CHANGE IS IMPROVEMENT

Motto of CEO Fredrik Berghel

Inission AB (publ) | Annual Report for 2022

Contents

Notice of AGM

The Annual General Meeting will be held on Thursday, May 4, 2023, at 17:00 CET, Värmlands Museum, Sandgrundsudden, Karlstad. Shareholders entered in the share register maintained by Euroclear Sweden on Wednesday, April 25, 2023, and who have registered as described below, are entitled to participate in the meeting. Shareholders whose shares are nominee registered must, therefore, temporarily register under their own name in the share register to have the right to participate personally or by proxy in the meeting. Such re-registration must be completed well before Wednesday, April 25, 2023. The Company must receive notification of participation in the Annual General Meeting no later than Wednesday, April 25, 2023.

Notification is made by mail (Inission AB, Lantvärnsgatan 4, 652 21 Karlstad, Sweden) or by e-mail (mikael.flodell@inission.com).

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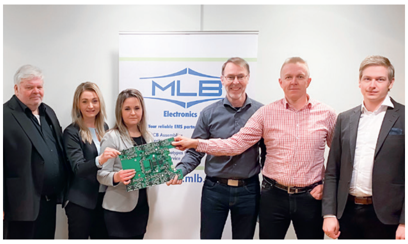
Enedo
RESHAPING ELECTRICITY

A new business area. In October, Inission announced hat after the public mandatory offer, the Company now owns approximately 96% of all shares and votes in Enedo. Enedo is a product company that develops, manufactures, and sells power electronics and systems. The compulsory redemption of the remaining shares is expected to be completed in the first half of 2023.

Increased customer value. To take its Lean work to the next level, become a world-class EMS manufacturer and further increase customer value, Inission entered into a strategic partnership with Part Development in June. Part Development is one of Sweden's leading consulting companies in Lean business development. The collaboration extends over six years.

Agreement worth MNOK 70. In October, Inission Løkken AS announced that the company had entered into a significant manufacturing agreement with NoFence AS. The agreement is worth MNOK 70 over two years and includes printed circuit board production, assembly into finished products, and delivery of approximately 17 000 cattle collars and 27 000 sheep and goat collars.



Acquisition. In January, MLB Electronics Oy, one of Finland's most experienced contract manufacturers, was acquired. MLB offers a wide range of services throughout the entire manufacturing process. The acquisition expands Inission's portfolio and strengthens its position and presence in Finland.

Dividends

The Board of Directors of Inission proposes that no dividend be paid at the Annual General Meeting 2023. The grounds for this proposal are that Inission shall use existing working capital for continued growth. Inission's dividend policy is, if liquidity permits, to distribute 30 percent of the Group's profit after tax.

Upcoming reports

- Q1-report – 2023-05-04
- AGM – 2023-05-04
- Q2-report – 2023-08-17
- Q3-report – 2023-11-09

About Inission

What

Inission is a total supplier of tailored manufacturing services and products in the field of advanced industrial electronics and mechanics. Our services cover the entire product lifecycle, from development and design to industrialization, volume production and aftermarket services.

Inission has a strong value-driven corporate culture of entrepreneurship and passion, which has resulted in total sales of SEK 1.9 billion with an average of 936 employees in 2022. Inission is listed on Nasdaq First North Growth Market with Nordic Certified Adviser AB as certified adviser.

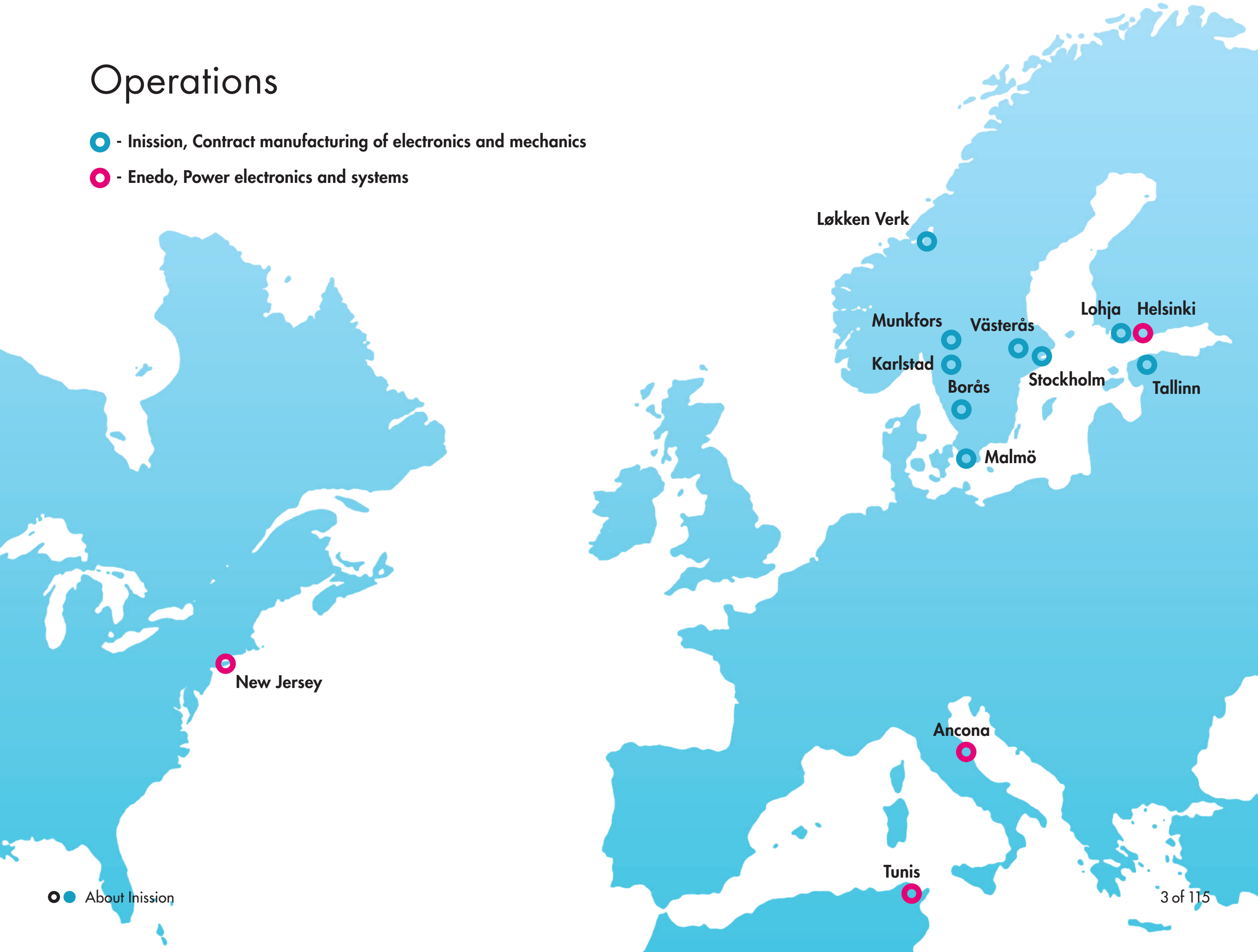
Inission's offer is divided into two business areas: Contract manufacturing of electronic and mechanical products under the Inission brand, and Power electronics and systems under the Enedo brand.

