Risk and Opportunity Management

Given the varied nature of the subsidiaries' operations, the Group's overarching focus is on ensuring well-functioning procedures and practices for market monitoring, risk management and stakeholder engagement. This aims to enable early identification of changes in market conditions, regulations, demand, pricing and the availability of raw materials and products, thereby enabling rapid adaptation to new circumstances. The Group strives to reduce its climate impact and encourages subsidiaries to take measures that are beneficial from both a climate and a business perspective. Examples of such measures include more efficient energy use, reduced and more sustainable transportation, a review of business travel, and increased recycling and reuse of materials and packaging.

Risks and measures are monitored on an ongoing basis through regular reviews at subsidiary board level. Changes in conditions and new information are analysed in order to take action where necessary and to strengthen the Group's long-term resilience and competitiveness.

B4 – Pollution of Air, Land and Water

We consider that pollution of air, land and water does not constitute a material sustainability topic at Group level. Industrial operations are conducted primarily in controlled environments and within the framework of applicable environmental permits and legislative requirements.

Sustainability

Preventive measures and procedures are in place to manage chemicals, spills and waste with the aim of minimising the risk of pollution. Against this background, no further quantitative monitoring or in-depth reporting has been carried out within this area during the reporting year.

B5 – Biodiversity

We have assessed that the Group's own operations have limited direct impact on biodiversity and ecosystems. Operations are conducted primarily in existing premises and do not involve any land use changes or activities in sensitive areas.

B6 – Water

We have assessed that water use does not constitute a material sustainability topic for the Group. Operations are conducted primarily in premises without water-intensive processes and with limited direct impact on water resources. Against this background, no quantitative monitoring or further reporting has been carried out during the reporting year.

B7 – Resource Use, Circular Economy and Waste Management

The Group has assessed resource use, including resource inflows, as a material sustainability topic. The nature of the subsidiaries' operations varies, but all use materials and goods to some extent. Certain companies purchase finished products that are resold either unchanged or as part of a system, whilst others purchase raw materials that are processed into products or components.

The principal resources used in the Group's products are steel, electronics, plastics and wood. A proportion of recycled material is used in the raw materials and goods purchased from suppliers; however, the Group does not currently have sufficient information to quantify the proportion of recycled material relative to virgin material. The selection of materials is influenced by requirements relating to function, quality, safety and customer-specific conditions.

An overarching objective is to use purchased raw materials as efficiently as possible in production and to minimise waste and offcuts. Work focuses on optimising material utilisation and production processes where possible.

The Group places a strong emphasis on high-quality, long-lasting products. Through the servicing, repair and maintenance of products, operations contribute to extending product lifespans and thereby reducing the need for new production.

Waste management has not currently been assessed as a material sustainability topic at Group level. Waste is generated to a limited extent and is managed within the framework of applicable legislation. Within the Group's own operations, waste is sorted for recycling, and only a minor proportion constitutes hazardous waste, which is handled in accordance with established procedures. At the same time, developments in this area are monitored, as waste arises both upstream, downstream and within the Group's own operations.

Social Conditions

B8 – Workforce — General Disclosures

Teqnon and its subsidiaries strive to recruit employees with relevant competencies who share the Company's core values with regard to quality, customer satisfaction, sustainability and commercial acumen. Recruitment is carried out based on operational needs and with a focus on long-term competence supply.

Our ambition is that the primary form of employment shall be permanent full-time employment. Fixed-term employment may, however, occur where required. The gender distribution within the Company reflects the composition reported in this report and is based on the average number of employees during the financial year.

Sustainability

The Company strives for an inclusive workplace where recruitment and terms of employment are based on competence, experience and operational requirements. With regard to gender distribution, we wish to highlight that our industry has traditionally employed more men than women, which is reflected in our workforce composition.

Average Number of Employees	2025	2024
Teqnon AB	8	9
Subsidiaries Sweden	410	407
Subsidiaries UK & Ireland	161	96
Total	579	512

Ökningen beror främst på förvärv av bolag under året.

Average Number of Employees 2025	Number of men	Number of women
Teqnon AB	4	4
Subsidiaries Sweden	310	99
Subsidiaries UK & Ireland	121	41
Total	435	144

B8 – Workforce — General Disclosures

The Group conducts its operations primarily in Sweden and in the United Kingdom and Ireland. The workforce in Sweden is covered by Swedish employment law and applicable collective agreements, whilst operations in the United Kingdom and Ireland are governed by the local laws and regulations applicable to employment and the working environment. Work environment and personnel matters are managed within the framework of day-to-day operations. No material changes to the composition of the workforce have occurred during the financial year. Our ambition is to progressively implement certain work environment and personnel procedures relating to systematic work environment management — in which we have been particularly successful in Sweden — into our operations in the United Kingdom and Ireland, with the aim of ensuring a safe and sustainable working environment for all employees.

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B8 – Workforce — General Disclosures

The Company upholds human rights across all parts of its operations and complies with applicable national laws on employment and anti-discrimination in the countries in which it operates. We strive to ensure that all employees are treated fairly and with respect, without discrimination on the grounds of gender, age, ethnicity, religion or other belief, sexual orientation, gender identity or expression, or disability. Our procedures for upholding these principles include:

Clear recruitment and employment processes that ensure equal opportunities.

Procedures for managing work environment and discrimination matters.

Policy / Code of Conduct

The Group currently has a code of conduct, the Code of Conduct.

Grievance Management

A procedure exists whereby employees may submit complaints, report misconduct or otherwise raise concerns related to human rights.

B9 – Workforce — Health and Safety

The Company prioritises the health and safety of its employees across all parts of its operations. Work environment matters are managed within the framework of day-to-day operations and encompass both physical and psychosocial aspects. We comply with applicable laws and regulations in Sweden and relevant provisions in the United Kingdom and Ireland, and work proactively through procedures, risk assessments and training to minimise work-related risks.

Work-related Accidents	Number	Work accident-related sick leave, days
Teqnon AB	0	0
Subsidiaries Sweden	12	12
Subsidiaries UK & Ireland	3	3
Total	15	15

Sustainability

B10 – Employees — Wages, Collective Bargaining and Training

The Company strives to offer competitive and fair remuneration in line with applicable laws and collective agreements in Sweden, as well as local regulations in the United Kingdom and Ireland. The growing group of companies provides a sound basis for benchmarking remuneration. Employees are, where applicable, covered by rights to collective bargaining in accordance with legislation and collective agreements.

Competence development and training are important for ensuring the professional development and working environment of employees. During the financial year, the Company has offered internal and external training to strengthen employees' knowledge, skills and workplace safety. No quantitative monitoring has been carried out during 2025.

Corporate Governance

Teqnon prepares a separate Corporate Governance Report, which can be found on pages 18–24 of the annual report. In addition to the Corporate Governance Report, items B11, C8 and C9 are reported in the section below.

B11 – Convictions and Fines for Corruption and Bribery

Teqnon AB and its subsidiaries have no convictions or fines during the reporting period for violations of laws against corruption and bribery.

C8 – Revenue from Certain Sectors and Exclusions from EU Benchmarks

Teqnon and its subsidiaries have no revenue from activities within controversial weapons, the cultivation and production of tobacco, or sectors associated with fossil fuels. We are also not excluded from any EU reference benchmarks aligned with the Paris Agreement.

C9 – Gender Distribution on Boards

At the end of the year. There are currently no targets linked to gender distribution on boards.

Board Composition	Men	Women
Teqnon AB	57%	43%
Subsidiaries Sweden	75%	25%
Subsidiaries UK & Ireland	100%	0%

Sustainability

Sustainability topic	Existing policies/ methods/ future initiatives? [YES/NO]	Publicly available? [YES/NO]	Does the polciys have any targets? [YES/NO]	Description of methods or policies and accompanying measures	Description of future initiatives or targets	Existing policies/ methods/ future initiatives?[YES/NO]
Climate Change	Yes	No	Partly*	Environmental Policy, Travel Policy, Car Policy. Monitoring of energy use. Improving efficiency of transportation and business travel (e.g. consolidated shipments, transport modes with lower environmental impact). Environmental requirements for new company vehicles.	Calculate Scope 1 & 2. Further breakdown of purchased energy (renewable/non-renewable). *Subsidiaries certified under ISO 14001 have targets.	Yes
Pollution	No	No	No			No
Water and Marine Resources	No	No	No			No
Biodiversity and Ecosystems	No	No	No			No
Circular Economy	Yes	No	No	Environmental Policy. Reduce use of consumables. Efficient use of raw materials. Use of recycled/reused materials. Waste source separation. Waste recycling.		Yes
Own Workforce	Yes	No	No	Work Environment Policy, Code of Conduct, Equal Opportunities Policy, Policy against Harassment and Victimization. Monitoring of workplace accidents. Monitoring of sick leave. Systematic work environment management.		No
Workers in the Value Chain	Yes	No	No	Code of Conduct. Value chain mapping.		Yes
Affected Communities	No	No	No			No
Consumers and End Users	Yes	No	Partly*	Quality Policy.	*Subsidiaries certified under ISO 9001 have targets	Yes

Management report

The Board of Directors and the Chief Executive Officer of Teqnon AB, 556713–4183, hereby present the annual report for 2025 for the parent company and the Group. Teqnon's sustainability report has been prepared separately from the Directors' Report but is printed together with the annual report and can be found on pages 25–33. A five-year summary is included at the end of this annual report.

The activities

Teqnon was founded in 2006 and operates through its wholly-owned subsidiaries within narrow industrial niches, where the companies can establish market-leading positions through their products and services. Customers are found across a wide range of industries, with the majority operating within industry and infrastructure. The business model is built on growth through the continuous acquisition of high-quality, cash-generative niche companies, as well as through the organic development of existing operations within the Group. Teqnon applies a decentralised corporate structure in which subsidiaries operate independently, supported by the TEQ staff function, where profitable growth with strong cash flows, a long-term perspective and a strong entrepreneurial spirit are fundamental. The majority of Teqnon's business is conducted within the Nordic region, with Sweden as the primary market, although the Group's operations are becoming increasingly international over time. Teqnon has approximately a dozen subsidiaries (including acquisitions completed to date in 2026) in the British Isles.

At the balance sheet date, Teqnon had 614 (506) employees. The parent company has been listed on Nasdaq First North Growth Market since 2019. At the end of 2025, the Teqnon Group comprised 38 (30) operating subsidiaries.

The year in brief

During 2025, Teqnon continued to grow. Net sales increased by +15% (+6%), while organic net sales declined by -5% (+3%). The organic decline in net sales is primarily attributable to the wind-down of unprofitable projects, which reduced volumes, as well as cyclical headwinds affecting the Group's companies operating within construction and contract manufacturing.