Why

What makes Inission outstanding is that we know why we do what we do. We have a strong belief that our industry can be changed and improved and that we constantly have to deliver an even higher value to our customers. To achieve this, we have decided, among other things, never to be content. We have committed ourselves to take the lead and drive the development and we will never allow our commitment to be reduced. Furthermore, we ensure that we don't forget to harness all the positive energy that ultimately benefits business, both ours and our customers'.

In short. Why is crucial. What we do is important, just as how we do things, but we are nothing without remembering why we do it. Join us and discover the difference!

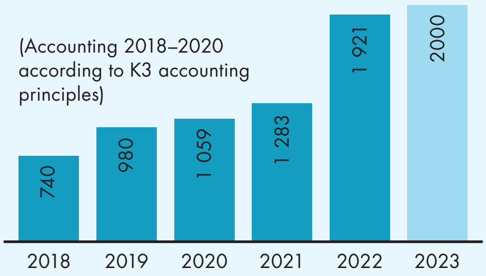
Operations



Financial targets and activities for growth and profitability

Financial targets for 2023

» **Net sales:** approximately MSEK 2 000



» **Adjusted EBITA margin:** >6%

» **Equity ratio:** >30%

Mid-term financial targets:

» **Sales growth:** >15% annual growth, of which 10% organic and 5% through acquisitions

» **Adjusted EBITA margin:** >9%

» **Equity ratio:** >30%

» **Dividends:** up to 30% of the year's profits

In addition to the above targets, financial net debt in relation to adjusted EBITDA on a rolling 12-month basis should not exceed 2.5 times over time.

TVÅ FEM 2025

» **Doubled net sales**

» **Doubled profitability**

» **Top five Nordic contract manufacturers**

» **Doubled flow-oriented production**

» **Carbon neutrality**

» **Doubled employee engagement**

» **Customer satisfaction index above 5**

The Inission Group has increased sales by 32% annually since 2015. Historically, most of the growth has been acquired. Growth was 50% for the Group in 2022, of which 19% came from acquisitions. Growth is almost an end in itself as it creates plenty of positive energy, new customers, new projects, and new challenges for our employees. Therefore, we have decided to communicate our targets to the market while describing our tools and activities to reach them.

Based on our mission to get "The most satisfied customers", Inission has since 2011 invested time in refining its business strategy to take the Company to the next level. Important parts of this strategy are Inspirit and the Inission Academy.

Inspirit is an operational system based on Lean and Inission's values. Inspirit aims to simplify and improve processes and create a corporate culture where everyone is engaged and wants to be involved.

Inission Academy is an investment in skills development to improve our employees' individual and collective abilities through both external and internal training in leadership, Lean, project management, purchasing, production, and finance. By creating the conditions for lifelong learning, we can meet the industry's current and future challenges.

TVÅ FEM 2025

Inission's efforts have resulted in a long-term goal called "TVÅ FEM 2025" which stands for doubled profitability, doubled net sales, and becoming one of Northern Europe's five most profitable contract manufacturers by the end of 2025.

To reach the goal, we need to double flow production, reduce CO_2 emissions to net zero, increase employee engagement by 20%, and achieve a customer satisfaction rating above five on a six-point scale. To support this journey, a series of structural changes are underway. Important components of this work are introducing new business areas, larger organizational subsidiaries, and strengthening the central functions in purchase and sales to further capitalize on synergies. We take external help to improve our processes through a long-term collaboration with the recognized consulting company Part Development. We also have the ambition to shift from acquired to organic growth. Growing more in our existing factories will result in higher profitability.

Business areas

Inission – Contract manufacturing of electronics and mechanics

Inission is a manufacturing partner with services and products that cover the entire product lifecycle, from development and design to industrialization, volume production, and aftermarket. Inission has production units in Stockholm, Västerås, Borås, Munkfors, Malmö, Løkken Verk (Norway), Lohja (Finland), Lagedi, and Tallinn (Estonia), with a total of 602 employees.

Enedo – Power electronics and systems

Enedo is a product company that develops, manufactures, and sells high-quality electronic power supplies and system solutions. Enedo has operations in Finland, Italy, USA, and Tunisia, with a total of 334 employees.