Companies acquired during the year:

- Midlands Special Fasteners Ltd
- Awarded 2U Ltd
- Merridale Ltd
- Thermasolutions International Ltd
- Edurus Gravstenar AB
- Mitab i Forsbacka AB
- Norlin Polymers (UK) Ltd
- Birketts Bogmats Ltd
- HT Servo Ltd

The unsettled geopolitical environment has generated strong demand within the defence industry, and the electrification of society continues to present attractive business opportunities. The residential construction market in Sweden has remained at subdued levels, which has had an adverse impact on a number of subsidiaries. During the year, we increased our presence in the United Kingdom through seven acquisitions and continue to see attractive acquisition opportunities in the region. We also acquired two companies in Sweden..

Net sales and profit

The Teqnon Group's net sales amounted to SEK 1,800.0 million (1,567.0). EBITA amounted to SEK 203.1 million (149.7) and the EBITA margin was 11.3% (9.6). Profit for the year amounted to SEK 98.5 million (95.8). Earnings per share before dilution amounted to SEK 5.74 (5.58).

Management report

Depreciation and amortisation

Depreciation, amortisation and impairment of intangible and tangible non-current assets amounted to SEK 145.3 million (64.4) during the period. Total depreciation of tangible non-current assets amounted to SEK 67.9 million (62.1), of which SEK 55.1 million (51.7) is directly attributable to right-of-use assets. Amortisation of intangible assets amounted to SEK 4.4 million (2.2) and impairment of intangible assets amounted to SEK 73.0 million (0.0).

Financing and liquidity

The Group's cash and cash equivalents at the balance sheet date amounted to SEK 209.5 million (196.0). The Group has a shared cash pool and an approved overdraft facility of SEK 100.0 million (100.0), of which the unutilised amount at the balance sheet date was SEK 100.0 million (100.0). In addition, the unutilised portion of the credit facility amounted to approximately SEK 77.0 million (148.3). The Group's interest-bearing liabilities amounted to SEK 642.9 million (466.3) and, excluding lease liabilities, interest-bearing liabilities amounted to SEK 496.0 million (302.3). Net debt amounted to SEK 433.4 million (270.2). Excluding lease liabilities, net debt amounted to SEK 286.6 million (106.3). Financial liabilities relating to contingent consideration amounted to SEK 195.6 million (114.6).

Cash flow and investments

Cash flow from operating activities amounted to SEK 184.6 million (96.2). Cash flow from investing activities amounted to SEK –318.4 million (–139.0), of which business acquisitions accounted for SEK –306.9 million (–120.7) and investments in non-current assets accounted for SEK –14.4 million (–20.5). Cash flow from financing activities amounted to SEK 157.4 million (30.8), of which changes in interest-bearing liabilities accounted for SEK 156.6 million (28.5). Cash flow for the year amounted to SEK 23.5 million (–12.1).

Goodwill and other intangible assets

The Group's goodwill at the balance sheet date amounted to SEK 987.2 million (731.3). Other intangible assets amounted to SEK 59.9 million (27.8).

Equity

Equity at the balance sheet date amounted to SEK 876.1 million (859.3), corresponding to SEK 51.0 (50.1) per share. During the year, a warrant-based incentive programme was established and participants paid in SEK 0.9 million, which increased equity accordingly.

Parent company

Net sales for the full year amounted to SEK 83.8 million (56.5) and derive from intercompany invoicing of services to Group companies. Operating profit amounted to SEK 47.6 million (29.2) and profit after tax amounted to SEK 110.0 million (78.1).

Employees

The Group had the equivalent of 614 (506) full-time employees at the balance sheet date, of whom 157 (113) were women. The parent company had 9 (9) employees at the end of the period, of whom 3 (4) were women.

Financial overview					
Amounts in MSEK	2025	2024	2023	2022	2021
Net sales	1 800,0	1 567,0	1 475,6	1 324,8	920,2
EBITA	203,1	149,7	170,6	146,1	105,6
Profit before tax	135,3	118,5	160,5	138,2	103,0
Result for the year	98,5	95,8	125,1	110,4	79,8
EBITA margin	11,3%	9,6%	11,6%	11,0%	11,5%
Net profit margin	5,5%	6,1%	8,5%	8,3%	8,7%
Equity	876,1	859,3	735,6	444,5	338,6
Total assets	2 047,8	1 721,8	1 488,2	1 070,8	799,1
Solidity	43%	50%	49%	42%	42%
Average number of employees	579	512	480	421	314

Management report

Future developments

The TEQ staff function works with consistent purpose to plan for stable earnings growth in each individual company, as well as to strengthen the Group as a whole. Demand remains strong across the majority of our operations, with the most notable exceptions continuing to be residential construction and a slowdown in heavy industry. The Group's companies are facing a generally higher price environment; however, by focusing on customer-specific solutions, we are able to set prices that reflect the value we deliver rather than competing on price alone. Parts of our financing are denominated in foreign currency (GBP and EUR), reflecting the acquisitions completed in recent years. In early 2026, we renegotiated our terms with the bank and are in the process of expanding our credit capacity for future acquisitions. Our leverage ratio and conservative valuation model nonetheless allow us to maintain our established acquisition pace. Teqnon's ambition is, under the oversight of the TEQ staff function, to build an enduring group of companies — one where our commitment to responsible and sustainable business practices provides a safe and rewarding working environment for our employees, a competitive advantage for our customers, stable relationships with our suppliers, and strong value growth for our shareholders.

Financial objectives

Teqnon'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

Teqnon's results, financial position and future development are influenced by both external factors — where the Company's ability to exercise control may be limited and where the focus must be on managing developments as they occur — and internal factors over which the Group itself has direct control. In assessing Teqnon's future development, it is important to consider not only the opportunities for positive value growth but also the risk factors. The risk factors of greatest significance to the Teqnon Group are the general macroeconomic environment and, to some extent, potential regulatory and structural changes in the markets in which the subsidiaries operate. Additionally, specific supplier and customer dependencies, the competitive landscape within a given niche, and certain seasonal variations may affect the Group. A risk factor in relation to acquisition activities is the dependence on a small number of key individuals. Not all potential risk factors can, by their nature, be captured in a single report, and a comprehensive assessment should therefore encompass the other information contained in this annual report as well as a broader analysis of the external environment.

Economic and market conditions

Demand for Teqnon's products and services is influenced by the macroeconomic environment and economic conditions, both in Sweden and globally. The development of the manufacturing industry and its appetite for investment, the broader state of the economy, and conditions in the global capital markets all affect demand and represent factors outside Teqnon's control. A deterioration in the macroeconomic and market environment could have an adverse effect on Teqnon's results and financial position. Teqnon is well-positioned to withstand economic fluctuations through a well-diversified portfolio of companies, and by ensuring that each subsidiary maintains a diversified customer base and product mix with broad exposure across different industries, geographies and economic cycles. The decentralised business model enables subsidiaries to make swift, operationally-informed decisions and thereby remain adaptable in response to changes in the macroeconomic and market environment.

Management report

Business risks

Financial and regulatory uncertainties represent the most tangible risk factors for Teqnon. Sweden remains the Group's largest market, although sales to customers outside the country continue to grow. As the proportion of internationally oriented product companies within the Group increases, the risks associated with significant variations in demand and growth can be mitigated as a greater number of larger markets are developed.

As Teqnon sells its products and services almost exclusively to companies and public authorities, it is primarily their purchasing decisions that influence the Group's operations. Teqnon seeks to mitigate the risks arising from economic cycles by diversifying its operations across multiple markets, operating within different industrial niches and maintaining a decentralised structure. Industry diversification means that the customers of Teqnon's companies are at different stages of the economic cycle. The Group is therefore less dependent on one or a few end markets for its growth and profitability. As a result, a cyclical shift within a specific industrial niche or geographic area may have a material impact on an individual company while having a lesser effect on the overall performance of the Group. The decentralised nature of the Group places responsibility on each individual subsidiary to know its market well and to act swiftly when circumstances require.

Operational risks

Teqnon's subsidiaries operate in competitive environments. Cost-effective solutions with the right quality are prerequisite factors for gaining and retaining market share. The most important competitive advantage, however, lies in the committed and experienced employees of Teqnon's companies and their close relationships with customers and suppliers. To establish a clear and defensible position in a competitive world, Teqnon's companies operate within well-defined technology areas or with unique business models, enabling them to deliver genuine customer value and maintain strong pricing power within their respective specialisms. In each niche, Teqnon seeks to establish a leading position by offering high value creation for its customers whilst also providing strong market penetration for its suppliers. Through long-term customer relationships and a tailored product offering with the right quality and responsive service, we secure our role as a sought-after partner. Given these competitive conditions, the threat from other market participants is limited, and Teqnon's subsidiaries are well-placed to continue their development.

Laws and regulations

A number of Teqnon's subsidiaries operate in regulated sectors where our employees are able to support customers with the knowledge and products required to meet specific regulatory requirements and compliance standards. In these contexts, regulated markets represent an advantage for Teqnon's companies, as they act as a barrier to entry for competitors with lower levels of quality and expertise. Certain subsidiaries' operations require environmental permits or are conducted under other notifiable activities. In such cases, this entails close cooperation with, and reporting obligations to, the relevant authorities.

Management report

Dependence on suppliers

Dependence on individual major suppliers is an important operational risk for individual subsidiaries to manage. Several companies within the Group have developed their operations on the basis of a small number of strong supplier relationships. Should any such relationship cease, the company concerned would be adversely affected, particularly in the short term, until alternative arrangements are identified. To mitigate this risk, subsidiaries work closely with their suppliers to build strong, long-term relationships.

Customer dependence

Teqnon's companies actively work to broaden their customer base in order to reduce dependence on individual customers. Certain companies do, however, have significant customer concentrations, which would materially impact the individual company concerned were those customers to be lost. The Group as a whole has a very broad customer base, further diversified across multiple industrial niches and geographic markets, which reduces the impact of any single downturn or customer loss.

Financial risk management and financial position

Risk management is administered by the CEO in consultation with the TEQ staff function and the Board, in accordance with guidelines established by the Board. The risk management function encompasses the identification, assessment and hedging of financial risks, carried out in close collaboration with the Group's operating units. The Group is a Swedish group with operations in several countries. The reporting currency is Swedish kronor. As a result, the Group is exposed to currency risk, as changes in exchange rates may affect earnings and equity. For further information, refer to the section on Financial Risk Management, see Note 3.