Inission participated in a directed issue in Endo Oyj in the spring of 2021. This resulted in Inission becoming the largest shareholder with a holding amounting to 49.6%, which was part of a larger refinancing project to pave the way for an extensive turn-around project. During the turn-around project, substantial synergies were identified. For this reason, Inission decided to increase holding with the goal of 100% ownership and a delisting from the Finnish stock exchange. The offer to Enedo's shareholders started in the summer, was positively received, and concluded in the fall of 2022. Today, Inission owns 95.85%, and a process is underway to redeem the remaining shares compulsorily. The offer consisted of a cash offer or an offer of exchange for Inission shares. The offer was accepted by 295 shareholders, representing 20% of the total number of shares in Enedo. Inission welcomes these as new shareholders in the Company. With this background, Enedo will operate as a separate business area within Inission as an OEM supplier focusing on power supply solutions and systems.

INISSION HISTORY

2015 Montronic is acquired (Sösdala). Listing on Nasdaq First North.

2016 SKEAB is acquired (Stockholm). Onrox is acquired (Borås, Malmö). Inission Malmö AB opens (Montronic + Onrox Malmö). Inission Borås AB opens (Gothenburg + Onrox Borås).

2017 Inission Stockholm AB opens (Triab + SKEAB)

2018 Speed Production AB is acquired (Borås). Simpro Holding AS is acquired (Trondheim).

2019 Sweco Elektronik AB is acquired (Västerås)

2020 HY-Tech Oy is acquired (Lagedi, Lohja)

2021 Initial ENEDO investment

2022 MLB Electronics is acquired (Lohja). ENEDO is acquired.

ENEDO HISTORY

1975 Finlandia Interface was founded to manufacture power supplies

1988 Listing on the Helsinki Stock Exchange

1996 New name: Efore

2013 ROAL Electronics is acquired. Enters the industrial sector.

2018 Powernet is acquired, strengthening the industrial sector

2019 Sells the telecom business

2020 Enedo is created. New strategy based on industrial sector.

2021/2022 Turnaround execution for profitability and performance

About Inission business area

As a total supplier, we look at the whole picture. Inission's services are designed to cover the entire life cycle of an electronic and mechanic product and relieve the customer's organization in areas where we have extensive knowledge thanks to our long experience.

We put effort and energy into understanding our customers and adapting the delivery to their needs. In this context, our delivery precision is absolutely crucial. Our delivery consists of several parts, with manufacturing being the most extensive. But it is by combining manufacturing with our expertise we can improve our customers' products, making the manufacturing cost as low as possible. This results in satisfied customers and a competitive offer.

Inission offers the following services: development & design, prototyping, industrialization, volume production, and aftermarket. The services are conceptualized and productized to show that we are a total supplier in the true sense of the word.

As a contract manufacturer, our customer portfolio is our most important asset. Inission has a strong customer portfolio with more than 140 substantial customers spread across several different industries. This makes us less vulnerable to industry-specific cyclical fluctuations. It also allows us to distribute production between different customers when demand varies.

The Covid-19 pandemic, which resulted in a lingering component shortage, also made 2022 a turbulent year where our customers were affected to varying degrees. The shortage of components has affected all areas of the supply chain, not just electronics, but plastics, sheet metal, cabling, and especially transport. This has strained flexibility and negatively affected efficiency. The situation has gradually improved and we expect it to return to normal by the end of 2023.

Many of the Nordic region's well-known industrial companies are found in our customer portfolio, but also many smaller and innovative companies that see electronics and Inission as an enabler. We do not have a single customer that accounts for a decidedly large share of our net sales. Thirty-seven customers account for about 70% of our net sales and the largest customer accounts for about 5% of the net sales, spread over four factories. We have a structure that allows us to always be geographically close to our customers, as we have factories throughout the Nordic region. The proximity allows us to work closely with our customers as partners, collaborating to achieve a good delivery.

BUSINESS AREA INISSION

Inission offers demanding industrial customers in the Northern Europe tailor-made development and manufacturing services for complete electronic and mechanical products that guarantee the best sustainable business value and overall economy.

MISSION

The most satisfied customers.

INISSION BUSINESS AREA KEY-FIGURES		FULL YEAR 2022	FULL YEAR 2021
Net sales	(TSEK)	1 429 253	1 003 200
Growth	(%)	42.5%	-5.3%
of which acquired	(%)	9.6%	0.0%
EBITA	(TSEK)	85 079	46 550
EBITA	(%)	6.0%	4.6%
Assets	(TSEK)	1 315 332	855 967
Liabilities	(TSEK)	879 531	548 539

Net sales and profit

Net sales amounted to MSEK 1 429.3 compared to MSEK 1 003.2 the previous year. Of the increase in sales of MSEK 426.1, 9.6% relates to acquisitions, which means that organic growth amounted to 32.9%.
The EBITA result for the period was MSEK 85.1 compared to MSEK 46.6 the previous year, corresponding to an EBITA margin of 6.0% compared to 4.6% the year before.

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Customer satisfaction

Our mission is to have **The most satisfied customers**. To verify this, we annually conduct a detailed customer survey. In dialog with the customer, each area is rated, and we discuss, among other things, how we can improve and jointly develop our business relationship. We conclude by asking whether the customer is satisfied with us as a supplier. To our delight, 97% of our key customers have answered yes.

Customer representation

Industry, which is our most diversified segment from an assortment perspective, is also the one with the largest number of customers. Medtech is traditionally the most insensitive to economic cycles, but during the year, it was affected by component shortages, resulting in major fluctuations Instruments are different types of measuring instruments required to measure, test, and verify the process. Marine technology refers to offshore, oil and gas, but also to fish farming equipment, which is a growing area. Communication and IoT is a rapidly growing segment, as everything today is expected to be connected and wireless. Electrification mainly refers to charging infrastructure, which is also a high growth area. Defense is yet another growing segment after the recent turmoil in the world.

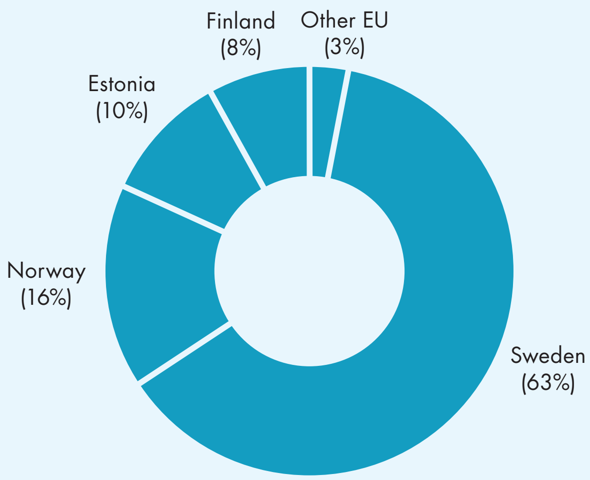
Quality

Quality for Inission is to meet customer expectations in all respects. This is how we get the most satisfied customers. Our philosophy is, therefore, that quality is something that should be built into our processes from the start and permeate all aspects of our offer. Inission has very few complaints. Satisfied customers confirm that our quality meets their expectations.

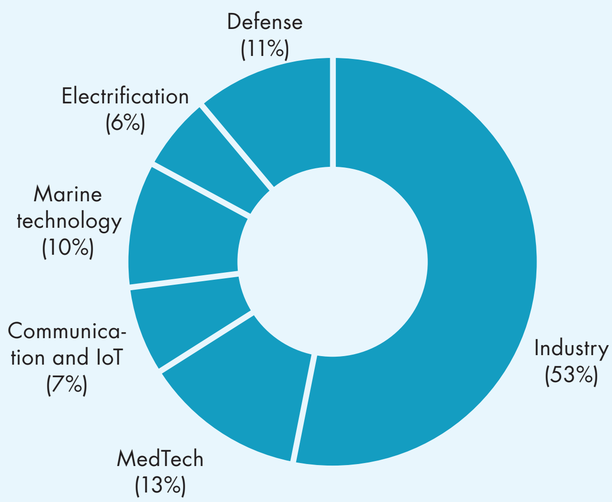
Financial targets for 2023

- Net sales: MSEK 1 500
- Profitability: 6.6% EBITA

Inission, sales by geography:



Inission, customer segments:



SUMMARY OF INISSION BUSINESS AREA – CONTRACT MANUFACTURING OF ELECTRONICS AND MECHANICS

- Leading total supplier of electronic and mechanic products for 35 years
- Net sales of MSEK 1 429
- Strong growth and sound profitability
- 602 employees
- 97% satisfied customers
- ~140 significant customers in the Nordic region
- Electronic Manufacturing Services (EMS), mechanics and technical consultants

About Enedo business area

Enedo develops, produces, and markets power electronics and systems with a focus on high-quality and customized customer solutions. Enedo has a broad product portfolio of both products developed in-house and platforms complemented by traded products. Among the customers, there are demanding industrial customers in the field of LED displays, Industry & automation, and test & instruments.

Enedo is a global player, and the company's main markets are in Europe and the United States. Enedo is involved in the electrification and digitalization of its customers' activities and operating environments, helping to create more favorable conditions for sustainable development.

Profitable growth

The power supply industry as a whole is growing. We have an excellent opportunity to expand profitably by targeting new potential customers in the same and similar customer segments where we already have a thriving operations.

Our customer references are very good. We understand customers' expressed and underlying needs, focus on value creation and tailor-made solutions, and strive for differentiation. Enedo is at the forefront of power supply and power system technology, and our platforms are flexible and easy to adapt to customized solutions. The Enedo business area is global and our sales organization has the ability to address customers in both Europe and North America.

BUSINESS AREA ENEDO

Enedo develops, produces, and markets power supplies and systems, focusing on high-quality tailor-made solutions that provide customers and their customers' customers with value-creating solutions.

ENEDO MISSION

The most satisfied customers.

ENEDO BUSINESS AREA KEY-FIGURES		FULL YEAR 2022	FULL YEAR 2021
Net sales	(TSEK)	493 210	369 700
Growth	(%)	33.4%	-5.5%
of which acquired	(%)	0.0%	0.0%
EBITA	(TSEK)	5 542	-64 758
EBITA	(%)	1.1%	-17.5%
Assets	(TSEK)	282 050	376 597
Liabilities	(TSEK)	293 536	286 071

Net sales and profit

Net sales amounted to MSEK 493.2 compared to MSEK 369.7 the previous year. Of the increase in sales of MSEK 123.5, 0.0% relates to acquisitions, which means that organic growth amounted to 33.4%.
The EBITA result for 2022 was MSEK 5.5 compared to MSEK -64.8 the previous year, corresponding to an EBITA margin of 1.1% compared to -17.5% the year before.

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The Tunisian plant currently producing for the Enedo business area has had weak management and has been underinvested. After the completion of the turn-around project, Enedo has a solid plan to increase skills and invest in equipment to improve efficiency and quality. An electronics factory in Tunisia has clear advantages in terms of growth potential: costs are lower, personnel are readily available, and trade agreements with the EU are in place. The proximity to Europe and the long-term and significant activities already present in the automotive industry in Tunisia ensure a healthy development. Enedo has an organization with high technical know-how and a good sense of market requirements. From a product point of view, we see great potential for modularly configurable solutions to serve all customer segments. Although all customer segments are showing strong growth, Enedo is particularly strong in the field of test and measurement, which places extra high demands on the power supply quality. This technology is highly applicable in MedTech, which is also growing. In general, electrification and modification of electricity for various applications is a fast-growing market. An extremely strong growing customer segment is e-mobility, as well as renewable energy and distributed power.

Covid-19 pandemic, which resulted in a lingering component shortage, also made 2022 a turbulent year where our customers have been affected to varying degrees. The shortage of components has affected all areas of the supply chain, not just electronics, but plastics, sheet metal, cabling, and especially transport. This has strained flexibility and negatively affected efficiency.