Environmental impact

The Group's environmental impact is limited and derives primarily from product transportation, business travel, waste management and the day-to-day operations of the Group's production facilities. In addition, a small number of the Group's companies are significant consumers of electrical power in their production processes. Environmental work is conducted locally, based on the specific conditions of each company. Teqnon's environmental policy forms the foundation across operations, with certain subsidiaries having implemented environmental management systems. In specific procurement processes, such as transportation and electricity, a degree of coordination takes place between companies. Teqnon's companies strive for high efficiency in their use of energy and natural resources, and work to maintain effective systems for the reuse and recycling of materials in order to limit any environmental impact and reduce costs. The ambition is to conduct environmental work in a proactive manner. No known threats exist that would jeopardise operations from an environmental perspective.

Sustainable entrepreneurship

Teqnon's ambition is to continuously develop and strengthen sustainability practices across the Group's companies. Teqnon is committed to ensuring a safe working environment for all individuals employed within the Group. Through its subsidiaries, Teqnon aims to conduct efficient and commercially sound operations that create sustainable value for its employees, its shareholders and for society at large. Teqnon acquires well-managed and profitable companies that share Teqnon's values around sustainable business practices. Sustainability is a recurring theme in discussions concerning the strategic direction of both Teqnon and its subsidiaries. Teqnon holds its principles of long-term ownership, diversity, a healthy working environment, customer value and high standards of business ethics in high regard. Teqnon's decisions and actions are guided by the ambition to ensure that Teqnon will still be here in a hundred years.

Management report

Activities subject to authorisation or notification under the Environmental Code

Teqnon's subsidiary Cellab Nordia AB conducts operations requiring an environmental permit, and subsidiaries Stans & Press i Olofström AB and Cutting Metal Works i Valdemarsvik AB conduct operations that are subject to notification requirements. Teqnon and its subsidiaries are not involved in any environment-related disputes.

Parent company

The TEQ staff function is responsible for overarching Group strategies and matters relating to acquisitions and major investments, which are prepared by the staff function and submitted for resolution by the Board. The CEO is responsible for day-to-day management in accordance with the Board's resolutions and guidelines. The TEQ staff function comprises the CEO, four CEO coaches, a Deputy CEO responsible for acquisitions (CXO), a Chief Controlling Officer (CCO), a Chief Accounting Officer (CAO) and an accounting manager. During 2025, the foundations have been laid for a new organisation in which the parent company will own two holding companies, each with its own management, owning the operating businesses in the Nordic region and the British Isles respectively.

The TEQ staff function monitors subsidiary development and ensures the smooth integration of newly acquired companies. Further responsibilities include acquisition projects, Group-wide initiatives, financial reporting, internal and external communications, and coordination of health and safety, environmental and quality matters. Active board work is carried out in all subsidiaries, led by a member of the TEQ staff function. Subsidiaries operate independently within their respective market niches, in accordance with Group rules, guidelines and policies. Subsidiary CEOs are accountable for the financial performance of their respective companies and for ensuring long-term earnings growth with strong cash flows.

Operational governance is characterised by clear expectations set by management, combined with a high degree of autonomy for each subsidiary to make decisions and take action in order to achieve its targets.

Proposed distribution of earnings at the 2026 Annual General Meeting

The Board of Directors proposes that no dividend be paid for the financial year 2025 with the assessment that Teqnon can generate excess returns with the cash.

At the disposal of the Annual General Meeting of Teqnon AB

(MSEK)	
Share premium account	288,5
Retained earnings	323,9
Net profit for the year	110,0
Total	722,5

The Board of Directors proposes the following appropriation of profits (MSEK)

To be carried forward	722,5
Total	722,5

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	2025	2024
		Jan-Dec	Jan-Dec
Net sales	2	1 800,0	1 567,0
Activated work for own account	11	2,6	2,0
Other operating income	5	62,5	42,0
Total		1 865,0	1 611,0
Operating expenses			
Change in inventories of PIP, finished goods and WIP		1,3	-7,7
Raw materials and consumables		-83,5	-84,2
Merchandise		-861,8	-770,6
Other external costs	7	-184,7	-136,4
Employee benefit costs	6	-445,7	-372,7
Depreciation, amortisation and impairment of tangible and intangible assets	12	-145,3	-64,4
Other operating expenses		-19,6	-27,5
Total		-1 739,4	-1 463,5
Operating result		125,7	147,5
Financial income	9	43,4	10,5
Financial expenses	9	-33,7	-39,5
Result from financial items		9,7	-29,0
Profit before tax		135,3	118,5
Income tax	10	-36,9	-22,7
Net profit for the year		98,5	95,8
Profit for the year attributable:			
Shareholders of the parent company		98,4	95,6
Non-controlling interests		0,1	0,2
Earnings per share before dilution, SEK	20	5,74	5,58
Earnings per share after dilution, SEK	20	5,74	5,58

Consolidated statement of comprehensive income

Amounts in MSEK	2025	2024
	Jan-Dec	Jan-Dec
Result for the year	98,5	95,8
Other comprehensive income		
<i>Items that can be subsequently reversed in the income statement</i>		
Translation differences for the year	-76,2	25,7
Total comprehensive income for the year	22,2	121,4
Total comprehensive income attributable to:		
Shareholders of the parent company	22,1	121,3
Non-controlling interests	0,1	0,1

Consolidated balance sheet

Amounts in MSEK	Note	2025 31 Dec	2024 31 Dec
ASSETS			
Fixed assets			
Goodwill	11	987,2	731,3
Other intangible non-current assets	11	59,9	27,9
Buildings and land	12	27,4	12,8
Equipment, tools, fixtures and fittings	12	32,5	26,6
Right-of-use assets	13	145,5	165,6
Other long-term receivables	14, 15	0,5	0,4
Total fixed assets		1 253,0	964,5
Current assets			
Inventories	16	292,4	261,6
Trade receivables	14	228,2	231,1
Tax assets		5,7	8,7
Accrued revenue		10,2	19,2
Other receivables	14, 17	28,7	17,6
Prepaid expenses and accrued income	18	20,1	23,1
Cash and cash equivalents	14	209,5	196,0
Total current assets		794,8	757,3
TOTAL ASSETS		2 047,8	1 721,8

Amounts in MSEK	Note	2025 31 Dec	2024 31 Dec
EQUITY			
Share capital		0,9	0,9
Other contributed capital		298,2	294,7
Translation reserve		-59,5	16,7
Retained earnings including profit for the year		635,1	545,7
Equity attributable to owners of the parents		874,7	858,0
Non-controlling interests		1,4	1,3
Total equity	19	876,1	859,3
LIABILITIES			
Long-term liabilities			
Liabilities to credit institutions	14	496,0	302,3
Non-current lease liabilities	13	103,0	116,2
Other non-current financial liabilities	14	124,5	30,5
Deferred tax liabilities		49,9	34,3
Other provisions	21	3,7	4,4
Total non-current liabilities		777,1	487,7
Current liabilities			
Liabilities to credit institutions	14	0,0	0,1
Current lease liabilities	13	43,8	47,7
Other current financial liabilities	14	71,1	84,1
Trade payables	14	119,4	119,5
Tax liabilities		0,2	11,8
Invoiced revenues not worked-up		4,9	6,5
Other liabilities	14, 23	74,3	46,3
Accrued expenses and deferred income	22	80,7	58,8
Total current liabilities		394,6	374,8
TOTAL EQUITY AND LIABILITIES		2 047,8	1 721,8

Consolidated statement of changes in equity

	Equity attributable to equity holders of the parent				Total	Non-controlling interests	Total equity
	Share capital	Other contributed capital	Conversion reserve	Retained earnings including profit for the year			
Amounts in MSEK Note 19							
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	-	-	-	-	-	-	-
New issue	-	5,8	-	-5,8	-	-	-
Option premiums, net	0,0	2,8	-	-	2,8	-	2,8
Non-controlling interests, dividends	-	-	-	-	-	-	-
Result for the year	-	-	-	-	-	-0,5	-
Closing equity 2024-12-31	0,9	294,7	16,7	545,7	858,0	1,3	859,3
Opening equity 2025-01-01	0,9	294,7	16,7	545,7	858,0	1,3	859,3
Result for the year	-	-	-	98,4	98,4	0,1	98,5
Other comprehensive income for the year	-	-	-76,2	-	-76,2	-	-76,2
Total comprehensive income for the year	-	-	-76,2	98,4	22,1	0,1	22,2
Transfers within equity	-	-	-	-6,3	-6,3	-	-6,3
Capitalisation of development costs	-	2,6	-	-2,6	-	-	-
New issue	-	-	-	-	-	-	-
Option premiums, net	-	0,9	-	-	0,9	-	0,9
Non-controlling interests, dividends	-	-	-	-	-	-	-
Closing equity 2025-12-31	0,9	298,2	-59,5	635,1	874,7	1,4	876,1

Consolidated statement of cash flows

	Note	2025	2024
Amounts in MSEK	27	Jan-Dec	Jan-Dec
Current operations			
Operating result		125,7	147,5
Adjustment for items not included in cash flow		115,8	46,9
Interest received		3,3	5,0
Interest paid		-30,3	-25,4
Financial items		-1,1	-0,6
Taxes paid		-48,6	-51,3
Subtotal before changes in working capital		164,8	122,0
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in inventories and work in progress		2,5	11,1
Increase (-)/Decrease (+) in trade receivables		56,1	-40,8
Increase (-)/Decrease (+) in other current receivables		0,1	-4,2
Increase (+)/Decrease (-) in trade payables		-16,3	17,4
Increase (+)/Decrease (-) in other current liabilities		-22,6	-9,3
Total change in working capital		19,8	-25,8
Cash flow from operating activities		184,6	96,2

	Note	2025	2024
Amounts in MSEK	27	Jan-Dec	Jan-Dec
Investment in intangible assets		-3,6	-7,3
Disposal of intangible assets		-0,2	--
Investment in tangible fixed assets		-10,8	-13,2
Disposal of tangible fixed assets		3,2	1,8
Investment in financial fixed assets		-0,1	-0,2
Disposal of financial assets		0,0	0,5
Company acquisitions and divestments*)		-306,9	-120,7
Cash flow from investing activities		-318,4	-139,1
New issue		--	2,8
Option premium, net		0,9	--
New loans		218,6	397,5
Repayment of loans		-9,0	-317,5
Amortisation of lease debt		-53,2	-51,5
Dividends to non-controlling interests		--	-0,5
Dividends to owners of the parent company		--	--
Cash flow from financing activities		157,4	30,8
CASH FLOW FOR THE PERIOD		23,5	-12,1
Cash and cash equivalents at the beginning of the period		196,0	199,8
Exchange rate difference in cash and cash equivalents		-10,1	8,2
Cash and cash equivalents at the end of the period		209,5	196,0

*) 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	2025	2024
		Jan-Dec	Jan-Dec
Net sales	2	83,8	56,5
Other operating income	5	8,5	0,4
Total		92,3	56,9
External costs	7	-16,1	-5,4
Employee benefit costs	6	-28,2	-19,9
Depreciation of tangible fixed assets		-0,1	0,0
Other operating expenses		-0,3	-2,5
Total operating expenses		-44,7	-27,8
Operating result		47,6	29,1
Income from participations in group companies	8	36,1	41,9
Other interest income and similar income items	9	45,8	7,2
Interest expense and similar income statement items	9	-26,9	-33,3
Result from financial items		55,0	15,8
Profit before appropriations and tax		102,5	44,9
Appropriations for the financial year		-29,0	-10,3
Group contribution		56,3	53,7
Income tax	10	-19,8	-10,2
Net profit for the year		110,0	78,1

Parent company statement of comprehensive income

Parent company statement of comprehensive income		
Result for the year	110,0	78,1
Other comprehensive income	-	-
Total comprehensive income for the year	110,0	78,1

Parent company balance sheet

Amounts in MSEK	Note	2025 31 Dec	2024 31 Dec
ASSETS			
Fixed assets			
Equipment, tools and installations		0,1	0,1
Participations in group companies	26	1 529,6	1 059,8
Other receivables	15	0,3	0,2
Receivables from group companies		-	-
Total fixed assets		1 530,1	1 060,1
Current assets			
Trade receivables		-	-
Receivables from group companies		84,5	66,6
Tax assets		-	1,0
Other receivables	17	8,5	0,0
Prepaid expenses and accrued income	18	0,3	0,4
Cash and cash equivalents		61,7	103,0
Total current assets		155,0	171,0
TOTAL ASSETS		1 685,1	1 231,1

Amounts in MSEK	Note	2025 31 Dec	2024 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		288,5	287,6
Retained earnings		323,9	245,8
Result for the year		110,0	78,1
Total non-restricted equity		722,5	611,6
TOTAL EQUITY	19	724,7	613,7
Untaxed reserves			
Tax allocation reserves		124,8	95,8
Total untaxed reserves		124,8	95,8
Contingencies for acquired companies		195,6	114,6
Total contingencies		195,6	114,6
Long-term liabilities			
Liabilities to credit institutions		492,8	298,5
Liabilities to group companies		70,6	62,5
Total non-current liabilities		563,3	361,0
Current liabilities			
Liabilities to credit institutions		0,0	0,0
Liabilities to group companies		55,6	36,5
Trade payables		3,2	0,3
Tax liabilities		2,7	-
Other liabilities	23	3,0	2,6
Accrued expenses and deferred income	22	12,1	6,7
Total current liabilities		76,6	46,1
TOTAL LIABILITIES AND EQUITY		1 685,1	1 231,1

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 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
Opening equity 2025-01-01	0,9	1,3	287,6	245,8	78,1	613,7
Other appropriations of profit	-	-	-	78,1	-78,1	-
Result for the year	-	-	-	-	110,0	110,0
Total comprehensive income for the year	-	-	-	78,1	32,0	110,0
New issue	-	-	-	-	-	-
Option premiums, net	-	-	0,9	-	-	0,9
Closing equity 2025-12-31	0,9	1,3	288,5	323,9	110,0	724,7

Parent company statement of cash flows

Amounts in MSEK	Note	2025	2024
		27 Jan-Dec	Jan-Dec
Current operations			
Operating result		47,6	29,2
<i>Adjustment for items not included in cash flow</i>			
- Depreciation and amortisation		0,1	0,0
- Other items not affecting cash flow		6,5	0,0
Interest received		4,5	7,2
Interest paid		-24,8	-19,6
Dividends received		100,4	86,3
Taxes received/paid		-16,1	-28,5
Cash flow from operating activities before changes in working capital		118,0	74,7
Cash flow from changes in working capital			
Increase (-)/Decrease (+) in other current receivables		-26,3	-22,1
Increase (+)/Decrease (-) in trade payables		2,9	-0,1
Increase (+)/Decrease (-) in other current liabilities		81,3	13,7
Total change in working capital		57,8	-8,6
Cash flow from operating activities		175,8	66,1

Amounts in MSEK	Note	2025	2024
		27 Jan-Dec	Jan-Dec
Disposals, tangible fixed assets		-	-
Investment, tangible fixed assets		-0,1	-0,2
Disposals, financial fixed assets		-0,1	-0,2
Acquisition of subsidiaries		-440,8	-157,4
Cash flow from investing activities		-440,8	-157,8
New issue		-	2,8
Option premium, net		0,9	-
New loans		216,7	397,1
Repayment of loans		-	-315,1
Change in overdraft facilities		-	-
Change in non-current liabilities to subsidiaries		8,1	3,5
Dividends to non-controlling interests		-	-
Cash flow from financing activities		225,6	88,4
CASH FLOW FOR THE PERIOD		-39,4	-3,4
Cash and cash equivalents at the beginning of the period		103,0	106,0
Exchange rate difference in cash and cash equivalents		-1,9	0,4
Cash and cash equivalents at the end of the period		61,7	103,0

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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 21 March 2026, 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 2026.

The parent company, Teqnon 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 2025. 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.

	<i>Lifespan:</i>
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

Teqnon'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 2026 Annual General Meeting for the financial year 2025.

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

WARRANT-BASED INCENTIVE PROGRAMME

The Group has established warrant-based incentive programmes under which employees acquire warrants at market value. Market value is determined at the date of grant using the Black-Scholes valuation model. As the warrants are acquired at market value, no immediate personnel expense arises at the time of grant in respect of the warrants themselves. In connection with certain programmes, a bonus payment is made after 24 months (corresponding to a specified percentage of the participant's investment) if the employee elects to participate. As the bonus is conditional upon the participant remaining in employment and retaining their warrants for a defined period of two years, it is treated as part of the total remuneration for services rendered.

The cost of the bonus payment, including associated social security contributions, is accrued as a personnel expense over the period during which the participant qualifies for the bonus. At each balance sheet date, the Group reassesses its estimate of the number of employees expected to meet the conditions for receiving the bonus. Any adjustments are recognised in the income statement and the corresponding entry for the bonus is recognised as a liability.

When warrants are exercised for the subscription of new shares, new shares are issued. The consideration received (the exercise price) is credited to share capital (the quotient value) and the remainder to other contributed capital (the free share premium reserve). No personnel expense arises upon exercise, as the warrants are equity-settled. For a more detailed description of the programme, refer to Note 6.

CASH-SETTLED SHARE-BASED PROGRAMME

Share-based payments settled in cash are accounted for in accordance with IFRS 2 Share-based Payment. The programmes are classified as cash-settled and are recognised as a liability in the balance sheet. The liability is measured at fair value at each reporting period end, using a valuation model based on Monte Carlo simulation. Changes in fair value are recognised in the income statement over the vesting period and until settlement occurs.

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

Teqnon's subsidiaries operate as independent entities and are neither managed nor monitored as parts of operating segments. In order to provide the most accurate picture of our operations, we encourage readers of our financial reports to consider the Group as a whole.

All subsidiaries are domiciled in Sweden, the UK or Ireland. Non-current assets and investments are primarily attributable to Sweden and the UK. The majority of the subsidiaries' customers are domiciled within Europe.

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

Net sales by major type of income	Group		Parent company	
	2025	2024	2025	2024
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Sale of goods	1 642,8	1 471,1	-	-
Sales of services	154,0	92,2	0,1	0,1
Invoiced costs	-1,4	-1,8	0,0	0,0
Intercompany services	-	-	83,7	56,4
Other	4,6	5,5	0,0	0,0
Total	1 800,0	1 567,0	83,8	56,5

Revenue by Geographic Area	Group		Parent company	
	2025	2024	2025	2024
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Sweden	1 042,4	1 015,8	49,7	44,6
EU	211,8	172,6	1,1	1,4
UK	364,6	227,6	33,0	10,5
Norway	44,8	51,4	-	-
USA	66,9	33,1	-	-
Rest of the world	69,5	66,5	-	-
Total	1 800,0	1 567,0	83,8	56,5

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

Teqnon is mainly a national group but also has an international presence through subsidiaries in the UK and Ireland. 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:

Amounts in MSEK	SEK		USD		EUR		GBP		Other currencies	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31	2025-12-31	2024-12-31	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Trade receivable	-	-	11,7	41,8	28,6	26,1	0,0	0,1	2,1	0,4
Other receivables	-	-	-	-	2,3	-	4,6	-	-	-
Cash and cash equivalents	-	-	35,3	7,5	20,2	31,6	23,4	9,2	2,6	0,0
Liabilities from credit institutions	-	-	-	-	-21,5	-22,8	-275,5	-137,5	-	-
Other financial liabilities	-	-	-	-	-	-20,1	-177,7	-82,3	-	-
Trade payables	-	-	-15,1	-31,1	-21,1	-24,3	-0,0	-0,0	-0,3	-0,0
Total	-	-	31,9	18,2	8,5	-9,5	-425,2	-210,5	4,5	0,4

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. Teqnon'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 individual customer accounting for more than 10% of net sales, and a significant proportion of sales being made to public sector entities and relatively large private companies, results in limited overall credit risk. The Group's total credit losses during the financial year amounted to 0.3% (0.1) of the Group's net sales.

Subsidiaries provide for doubtful trade receivables in accordance with a schedule established by the Group. Teqnon considers the risk of customer credit losses to be relatively low, as sales are to a large extent made to customers with whom the Group has maintained long-standing relationships and of whom the Group has favourable payment experience.

Trade receivable	Group	
	2025-12-31	2024-12-31
Amounts in MSEK		
Trade receivable	232,1	233,5
Provision for doubtful debts	-3,9	-2,4
Total	228,2	231,1

Provision for doubtful debts	Group	
	2025	2024
Amounts in MSEK		
Opening value 1 January	2,3	4,4
Provision for bad debts for the year	2,7	0,8
Debts written off during the year as uncollectible	-0,2	-2,2
Reversal of unutilised amounts	-0,9	-0,7
Closing value 31 December	3,9	2,3

Analysis of credit exposure in trade receivables	Group	
	2025-12-31	2024-12-31
Amounts in MSEK		
Trade receivables that are neither past due nor impaired	162,6	173,3
<i>Obsolete:</i>		
- less than 3 months	54,3	50,3
- 3-6 months	5,4	2,1
- more than 6 months	6,0	5,4
Total overdue	65,7	57,8
<i>Of which impaired</i>	-3,9	-2,4
Total	228,3	231,1

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

LIQUIDITY RISK

As at 31 December 2025, cash and cash equivalents in the Group amounted to SEK 209.5 million (196.0). Liquidity consists of bank balances. In addition to recognised cash and cash equivalents, the Group has an overdraft facility of SEK 100 million (100), of which SEK 0 million (0) was utilised at the balance sheet date. Furthermore, the parent company has an additional unutilised portion of a credit facility of approximately SEK 77.0 million.