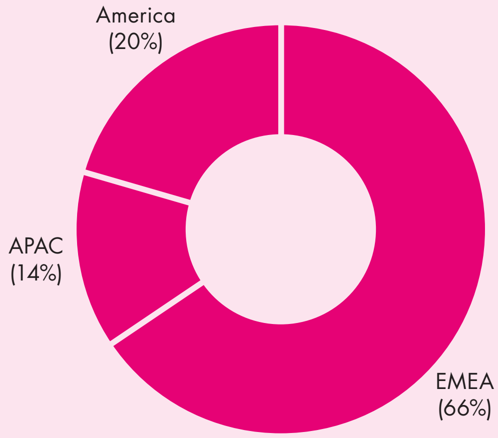
Quality

Quality for Enedo is to meet customer expectations in all respects. This is how we get the most satisfied customers. Our philosophy is, therefore, that quality is something that should be built into our products from the start and permeate all aspects of our offer. Satisfied customers confirm that our quality meets their expectations.

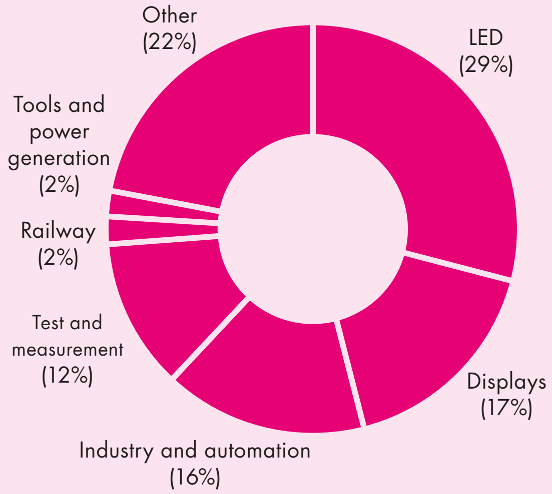
Financial targets for 2023

- Net sales: MSEK 500
- Profitability: 4% EBITA

Enedo, sales by geography:



Enedo, customer segments:

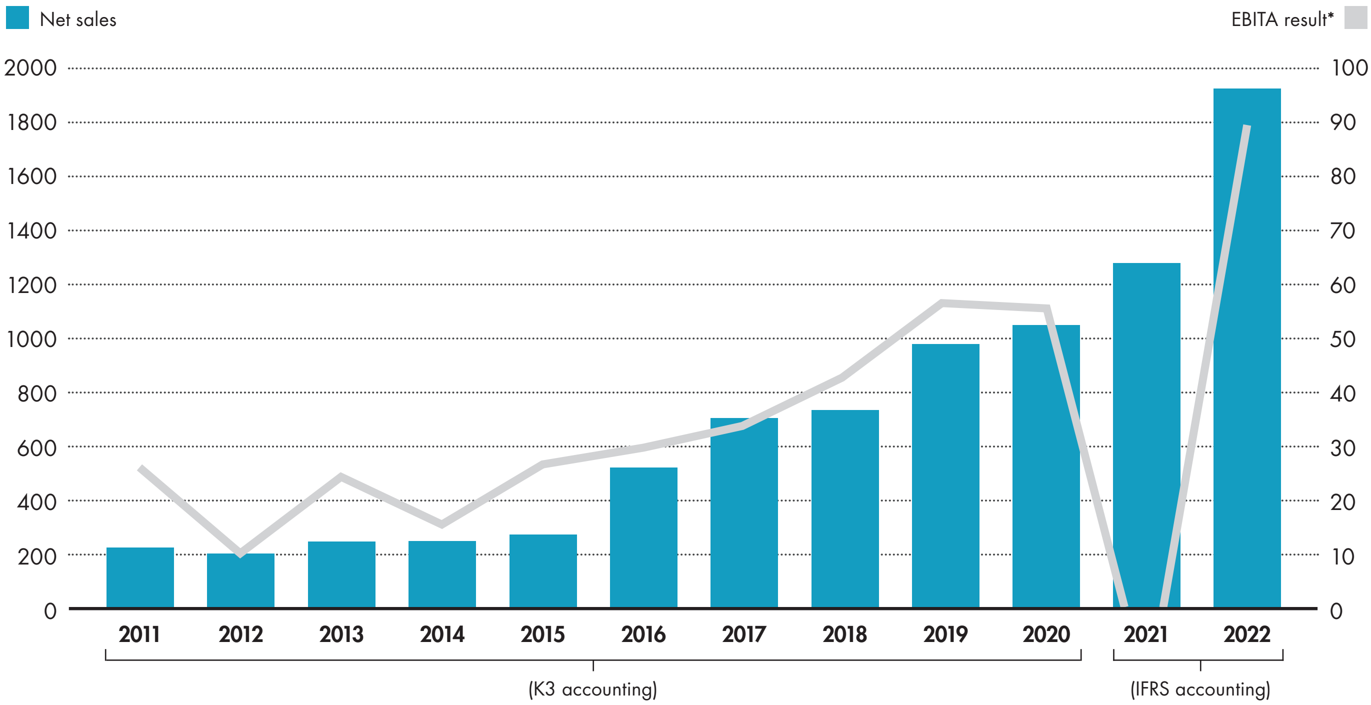


SUMMARY OF ENEDO BUSINESS AREA – POWER ELECTRONICS AND SYSTEMS

- Develops, produces, and markets power supplies and systems, with a focus on high-quality tailor-made solutions.
- Net sales of MSEK 493
- Benefits from megatrends, such as electrification and digitalization
- 334 employees
- Strong sales growth in Asia and America
- Well-diversified customer portfolio in several growth areas

Financial year 2022 in brief

NET SALES & EBITA RESULT* (MSEK)



TWELVE MONTHS (JANUARY 1–DECEMBER 31, 2022)

Net sales (MSEK)	**1 921**	**(1 283)**
EBITA* result (MSEK)	**90.6**	**(-18.2)**
Operating profit EBIT (MSEK)	**87.5**	**(-20.5)**
Cash flow from operating activities (MSEK)	**70.7**	**(-39.4)**

Equity ratio (%)	**27%**	**(32%)**
Earnings per share before dilution (SEK)	**2.57**	**(-2.34)**
Earnings per share after dilution (SEK)	**2.57**	**(-2.34)**

SUSTAINABILITY GOALS AND OUTCOMES** 2022

Customer satisfaction***

Goal: 100%

Why: Inission's mission is to have the most satisfied customers, which is a prerequisite for new business and growth.

Outcome: 97% (96%)

Employee engagement

Goal: 70%

Why: It's all about people, and ultimately they are our most important resource. We want to be a good employer where everyone thrives, develops, and grows.

Outcome: 71% (71%)

Health attendance

Goal: 97.5%

Why: A high health attendance indicates a sound working environment that does not negatively affect the health of our employees. Inission has set a high goal for our employees to thrive at work.

Outcome: 95.1% (95.8%)

Environment****

Goal: 2.12 CO_2 tonne/MSEK

Why: The climate is changing and we need to act. Inission sees it as a given to reduce the CO_2 emissions caused by its activities. Our ambition is to become carbon neutral by 2025.

Outcome: 1.73 CO_2 tonne/MSEK (2.36 CO_2 tonne/MSEK)

* EBITA – operating profit adjusted for amortization of intangible assets arising from acquisitions
** Refers to companies that were part of the Group during the first half of the year (i.e., excl. Enedo)
*** Read more about customer satisfaction on page 7
**** According to GHG Protocol, Scope 1 & 2

CEO review

Profitable growth

The Inission Group consists of two business areas as of the third quarter of 2022. The Inission business area contract manufactures electronics and mechanics (EMS - Electronic Manufacturing Services), and the Enedo business area develops, manufactures, markets, and sells electronics for power supplies (OEM - Original Equipment Manufacturer). Unlike Inission, Enedo is a product company. Our plan going forward is for these two business areas to be run and operate as two independent groups. In the same way that the companies within each group work together to achieve synergies, these two business areas will also work together to the same end. There are clear synergies on the customer side and in financing, manufacturing, and purchasing.

We have taken a major and important step forward by adopting IFRS as our accounting standard, which makes it easier for investors to compare us with similar listed companies. Compliance with IFRS is a quality stamp and enables a future list change. Recalculation has been done retroactively to facilitate backward comparisons starting January 1, 2021.

Growth

A year ago, we emerged from a situation where we had been entirely at the mercy of a shortage of components. Over time, capacity also became a partly limiting factor. My prediction, then, that increasing availability would enable organic growth came true. We have completed a record year where both Inission and Enedo grew organically by 33%. The corresponding growth was 45% and 48% in the fourth quarter, respectively. Inission's growth was admittedly affected by material sales, but even excluding that, the growth was impressive. The availability of components has gradually eased. Now it is mostly capacity that limits growth. The order levels are excellent and are expected to remain so. Several of our customers are announcing strong growth in their sales. Historically, acquisitions have been the main component of our growth. In 2022, the bulk of the growth has been organic. Our aim is to keep it that way in the future.

Inission originates from the consolidation of several brands and is the result of a deliberate strategy based on creating a challenger in an industry that has been characterized by price focus and extensive relocation of production. We believe in proximity to the customer and today, eleven years later, we feel that we are more on the right track than ever. Trends such as sustainability, electrification, 5G, IoT, and, not least, the fact that electronics is an enabler in more and more industries speak clearly for our cause. We are proud of what we have achieved so far. We have established a strong brand in an industry that the market does not categorize as particularly exciting. We do, however, and we will continue to face all challenges with the same passion and innovative thinking we have always had.

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TWO FIVE 2025

Based on our mission to get "The most satisfied customers", we have invested much time since 2011 in refining our business strategy to take us to the next level. An important part of this strategy is our production system Inspirit and Inission Academy, our investment in skills development. We have continued to work towards our long-term goal during the past year, "TWO FIVE 2025", which stands for doubling profitability, doubling net sales, and becoming one of the five most profitable contract manufacturers in the Nordic region by 2025. We will achieve this by doubling flow production, reducing CO_2 emissions to zero, increasing employee engagement by 20%, and reaching customer satisfaction above five on a six-point scale. To support this journey, our structural changes continue. We are moving towards larger subsidiaries, strengthening the central functions in sales and purchasing, and our development resources are gathered in a separate business area for better clarity. Similar ambitions have been formulated in Enedo. During the year, we have initiated a strategic collaboration with the recognized expert consultancy firm Part Development. We will be assisted by Part to develop our processes over six years. A clear commitment from Part is that they will take half the commission in the form of Inission shares.

We continue to grow through acquisitions

Inission's strategy is to be at the forefront of the ongoing consolidation in the industry by acquiring and improving strategically selected businesses. The acquisition of MLB Electronics concluded in early 2022 is a prime example. In 2023, MLB will be co-located and merged with Inission Lohja. Our recent acquisitions have given us both development resources and sheet metal processing. In the second half of 2022, we acquired an additional 46% of Enedo. A process is underway to compulsorily redeem the remaining 4% and delist Enedo from the Helsinki stock exchange.

The future

The pandemic and the subsequent shortage of components have limited our efficiency and, thus, our sales in recent years. It has also significantly increased our capital tied up. The situation is now gradually easing. For the most part, capacity is now the key factor, although the component situation continues to cause problems. We hope and believe that the shortage of components will be resolved in the second half of the year. Our goal is to grow organically, which we are well-placed to do.

The full-scale, deeply tragic war in Ukraine has lasted over a year. We fear that it will last for a long time. We have employees from both Ukraine and Russia in our factories in Estonia. The direct impact of the war on our customers and suppliers has been very small. The indirect impact has partly reinforced trends affected by Covid-19, deglobalization, regionalization, and geopolitical tensions. Another clear impact is electrification. The cut-off of Russian oil and gas has highlighted the urgency of phasing out fossil fuels, also in heating.