The table below sets out the undiscounted cash flows arising from the Group's financial liabilities, based on the earliest remaining contractual maturities at the balance sheet date. Amounts falling due within 12 months are consistent with carrying amounts, as the discounting effect is immaterial. Amounts denominated in foreign currency 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				
	Within 12 months	12-24 months	24-60 months	>60 months	Total	Within 12 months	12-24 months	24-60 months	>60 months	Total
2025-12-31										
Liabilities from credit institutions	23,8	515,8	7,5	1,1	548,2	23,0	515,1	6,8	-	544,9
Leasing debt	48,3	36,5	53,5	27,1	165,4	-	-	-	-	-
Other financial liabilities	71,1	61,9	73,8	-	206,8	71,1	61,9	73,8	-	206,8
Trade payables	119,5	-	-	-	119,5	3,2	-	-	-	3,2
Other liabilities	3,9	-	-	-	3,9	-	-	-	-	-
Total	266,6	614,2	134,8	28,2	1 043,8	97,3	577,0	80,6	-	754,9
2024-12-31										
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

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

CAPITAL MANAGEMENT

Teqnon's financial targets are:

1. STABILITY

In order to never jeopardise what we have built and to ensure sustainable growth, financial stability is required as a foundation. This objective shall be met at all times. Financial Target 1: Net debt to EBITDA shall be less than 2.5x. Net debt to EBITDA amounted to 1.6x, and the target was therefore met for 2025.

2. PROFITABILITY

We work with unwavering focus on our margins and profitability. The emphasis is on projects and acquisitions with higher profitability margins than where we stand today. Before pushing ahead at full pace, we ensure that the existing business is sound and profitable. Financial Target 2: EBITA margin shall exceed 9%. The EBITA margin amounted to 11.3%, and the target was therefore met for 2025.

3. SHAREHOLDER VALUE

When targets 1 and 2 are met, the full focus shifts to creating shareholder value by growing earnings per share (EPS). This is achieved primarily through the acquisition of high-quality companies, which provides the clearest link to value per share over time for the long-term shareholder. Financial Target 3: Double earnings per share every five years. Earnings per share amounted to SEK 5.57 for 2025. A doubling of earnings per share would have been achieved at SEK 5.46 per share. The target was therefore met for 2025.

Teqnon's dividend policy is to continue the growth journey by allocating available capital primarily to company acquisitions. If the Board considers that surplus liquidity exists within the Company, up to ten per cent of estimated profit may be distributed. The Board proposes that no dividend be paid for the financial year 2025, on the basis that Teqnon can generate excess returns by deploying the available cash.

Note 4 Business combinations

Acquisitions completed in 2025

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

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

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

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

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

Completed acquisitions in 2024	Completion	Acquired share, %	Annual net sales, MSEK*
Midlands Special Fasteners Ltd	4 February	100	30
Awarded 2U Ltd	20 February	100	35
Merridale Ltd	4 March	100	35
Thermasolutions International Ltd	21 March	100	35
Edurus Gravstenar AB	24 March	100	45
Mitab i Forsbacka AB	2 April	100	65
Norlin Polymers (UK) Ltd	28 May	100	30
Birketts Bogmats Ltd	10 September	100	70
HT Servo Ltd	24 September	100	60

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

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

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

Note 4 Business combinations, *cont.*

On 28 May 2025, Norlin Polymers (UK) Ltd was acquired. Norlin is a Bolton based specialist compounder of technical polymers for primarily medical device and pharmaceutical applications across Europe. The compounds are all bespoke and mixed to each customers' unique product needs, legal guidelines and regulations, including the FDA.

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

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

Note 4 Business combinations, *cont.*

Impact of acquisitions in 2025

The acquisitions completed during 2025 have had 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	35,4
Tangible fixed assets	26,8
Inventories	44,9
Trade and other receivables	64,7
Cash and cash equivalents	131,9
Provisions	0,0
Deferred tax	-12,8
Trade and other payables	-108,2
Net identifiable assets and liabilities	182,7
Goodwill	379,9
Transferred remuneration	562,6
Of which	
paid in cash	388,7
contingent consideration	146,7
Delayed payment	27,2

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

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

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

Impact on the income statement	
January-December 2025	MSEK
Net sales	287,5
EBITA	67,1

Impact on the income statement if the acquisitions been part of the Group from January 1, 2025	
	MSEK
Net sales	406,3
EBITA	93,6

Note 4 Business combinations, *cont.*

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 februari	100	40 MSEK
Avelair Limited	17 juli	100	41 MSEK
UK Lanyard Makers Limited	1 augusti	100	18 MSEK
<i>*) Average of the last three years before the acquisition date</i>			

Note 4 Business combinations, *cont.*

Impact of acquisitions in 2024

The acquisitions completed during 2024 have had 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	8,8
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 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 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 5 Other operating income

Amounts in MSEK	Group		Parent company	
	2025	2024	2025	2024
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Exchange gains on operating receivables/liabilities	10,2	8,4	1,9	0,4
Commission income	2,6	0,5	-	-
Capital gain on disposal of PPE	1,2	1,0	0,0	-
Revaluation of contingent consideration	37,8	28,4	-	-
Government grants	1,9	1,6	-	-
Insurance claims	0,0	0,0	-	-
Other	8,8	2,1	6,6	-
Total other operating income	62,5	42,0	8,5	0,4

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

	2025			2024		
	Average number of employees	Of which women	Percentage of women	Average number of employees	Of which women	Percentage of women
Average number of employees						
Parent company	8	4	50%	9	4	44%
Subsidiary companies	571	140	25%	503	110	22%
Group total	579	144	25%	512	114	22%
<i>Of which in</i>						
Sweden	419	103	25%	416	97	23%
Ireland	14	2	14%	14	1	7%
United Kingdom	146	39	27%	82	16	20%

	2025			2024		
	Number at balance sheet date	Of which women	Percentage of women	Number at balance sheet date	Of which women	Percentage of women
Gender distribution of Board members and other senior executives						
Parent company						
Board members incl. CEO	7	3	43%	7	2	29%
Other senior executives	2	0	0%	1	0	0%
Total	9	3	33%	8	2	25%

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

The Group	2025			2024		
	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
Amounts in MSEK						
Salaries and allowances	36,5	289,5	326,0	32,6	234,3	266,9
<i>Of which bonuses</i>	4,6	-	4,6	2,0	1,3	3,3
Pension costs	4,9	18,8	23,7	5,3	13,3	18,6
Social costs	10,6	76,9	87,5	11,6	69,8	81,4
Group total	52,1	385,1	437,2	49,5	317,4	366,9
Parent company	2025			2024		
	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
Amounts in MSEK						
Salaries and allowances	7,2	11,2	18,4	4,4	7,2	11,6
<i>Of which bonuses</i>	1,4	3,2	4,6	-	2,0	2,0
Pension costs	1,0	0,8	1,8	0,8	0,8	1,6
Social costs	2,4	3,8	6,2	1,6	4,8	6,4
Total parent company	10,6	15,8	26,4	6,8	12,8	19,6

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 Annual General Meetings of 2020–2022 and 2025 resolved to issue warrants to senior executives within the Teqnon Group. Participants have paid a market-based premium for the warrants at a price corresponding to a valuation in accordance with the Black-Scholes model. Each warrant entitles the holder to subscribe for one share in Teqnon. In the event that a holder leaves their employment, Teqnon has the right to elect to repurchase any outstanding warrants.

Change in issued warrants

	2025-12-31		2024-12-31	
	Number of options	Equivalent number of shares	Number of options	Equivalent number of shares
Outstanding at the beginning of the period	15 000	15 000	42 000	42 270
Issued	61 500	61 500	-	-
Repurchased	-6 000	-6 000	-	-
Unexercised options	-15 000	-15 000		
Options exercised	-	-	-27 000	-27 270
Outstanding at the end of the period	55 500	55 500	15 000	15 000

Warrant terms for outstanding warrants

Series	2025-12-31			2024-12-31			Subscription period	
	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
2025/2028 series 1	16,80	265,11	1,00	55 500	55 500	-	-	2 May 2028-2 June 2028
2022/2025 series 1	12,31	172,28	1,00	-	-	15 000	15 000	12 May 2025-12 June 2025
2021/2024 series 1	11,86	104,52	1,01	-	-	-	-	6 May 2024-31 May 2024
				55 500	55 500	15 000	15 000	

Maximum increase in the number of shares in relation to shares outstanding at the end of the period

0,1%

0,1%

*) Subscription price and the number of shares that each option entitles to purchase are recalculated due to dividend paid in 2022 for series 1 2021/2024

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

Long-term Cash Bonus Programme 2025 for the CEO and Deputy CEO

At the end of the financial year, Teqnon had an outstanding cash bonus programme for the CEO and Deputy CEO. If the market capitalisation of all Teqnon shares equals or exceeds SEK 6,000 million (the "Threshold Level") on 23 April 2030 (the "End Date"), each participant shall be entitled to a bonus amount corresponding to 2 per cent of the value exceeding the Threshold Level, up to a cap corresponding to a market capitalisation of SEK 8,000 million (the "Cap Level"). Value increases exceeding the Cap Level do not give rise to any bonus entitlement. The maximum bonus amount payable to participants in the programme, if the market capitalisation of the Company's shares equals the Cap Level, is therefore SEK 40 million per participant, corresponding to a total of SEK 80 million for all participants. If the market capitalisation of the Company's shares at the End Date is below the Threshold Level of SEK 6,000 million, no bonus will be paid to the participants. Entitlement to payment under Bonus Programme 2025 is conditional upon the participant remaining employed by Teqnon at the End Date, and neither the participant nor Teqnon having given notice of termination of the participant's employment, as further specified in the agreement between the Company and the participant.

The market capitalisation of Teqnon's shares shall be calculated based on the volume-weighted average price of the Company's shares on Nasdaq First North Growth Market, or such other marketplace on which the Company's shares are admitted to trading, during the sixty (60) trading days immediately preceding the End Date. If the market capitalisation of the Company's shares equals or exceeds the Cap Level of SEK 8,000 million on 23 April 2028, an early bonus payment shall be made to the participants within sixty (60) days thereafter. No financial instruments will be issued or transferred to participants under Bonus Programme 2025. Bonus

Programme 2025 aims to strengthen Teqnon's financial development by promoting alignment of interests between the programme participants and Teqnon, and by creating conditions for Teqnon to retain key individuals expected to contribute to the Company's continued development.

The Board considers that Bonus Programme 2025 creates a strong incentive for participants to contribute to the Company's growth and development, and to promote long-term sustainable decisions in order to achieve results in a manner consistent with the Company's vision and overall strategy, which is to the benefit of both Teqnon and its shareholders.

Share-based payments settled in cash are accounted for in accordance with IFRS 2 Share-based Payment. The programmes are classified as cash-settled and are recognised as a liability in the balance sheet. The liability is measured at fair value at each reporting period end, using a valuation model based on Monte Carlo simulation. Changes in fair value are recognised in the income statement over the vesting period and until settlement occurs.

During the financial year 2025, the remeasurement of the cash-settled share-based incentive programme has had no impact on profit or loss. The carrying amount of the liability has remained unchanged during the period and has therefore not affected the Group's balance sheet. As at 31 December 2025, the recognised liability in respect of the cash-settled share-based incentive programme amounts to SEK 0 million (0).

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

	Fixed salary/board fee	Variable remunerati on	Other benefits	Pension costs	Total
2025 – Parent company					
Lena Almefelt, chairman of the board	0,4	-	-	-	0,4
Mikael Vaezi, member of the board	0,3	-	-	-	0,3
Henrik Joelsson, member of the board	0,3	-	-	-	0,3
Boel Sjöstrand, member of the board	0,2	-	-	-	0,2
Helena Nathhorst, member of the board	0,2	-	-	-	0,2
Johan Steene, CEO and member of the board	1,6	0,9	0,0	0,5	3,2
Christopher Mayer, member of the board	0,1	-	-	-	0,1
<i>Other senior executives (2 persons)</i>	2,7	0,6	0,0	0,5	3,5
Total	5,7	1,5	0,0	1,0	8,2
2024 – Parent company					
Lena Almefelt, chairman of the board	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	0,2	-	-	-	0,2
Christoffer Mayer, member of the board	0,1	-	-	-	0,1
<i>Other senior executives (1 person)</i>	1,6	-	0,0	0,3	1,9
Total	4,4	-	0,0	0,8	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.

Belopp i MSEK	Group		Parent company	
	2025	2024	2025	2024
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
BDO Mälardalen AB				
Audit assignments	3,1	1,8	1,3	0,3
Other counselling services	0,5	0,3	0,3	0,3
Other auditors				
Audit assignments	0,7	0,6	-	-
Other counselling services	-	-	-	-
Total	4,3	2,7	1,6	0,6

Note 8 Income from participations in group companies

Amounts in MSEK	Parent company	
	2025	2024
	Jan-Dec	Jan-Dec
Dividends	100,4	86,3
Impairment	-64,3	-44,4
Total	36,1	41,9

Comment to note 8:

See Note 26 for comments on this year's and previous year's impairments.

Note 9 Financial income and expenses

Amounts in MSEK	Group		Parent company	
	2025	2024	2025	2024
	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Financial income				
Interest income	2,1	4,5	0,9	2,8
Interest income from group companies	-	-	3,6	4,0
Net, exchange rate change	41,2	5,8	41,4	0,4
Other financial items	0,1	0,2	-	-
Financial income	43,4	10,5	45,8	7,2
Financial expenses				
Interest costs				
- borrowing	-21,4	-17,5	-20,8	-17,3
- contingent considerations, valued at fair value through profit or loss	-3,6	-1,6	-3,6	-1,6
- lease liabilities	-7,3	-7,3	-	-
- group companies	-	-	-2,3	-1,8
- other interest expenses	-0,3	-0,7	-0,2	-
Net, exchange rate change	-	-12,2	-	-12,2
Fee on disposal of trade receivables	-1,1	-0,6	-	-
Other financial charges	-	0,3	-	-0,5
Financial expenses	-33,7	-39,5	-26,9	-33,4
Income from participations in group companies	-	-	36,1	41,9
Result from financial items	9,7	-29,0	55,0	15,8

Note 10 Taxes

Recognised in the income statement	Group		Parent company	
	2025	2024	2025	2024
Amounts in MSEK	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Current tax	-32,6	-24,7	-19,8	-10,2
Current tax attributable to previous years	-0,6	0,2	-	-
Deferred tax	-3,7	1,8	-	-
Total	-36,9	-22,7	-19,8	-10,2

Reconciliation of effective tax	Group		Parent company	
	2025	2024	2025	2024
Amounts in MSEK	Jan-Dec	Jan-Dec	Jan-Dec	Jan-Dec
Profit before tax	135,3	118,5	129,8	88,3
Income tax calculated at the applicable rate (20.6%)	-27,9	-24,4	-26,7	-18,1
Non-taxable income	7,8	6,6	20,7	17,8
Non-deductible expenses	-17,3	-3,1	-13,3	-9,3
Non-deductible interest expenses	-0,2	-0,3	-	-
Adjustment of current tax relating to previous years	2,0	0,2	-	-
Effect of foreign tax rates	-3,1	-1,3	-	-
Tax effect on standardised revenue on tax allocation reserve	-0,6	-0,8	-0,4	-0,5
Revaluation of deferred tax due to changed tax rate in Sweden				
Other	2,4	0,4	-	-0,1
Total	-36,9	-22,7	-19,8	-10,2

Recognised deferred tax liabilities	Group	
	2025-12-31	2024-12-31
Amounts in MSEK		
Untaxed reserves	35,9	29,3
Intangible fixed assets	13,9	3,9
Right-of-use assets	29,4	33,2
Lease liabilities	-30,5	-32,3
Other	1,2	0,2
Total	49,9	34,3

Change in deferred tax liability	Group	
	2025	2024
Amounts in MSEK		
Opening balance	34,3	33,5
Business combinations	12,8	2,3
Exchange rate difference	-0,9	0,2
Recognised in the income statement	3,7	-1,7
Total	49,9	34,3

Deficit

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

Note 11 Intangible fixed assets

Amounts in MSEK	Licences and capitalised expenditure ¹⁾			Customer relations
	Goodwill	Technology		
Accumulated cost of acquisition				
Opening balance 2024-01-01	641,7	7,5	9,8	-
Opening balance 2023-01-01	105,3	-	8,8	-
Business combinations	-	7,3	-	-
Investments	17,3	-	0,6	-
Exchange rate differences for the year	-0,4	-	-	-
Closing balance 2024-12-31	763,9	14,8	19,2	-
Opening balance 2025-01-01	763,9	14,8	19,2	-
Business combinations	379,8	-	7,5	28,0
Investments	-	3,6	-	-
Sales/disposals	-	-	-	-
Exchange rate differences for the year	-51,7	-	-2,0	-1,0
Closing balance 2025-12-31	1 092,3	18,4	24,8	27,1
Accumulated amortisation and impairment losses				
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	-
Opening balance 2025-01-01	-32,6	-4,3	-1,8	-
Amortisation and depreciations for the year*	-73,0	-1,5	-2,0	-0,9
Exchange rate differences for the year	0,5	-	0,2	0,0
Closing balance 2025-12-31	-105,1	-5,8	-3,6	-0,9
Carrying amount 2025-12-31	987,2	12,6	21,1	26,2
Carrying amount 2024-12-31	731,3	10,5	17,4	-

¹⁾Includes licences, software and capitalised development expenditure

Impairment and testing of goodwill

The carrying amount of goodwill at 31 december 2025 was 987,2 MSEK (731,3). The table below shows how the amount has been allocated between cash-generating units, which are the respective companies.

	Goodwill	
	2025-12-31	2024-12-31
HT Servo	95,5	--
Surge	71,0	79,4
Birketts Bogmats	71,0	--
Irish entites	57,8	112,8
Edurus	47,5	--
MSF	44,4	--
Wallmek	44,3	44,3
Nubis	42,5	44,4
Stanwell	38,0	42,5
WiMa	37,7	37,7
Other cash generating units	437,6	366,9
Totalt	987,2	731,3

Teqnon continuously assesses whether there is any indication that a company has declined in value. Where such an indication exists, the recoverable amount of the company is calculated. Goodwill is tested annually, regardless of whether any indication of impairment exists. The assessment of carrying amounts is performed by calculating the recoverable amount for each company. The recoverable amount, being the higher of value in use and fair value less costs of disposal, is compared with the carrying amount. If the recoverable amount is lower than the carrying amount, an impairment charge is recognised.

Note 11 Intangible assets, *cont.*

Impairment and testing of goodwill, *cont.*

The recoverable amount for cash-generating units in 2025 has been determined by calculating value in use, based on discounted future cash flows. The discounted cash flows are based on management-approved budgets for 2026 and, in certain cases, forecasts for 2027–2029. As the companies are considered to be in a phase representative of the long-term outlook, the cash flows of the first forecast year are extrapolated using a long-term growth rate estimated at 2 per cent (2) per annum. For certain units, including those operating within construction and contract manufacturing, revenue growth in excess of 2 per cent has been forecast, based on management's assessment that there is significant potential for recovery in these units during 2027–2029, given an anticipated cyclical recovery and the measures implemented during 2024 and 2025 to improve margins. These measures have included reducing the size of certain organisations, renegotiating supplier agreements, replacing management in a number of portfolio companies, and introducing new monitoring procedures to strengthen margins. Forecast results and capital expenditure for the forecast period are based on reasonable assumptions derived from historical performance and experience. Cash flows have been discounted using a weighted average cost of capital of 14–19 per cent (15–19) pre-tax. The key assumptions having the greatest effect on the recoverable amount are profitability, the discount rate, changes in working capital and capital expenditure requirements.

Impairment tests have been sensitivity tested by increasing the discount rate by one percentage point, reducing the long-term growth rate by one percentage point, and reducing EBITDA by two percentage points, each parameter tested independently. All cash-generating units pass these tests, with the exception of certain units within contract manufacturing and construction. These units do not pass the sensitivity test. The value in use of these companies is in line with their carrying amount, meaning that a change in the above assumptions would give rise to an impairment requirement.