Central banks around the world have printed and issued huge amounts of money at little or no cost. It was no surprise that this would eventually lead to inflation. The surprise was rather that it took so long to take off. Now the same central banks must stop inflation at all costs, using higher interest rates and shrinking balance sheets as weapons. This has already led to a slowdown in private consumption. However, it is difficult to predict when and how this will affect our customers. It is, therefore, more important than ever for us to be close to our customers and understand how they and their customers are affected. We must be prepared to pass on cost increases. We must also be prepared to adjust our capacity and costs.

Fredrik Berghel, Chief Executive Officer of Inission AB. Karlstad, Sweden April 4, 2023

Mission, vision, strategy & values

Mission

Everything we do is based on our customers' stated and unstated needs. Therefore, we continue to focus on our mission to get **The most satisfied customers**. We want to know our customers' needs so well in various situations that we can adapt our offer and processes to deliver maximum value. Customer value is, therefore, the first principle of our Inspirit operational system, which is based on Lean production.

By understanding what creates value for each individual customer, we build efficient flows and work processes. This means simplifying and cutting red tape to provide the goods and services agreed upon with customers quickly and efficiently. During the year, we have initiated a strategic collaboration with the recognized expert consultancy firm Part Development. We will be assisted by Part to develop our processes over six years.

In parallel, we are actively and purposefully working to establish a learning organization. This means creating conditions for continuous learning rather than mere execution. That is why we started Inission Academy in 2019, a platform for skills development for all employees, with training courses in, e.g., leadership, project management, Lean, purchasing, production, and finance. By creating conditions for lifelong learning, we can meet the industry's current and future challenges.

Vision

Our vision is to become the industry's best total supplier, both for the customer and the customer's customer. This requires us to constantly develop and improve, but also to understand our customers' expectations. We want to develop the industry and lead by example. Our customers should feel proud to have Inission as a supplier.

Strategy

Decentralized structure

Each subsidiary in the Group is a profit center managed through operational and financial key-figures. Each center has a differentiated focus that complements and strengthens the other centers for the benefit of our customers.

We operate through our values

Our values are integral to the corporate culture built over a long time. Inission's values come from within the Company, from the employees themselves, and have been developed in training courses and workshops. Values should come naturally and permeate everything that Inission does and works for.

We show and offer uniquely good performance

We love constantly setting targets, measuring, and monitoring to improve our operations.

We are growing organically through increased competitiveness and efficiency

New customers are the ultimate confirmation that our offer is appreciated and that we are competitive.

We are growing through acquisitions

Inission's strategy is to lead the way in the ongoing consolidation within the industry. We do this by acquiring and improving customers' outsourcing operations or by acquiring other contract manufacturers.

FLEXIBILITY

All our customers are unique and should be treated uniquely. This places high demands on our adaptability. All problems have a solution. We never say no. We always suggest an alternative. By being open, curious and solution-oriented, we come up with a better solution together.

PRECISION

We want to deliver on time, acknowledge and follow up on information, understand each other, clearly explain why things are important, pay attention to details, take personal responsibility, and not give up.

TRUST

We are honest, do not promise more than we can keep, base decisions on facts, are critical when we convey information, are proper and act with confidence, keep times, are prepared, and admit our mistakes.

ATTITUDE

We want to pay attention to one another, talk to each other and not about each other, not blame others, listen to each other's opinions, make sure to keep our environment clean and tidy, be involved in improvement work by reporting deviations and work with systematic problem solving.

Market and trends

7–10%
market growth according to analysts

Market analysts expect electronics manufacturing in Northern Europe to grow between 7–10 percent per year. The strong electrification trend, the growing number of smart solutions, and the defense rearmament contribute to the positive market outlook.

IDENTIFIED MEGA-TRENDS:

Restored production from Asia

Previously, there was a great deal of interest in the West to locate electronics manufacturing in Asia, which created vulnerable supply chains and large transport needs. After the pandemic, the increased focus on sustainability, world trade barriers, and uncertainties in the maritime market, it is now clear that customers are demanding proximity to development and manufacturing services. Recent geopolitical events have further reinforced this notable recovery trend. Add to that the pricing with rising margins in recent years. Proximity to customers facilitates the planning and development of tailor-made production proposals and shortens lead times and transportation distances. This adds value to each product delivered. Instead of just setting up factories and manufacturing capacity, we can integrate early with the customer and plan and calculate the best components for each product to be delivered.

Electric charger infrastructure

The major growth has not yet started. There are many players in the market. An exponential increase in electric freight transport is predicted in the coming years. Light electric trucks can already be a competitive alternative, and heavy electric trucks for regional transportation are in the market today, while we see trucks for the heaviest and longest transports being tested in various projects. While trucks are being electrified, cars and industry are being electrified as well, leading to increased power demand for society. However, with smart charging, power peaks can be reduced to the benefit of the individual property or the transport company and the electricity system. There are currently players in the market developing smart charging solutions for commercial transport, which take into account both access to power and electricity prices, and also enable the sale of frequency regulation in Swedish electricity grid balancing markets.

Renewable energy

Renewable electricity capacity hit new records in 2021, and biofuel demand almost recovered to pre-covid levels, despite continued logistical challenges and rising prices. However, the Russian Federation's invasion of Ukraine sends shockwaves through energy and agricultural markets, resulting in an unprecedented global energy crisis. In many countries, governments are trying to protect consumers from higher energy prices, reduce dependence on Russian supplies and propose policies to accelerate the transition to clean and renewable energy technologies. Renewable energy has great potential to reduce prices and dependence on fossil fuels in the short and long term.