The annual impairment test is performed on Q3 figures. Impairment charges of SEK 73.0 million relate to impairments of Reward and Hem1, as communicated in the report for the third quarter. In accordance with IFRS (IAS 36 Impairment of Assets), the Group has performed impairment tests for all cash-generating units. The tests indicated that the carrying amount of goodwill in Reward and Hem1 is no longer supported by their expected future cash flows.

Note 12 Tangible fixed assets.

Amounts in MSEK	Buildings and land ¹⁾	Machinery and equipment ²⁾
Accumulated cost of acquisition		
Opening balance 2024-01-01	24,5	101,3
Business combinations	0,0	4,1
Investments	3,3	9,8
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
Opening balance 2025-01-01	27,3	96,6
Investments	0,7	9,4
Business combinations	19,9	12,2
Disposals/disposals	-	-12,2
Exchange rate differences for the year	-0,6	-5,5
Reclassification	1,2	-1,2
Closing balance 2025-12-31	48,5	99,3
Accumulated amortisation and impairment losses		
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
Opening balance 2025-01-01	-14,5	-70,0
Amortisation for the year	-1,7	-10,2
Business combinations	-5,2	-
Sales/disposals	0,0	9,2
Exchange differences for the year	0,3	3,9
Reclassification	-	0,3
Closing balance 2025-12-31	-21,1	-66,8

Amounts in MSEK	Buildings and land ¹⁾	Machinery and equipment ²⁾
Carrying amount 2025-12-31	27,4	32,5
Carrying amount 2024-12-31	12,8	26,6

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:

Amounts in MSEK	Group	
	2025-12-31	2024-12-31
Premises	117,4	125,6
Vehicles	6,2	6,6
Machinery and other	21,9	33,4
Total	145,5	165,6

Leasing liabilities	Group	
	2025-12-31	2024-12-31
Short-term	43,8	47,7
Non-current	103,0	116,2
Total	146,8	163,9

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

Additional rights of use	Group	
	2025	2024
Premises	35,7	47,8
Vehicles	5,8	5,0
Machinery and other	-1,3	19,0
Total	40,2	71,8

Amounts recognised in the income statement

Amounts in MSEK	Group	
	2025	2024
	Jan-Dec	Jan-Dec
Depreciation, premises	39,3	36,4
Depreciation, vehicles	5,6	4,9
Depreciation, machinery and other	10,2	10,4
Interest expense, lease liabilities	7,2	7,4
Total	62,3	59,1

Cash flow	Group	
	2025	2024
	Jan-Dec	Jan-Dec
Amortisation of lease liabilities	53,2	51,7
Interest paid on lease liabilities	7,2	7,4
Total	60,4	59,1

Low value lease contracts in the income statement

During the year, the Group has incurred costs equivalent to SEK 0.6 million for low-value leasing contracts, which primarily relate to coffee machines and printers.

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

Amounts in MSEK		Amounts in MSEK	Right-of-use assets
Accumulated cost of acquisition			
Opening balance 2024-01-01	267,1	Carrying amount 2025-12-31	145,5
Acquisition in connection with business combinations	2,5	Carrying amount 2024-12-31	165,6
Acquisitions for the year	69,3		
Divestments	-27,1		
Exchange rate differences for the year	1,5		
Closing balance 2024-12-31	313,3		
Opening balance 2025-01-01	313,3		
Acquisition in connection with business combinations	0		
Acquisitions for the year	40,2		
Divestments	-46,4		
Exchange rate differences for the year	-3,0		
Closing accumulated cost	304,1		
Accumulated amortisation			
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 balance 2024-12-31	-147,6		
Opening balance 2025-01-01	-147,6		
Amortisation for the year	-55,1		
Divestments	42,9		
Exchange rate differences for the year	1,2		
Closing accumulated amortisation	-158,6		
Closing net book value	145,5		

Note 14 Financial assets and liabilities

The Group

	Amortised cost		Fair value through profit or loss		Contingent considerations	2025	2024
	2025-12-31	2024-12-31	2025-12-31	2024-12-31	Opening book value at 1 January	114,6	120,8
Amounts in MSEK							
Assets in the balance sheet							
Other long-term receivables	0,5	0,4	-	-	-	174,0	46,0
Accounts receivable	228,3	231,1	-	-	-	-49,5	-42,4
Other receivables	8,6	2,3	-	-	-	-31,7	-17,8
Cash and cash equivalents	209,4	196,0	-	-	-	3,6	1,6
Total	446,8	429,8	-	-	-	-15,3	6,4
Liabilities in the balance sheet							
Borrowing from credit institutions, long-term	496,0	302,2	-	-	-		
Other non-current financial liabilities	-	-	124,5	30,5	-		
Borrowing from credit institutions, short-term	-	0,1	-	-	-		
Other current financial liabilities	-	-	71,1	84,1	-		
Derivative instruments	-	-	-	-	-		
Trade payables	119,4	119,5	-	-	-		
Other liabilities	3,9	5,9	-	-	-		
Total	619,4	427,7	195,6	114,6	-	195,6	114,6

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.

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.

Note 15 Other long-term receivables

Belopp i MSEK	Parent company	
	Group	Parent company
Akkumulerade anskaffningsvärden		
Opening balance 2024-01-01	0,4	0,0
Deposits received	0,2	0,2
Refunded deposits	-0,2	-
Utgående balans 2024-12-31	0,4	0,2
Opening balance 2025-01-01	0,4	0,2
Deposits received	0,1	-
Refunded deposits	-	-
Closing balance 2025-12-31	0,5	0,2

Note 16 Inventories

Amounts in MSEK	Group	
	2025-12-31	2024-12-31
Raw materials	105,3	76,1
Work in progress	37,8	31,3
Finished goods and merchandise	149,3	154,2
Total	292,4	261,6

No impairment losses or reversals of impairment losses recognised in prior years have been recognised in 2025 or 2024.

Note 17 Other current receivables

Amounts in MSEK	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Advances to suppliers	12,3	6,5	-	-
Tax account	5,8	6,3	1,5	0,0
VAT receivable	1,8	2,4	-	-
Other receivables	8,8	2,4	7,0	-
Total	28,7	17,6	8,5	0,0

Note 18 Prepaid expenses and accrued income

Amounts in MSEK	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Prepaid rental expenses	5,6	4,5	0,2	0,1
Prepaid insurance premiums	1,8	2,9	0,0	-
Accrued income	-	-	-	-
Other items	12,9	15,7	0,1	0,3
Total	20,1	23,1	0,3	0,4

Note 19 Equity

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 2025 with the assessment that Teqnon 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 2025 is 17 165 756 shares with 1 vote per share. The quota value of the share is SEK 0.05.

The number of shares is unchanged from the previous year.

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	
	2025	2024
Profit for the year attributable to equity holders of the parent	22,1	95,6
Total number of ordinary shares	17 165 756	17 165 756
Weighted average number of ordinary shares before dilution	17 165 756	17 153 696
Effect of warrants issued	602	15 000
Weighted average number of ordinary shares after dilution	17 166 358	17 160 449
Basic earnings per share	5,74	5,58
Earnings per share after dilution	5,74	5,58

Note 21 Provisions

	Group	
	2025	2024
Guarantee provisions		
Amounts in MSEK		
Opening balance 1 January	4,4	5,0
Additions	0,5	0,4
Revaluation	-1,2	-1,0
Closing balance 31 December	3,7	4,4

Note 22 Accrued expenses and deferred income

Amounts in MSEK	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Accrued wages and salaries	10,1	7,6	7,0	3,3
Accrued holiday pay	24,3	23,1	2,1	1,7
Accrued social security contributions	10,6	10,9	1,0	0,9
Other	35,7	17,2	2,0	0,8
Amounts in MSEK	80,7	58,8	12,1	6,7

Note 23 Other current liabilities

Amounts in MSEK	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
VAT debt	24,2	19,0	2,1	1,7
Personnel-related liabilities	19,7	12,8	0,9	0,9
Advance payment from customer	26,4	8,7	-	-
Other	4,0	5,9	-	-
Total	74,3	46,3	3,0	2,6

Note 24 Pledged assets and contingent liabilities

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

	Group		Parent company	
	2025-12-31	2024-12-31	2025-12-31	2024-12-31
Amounts in MSEK				
<i>For own liabilities</i>				
Assets subject to liens	-	2,4	-	-
Total	-	2,4	-	-

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, Teqnon AB, the owners of Teqnon 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 2025 AGMs decided to issue warrants to senior executives within the Teqnon 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
Akkumulerade anskaffningsvärden	
Opening balance 2024-01-01	917,7
Investments	204,4
Impairment	-44,4
Adjusted cost of acquisition*)	-17,8
Closing balance 2024-12-31	1 059,8
Opening balance 2025-01-01	1 059,8
Investments	568,6
Impairment	-64,3
Adjusted cost of acquisition*)	-34,5
Closing balance 2025-12-31	1 529,6

*) Refers to fair value adjustments due to revaluation of contingent liabilities.

Comment to note:

Impairment of SEK 64.3 million relate primarily to impairments of Reward and Hem1. In accordance with IFRS (IAS 36 Impairment of Assets), Teqnon has performed impairment tests for all cash-generating units. The tests indicated that the carrying amount of goodwill in Reward and Hem1 is no longer supported by their expected future cash flows. The impairment test also affects the carrying amount of shares in subsidiaries for the aforementioned companies, of which SEK 52.0 million has had an adverse impact on profit or loss for these two entities.

Other impairment charges relate to an impairment to net asset value in the company Shanty TEQ of SEK 12.3 million. The value of the shares in the company corresponds to the equity of Shanty TEQ following the impairment.

During 2024, impairments to net asset value of SEK 44.4 million were recognised in connection with restructuring within the Group for the companies Stanwell and Stans & Press i Blomstermåla. Dividends to the parent company of a corresponding amount were made, as a result of which the net impact on profit or loss was limited.

Name of the organisation	Org. no.	Seats	Carrying amount, parent company MSEK			
			Owned share (%)	Number of shares	2025-12-31	2024-12-31
Industrikomponenter AB	556111-8505	Stockholm	100	1 000	1,0	1,0
AB Elrond Komponent	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	Sollentuna	100	1 000	6,8	6,8
Grimstorp Byggkomponenter AB	556607-7508	Stockholm	100	462	33,0	33,0
Shanty TEQ AB	556411-7116	Stockholm	100	1 000	9,8	22,1
Stans & Press i Blomstermåla AB	556553-8757	Stockholm	100	2 000	16,5	16,5
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.*

Name of the organisation	Org. no.	Seats	Carrying amount, parent company MSEK			
			Number of		2025-12-31	2024-12-31
			Owned	share (%) of shares		
Hem1 Sydost AB	556787-6841	Karlskrona	100	1 000	12,0	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 Valdemarsvik AB	556681-2847	Valdemarsvik	100	100	32,1	32,1
Kema Storköksförsäljning Aktiebolag	556361-2356	Jordbro	100	100	5,1	5,1
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 Ltd	14191709	Lowestoft	100	100	27,7	27,7
Reward Catering Ltd	701553	Dublin	100	100	58,9	107,0
Lundahl Transformers AB	559216-7869	Norrtälje	100	100	20,1	20,3
Stanwell Group Ltd	09803440	Huddersfield	100	99	61,8	63,3
Schill Reglerteknik Aktiebolag	556278-1731	Stockholm	100	3 000	50,0	44,8
Surge Protection Devices Ltd	5920962	Oldham	100	300	94,6	94,6
Nubis Solutions Ltd	06750103	Cambridge	100	100 064	71,6	76,0
Avelair Ltd	02800984	Suffolk	100	600	38,3	38,5
UK Lanyard Makers Ltd	09153094	Farnham	100	50	36,3	37,8
Midlands Special Fasteners Ltd	12793760	Walsall	100	100	57,3	--
Awarded 2U	06690204	Herefordshire	100	2	40,2	--
Merridale Ltd	02990709	Walsall	100	1 000	44,8	--
Thermasolutions International Ltd	05695129	Northampton	100	50	30,5	--

Name of the organisation	Org. no.	Seats	Carrying amount, parent company MSEK			
			Number of		2025-12-31	2024-12-31
			Owned	share (%) of shares		
Edurus Gravstenar AB	559493-3151	Malung	100	250	46,0	--
MITAB i Forsbacka AB	556504-7577	Forsbacka	100	19 200	26,0	--
Norlin Polymers (UK) Ltd	08959429	Bolton	100	3	30,0	--
Teqnion UK Ltd	16468538	Birmingham	100	1	0,0	--
Birkett Bogmats Ltd	09091258	Birmingham	100	2	99,1	--
HT Servo Ltd	04216272	Worthing	100	2 000	181,8	--
Teqnion Mobility Ltd	800335	Dublin	100	1	0,0	--
					1 529,6	1 059,8

Note 27 Cash flow statement

Adjustment for items not included in cash flow Amounts in MSEK	Koncernen	
	2025 Jan-Dec	2024 Jan-Dec
Depreciation and amortisation	145,4	64,4
Realization gains	0,7	-2,7
Provisions	-0,8	-0,6
Unrealised foreign exchange differences on translation of operating receivables/liabilities	2,1	3,6
Revaluation of contingent considerations	-31,7	-17,9
Adjustment for items not included in cash flow	115,8	46,9

Unutilised credit facility

Unutilised credit facilities for the parent company and the Group amount to MSEK 77,0 (248,3).

Acquired companies - Group Amounts in MSEK	2025	2024
	Jan-Dec	Jan-Dec
Intangible assets	35,4	8,8
Tangible fixed assets	26,8	4,1
Inventories	44,9	14,1
Trade and other receivables	64,7	18,8
Cash and cash equivalents	131,9	34,1
Provisions	0,0	-0,2
Deferred tax	-12,8	-2,2
Trade and other payables	-108,2	-24,7
Net identifiable assets and liabilities	182,7	52,9
Acquisition at low price	--	--
Goodwill	379,9	105,5
Transferred remuneration	562,6	158,4
Resigns:		
Conditional purchase price	-146,7	-29,4
Delayed payment	-27,2	-16,6
Cash and cash equivalents in acquired companies	-131,9	-34,1
Contingent considerations paid	49,5	42,4
Other items affecting cash flow	0,6	--
Impact on consolidated cash and cash equivalents	306,9	120,7

Note 27 Cash flow statement, *cont.*

Changes in liabilities related to financing activities - Group								
	Opening balance 2025-01-01	Cash flow		Changes not affecting cash flow				Closing balance 2025-12-31
		New loans	Amortisation	Business acquisitions		New contracts		
Amounts in MSEK								
Liabilities from credit institutions, long-term	302,2	216,7	-8,1	7,7	-	-23,3	0,8	496,0
Liabilities from credit institutions, short-term	0,1	-	0,1	-	-	-	-	0,0
Leasing debt	163,9	-	-53,3	-	40,3	-0,3	-3,7	146,9
Total liabilities from financing activities	466,2	216,7	-61,5	7,7	40,3	-23,6	-2,9	642,9
	Opening balance 2024-01-01	New loans	Amortisation	Business acquisitions		New contracts		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

Note 27 Cash flow statement, *cont.*

Changes in liabilities related to financing activities - parent company

Amounts in MSEK	Opening balance	Cash flow				Closing balance
	2025-01-01	New loans	Amortisation	Reclassification	Currency	2025-12-31
Liabilities from credit institutions	298,5	216,7	-	0,8	-23,2	492,8
Total liabilities from financing activities	298,5	216,7	-	0,8	-23,1	492,8
Amounts in MSEK	Opening balance	New loans	Amortisation		Currency	Closing balance
	2024-01-01					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

Note 28 Key estimates and judgements

The carrying amounts of certain assets and liabilities are based in part on judgements and estimates. Estimates and judgements are continuously evaluated and are based on historical experience and other factors, including expectations of future events that are considered reasonable under prevailing circumstances.

Significant estimates and assumptions for accounting purposes

The Group makes estimates and assumptions about the future. By their nature, the resulting accounting estimates will seldom equal the actual outcomes. The estimates and assumptions that carry a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

Impairment testing of goodwill

The Group assesses annually whether any impairment of goodwill is required. The recoverable amount of cash-generating units has been determined by calculating value in use. These calculations require a number of assumptions to be made regarding future conditions and estimates of key parameters. Refer further to Note 11.

Business combinations

The determination of the fair value of acquired assets and liabilities in business combinations involves judgements and assumptions. 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. Refer further to Note 4 and Note 14.

Synthetic Options

The Company has outstanding synthetic options that are recognised as a liability and measured at fair value at the balance sheet date in accordance with IFRS 9, using a Monte Carlo simulation. The valuation is sensitive to assumptions regarding share price volatility, the risk-free interest rate, expected term and the share price at the balance sheet date. At the balance sheet date, the selected assumptions result in a fair value of zero, and accordingly no liability or expense is recognised. Changes in market conditions or assumptions may give rise to material changes in the recognised liability in future periods. Refer further to Note 6.

Note 29 Events after the balance sheet date

- In February, Cambs Compressor Engineering Limited was acquired. Cambs specialises in compressed air systems and solutions across a broad range of industries, and has generated annual revenues of £2.2 million with robust margins over the past three years.

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
 08-655 12 00
 E-mail: info@teqnion.se
 www.teqnion.se

Note 31 Proposed distribution of earnings

The Board of Directors proposes that the available profits, 722,5 MSEK be appropriated as follows:

At the disposal of the Annual General Meeting of Teqnion AB (MSEK)	2025-12-31
Share premium account	288,5
Retained earnings	323,9
Net profit for the year	110,0
Total	722,5

The Board of Directors proposes the following distribution of earnings (MSEK)

To be carried forward	722,5
Total	722,5

The consolidated income statement and balance sheet will be submitted to the Annual General Meeting on 23 April 2026 for adoption.
The annual report was approved for issue by the Board of Directors and the Chief Executive Officer and was signed on 21 March 2026.

Stockholm 21 March 2026

Lena Almefelt
Chair of the Board

Johan Steene
*Chief Executive Officer
and board member*

Mikael Vaezi
Board member

Henrik Joelsson
Board member

Helena Nathorst
Board member

Christopher Mayer
Board member

Boel Sjöstrand
Board member

Our audit report was submitted on 21 March 2026

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 2025. The annual accounts and consolidated accounts of the company are included on pages 34-90 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 2025 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 1-33 and 95-98. 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

Directors 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 Teqnon 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 21 March 2026
BDO Mälardalen AB

Carl-Johan Kjellman
Authorized Public Accountant

Five-year overview

Amounts in MSEK	2025	2024	2023	2022	2021
Result					
Net sales	1 800,0	1 567,0	1 475,6	1 324,8	920,2
EBITDA	271,0	211,9	226,0	185,4	140,5
EBITA	203,1	149,7	170,6	146,1	105,6
Operating result	125,7	147,5	169,7	144,9	104,7
Profit before tax	135,3	118,5	160,5	138,2	103,0
Result for the year	98,5	95,8	125,1	110,4	79,8
Margins					
EBITDA margin	15,1%	13,5%	15,3%	14,0%	15,3%
EBITA margin	11,3%	9,6%	11,6%	11,0%	11,5%
Net profit margin	5,5%	6,1%	8,5%	8,3%	8,7%
Financial position					
Balance sheet total	2 047,8	1 721,8	1 488,2	1 070,8	799,1
Equity	876,1	859,3	735,6	444,5	338,6
Capital employed	1 519	1 325,6	1 096,3	705,9	515,4
Cash and cash equivalents	209,5	196,0	199,8	47,3	85,8
Interest-bearing liabilities	642,9	466,3	360,7	261,4	176,7
Interest-bearing liabilities excluding lease liabilities	496,0	302,3	215,8	164,1	124,8
Net debt	433,4	270,2	160,9	214,2	90,9
Net debt/EBITDA	1,6	1,3	0,7	1,2	0,6
Net debt, excluding lease liabilities	286,6	106,3	15,9	116,9	39,1
Solidity	43%	50%	49%	42%	42%

Five-year overview, *cont.*

Amounts in MSEK	2025	2024	2023	2022	2021
Yield measure					
Return on capital employed	14,3%	12,0%	18,3%	23,4%	23,6%
Return on equity	11,3%	11,7%	20,4%	27,5%	26,5%
Per share					
Equity per share, SEK	51,04	50,06	42,92	27,56	20,99
Earnings per share before dilution, SEK	5,74	5,58	7,54	6,84	4,95
Earnings per share after dilution, SEK	5,74	5,58	7,51	6,79	4,90
Dividend per share, SEK	0,00*	0,00	0,00	0,00	0,50
Number of shares					
Average number of shares before dilution, thousands	17 166	17 154	16 564	16 130	16 130
Average number of shares after dilution, thousands	17 166	17 161	16 635	16 252	16 296
Number of shares outstanding at the end of the period	17 166	17 166	17 138	16 130	16 130
Other					
Average number of employees	579	512	480	421	314
Employees at year-end	614	506	482	452	369
Market capitalisation, SEK million	3 056	2 836	3 719	2 232	2 331

*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.



Teqniön 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!

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