Defense

The political security situation has dramatically deteriorated in Europe. This situation, combined with the application of Sweden and Finland to NATO, will increase the export of defense equipment. Therefore, the demand for suppliers to the defense industry is also expected to increase. Potential for offset business in the Northern Europe region is to be expected.

Robotics/Cobots/Industrial automation

In Denmark, a successful cluster of robot companies has emerged, with Universal Robots as the flagship. The cluster has its roots in visionary decisions made 30 years ago by representatives of the private sector business community in collaboration with university researchers. Mobile Industrial Robots and Universal Robots have acquired a 50 000 square meter building in Odense, where MUSD 36 will be invested in constructing a large cobot hub in the "cobot capital of the world". Collaborative robots – or cobots – are now the fastest-growing segment in industrial automation.

This trend spotting is based on the conditions in Inission's market, i.e., Northern Europe, contract manufacturing, and power supply.

Acquisition strategy

An important part of our strategy is growth by acquisition. Inission has shown over the years that we can combine good profitability with growth through acquisitions. Acquisitions are, therefore, a vital component of our profitable growth strategy. Inission's two principal owners, Olle Hulteberg and Fredrik Berghel, are responsible for the strategic acquisition work within the Group.

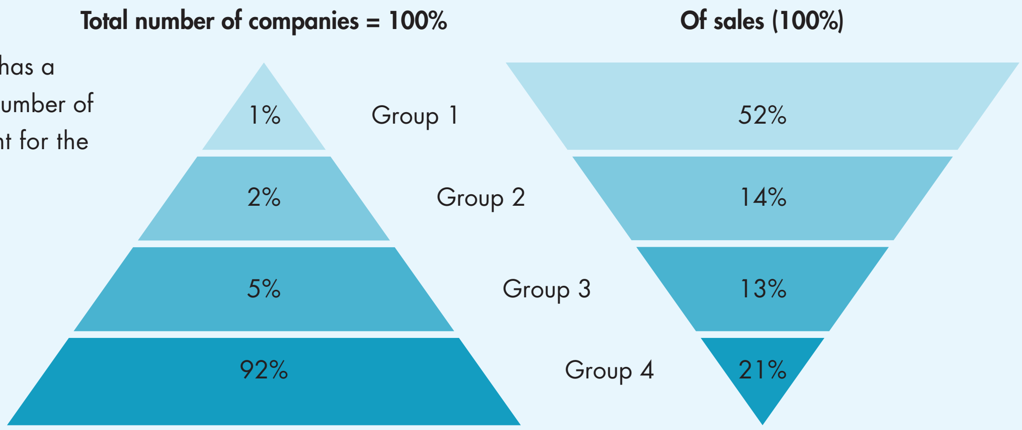
Inission operates in an industry under consolidation, and we have the ambition to be a driving force in this consolidation. The image below clearly illustrates the industry's structure and which opportunities for consolidation there are. A fundamental requirement for our acquisitions is that they are in the same industry and have similar operations. Our goal is to acquire 100% of what we purchase. By doing so, acquisitions strengthen us, and we create the best conditions for synergies. With the acquisition of Sweco Elektronik in 2019, we broadened our offer with development services, and with the acquisition of HY-Tech in 2020, we broadened our offer with contract manufacturing of sheet metal products.

We further broadened our offer with our investment in Enedo in early 2021. Additionally, we made a complementary acquisition in Finland in 2022 in the form of MLB-Electronics. MLB is a well-run company in Lohja, where we are already present. MLB will be co-located and merged with Inission Lohja during 2023. We also advanced the positions by acquiring an additional 30% of Enedo in the summer of 2022 through an 11 to 1 share exchange, which triggered a mandatory bidding that was completed in September. The outcome was that Inission now holds 96% of the votes and capital in Enedo. A process to compulsorily redeem the remaining shares and delist Enedo from the Helsinki stock exchange is ongoing and expected to be completed in Q2 this year. Enedo manufactures high-quality electronic power supplies, with operations in Finland, Italy, and USA, and a production facility in Tunisia.

If the investments provide clear synergies on the customer side, there are great opportunities to make additional acquisitions in these areas. All three of these industries are more fragmented than contract manufacturing of electronics. Until synergies have been demonstrated, Inission's acquisition focus is on the electronics side.

Structure

The Nordic EMS market has a structure where a small number of large companies account for the majority of sales.



Synergies

Acquisitions strengthen our business by expanding our customer portfolio, increasing our geographical presence, and enhancing our expertise. We always analyze acquisitions in terms of customer portfolio to ensure that the customers will fit into our structure. Acquisitions also strengthen our purchasing power and create a basis for synergies in procurement. Inission has a common and modern IT structure for all our companies. We develop a plan to integrate the acquired company into our IT environment upon acquisition. The advantage is that we are then able to have common processes with IT support and smoothly share data. Our Monitor business system is a prime example of this. In the coordination we do, we strive for the best-known process in our factories. In the case of an acquisition, we adopt the working methods of the new target and evaluate the best-known process in both directions.

Continued on next page »

Acquisition process

We continuously evaluate different acquisition targets. When we see an opportunity, we evaluate the business in terms of the customer portfolio, management and corporate culture, financial history and future potential, and geography. At the same time, the plan for integration and development begins. After completing an acquisition, we, therefore, have a plan for how the acquired business will be incorporated into Inission. We call this process to Inissify. Each Inissification is based on the acquired company's conditions and is a unique project. Through our acquisition experience, we have created a well-structured process for Inissification that promotes profitable growth, satisfied customers, and employee satisfaction.

We introduce some fundamentals almost immediately after entry, e.g., financial reporting, key-figure monitoring, and coordination of terms and conditions for joint suppliers. We want to coordinate and standardize as much as possible at the process level. However, this is a journey that usually takes several years.

Customer portfolio

The customer portfolio should complement our current portfolio, meaning new customers come in with new requirements and demands.

Financial history and future potential

The evaluation will assess the financial position, future potential, and development opportunities.

Management and corporate culture

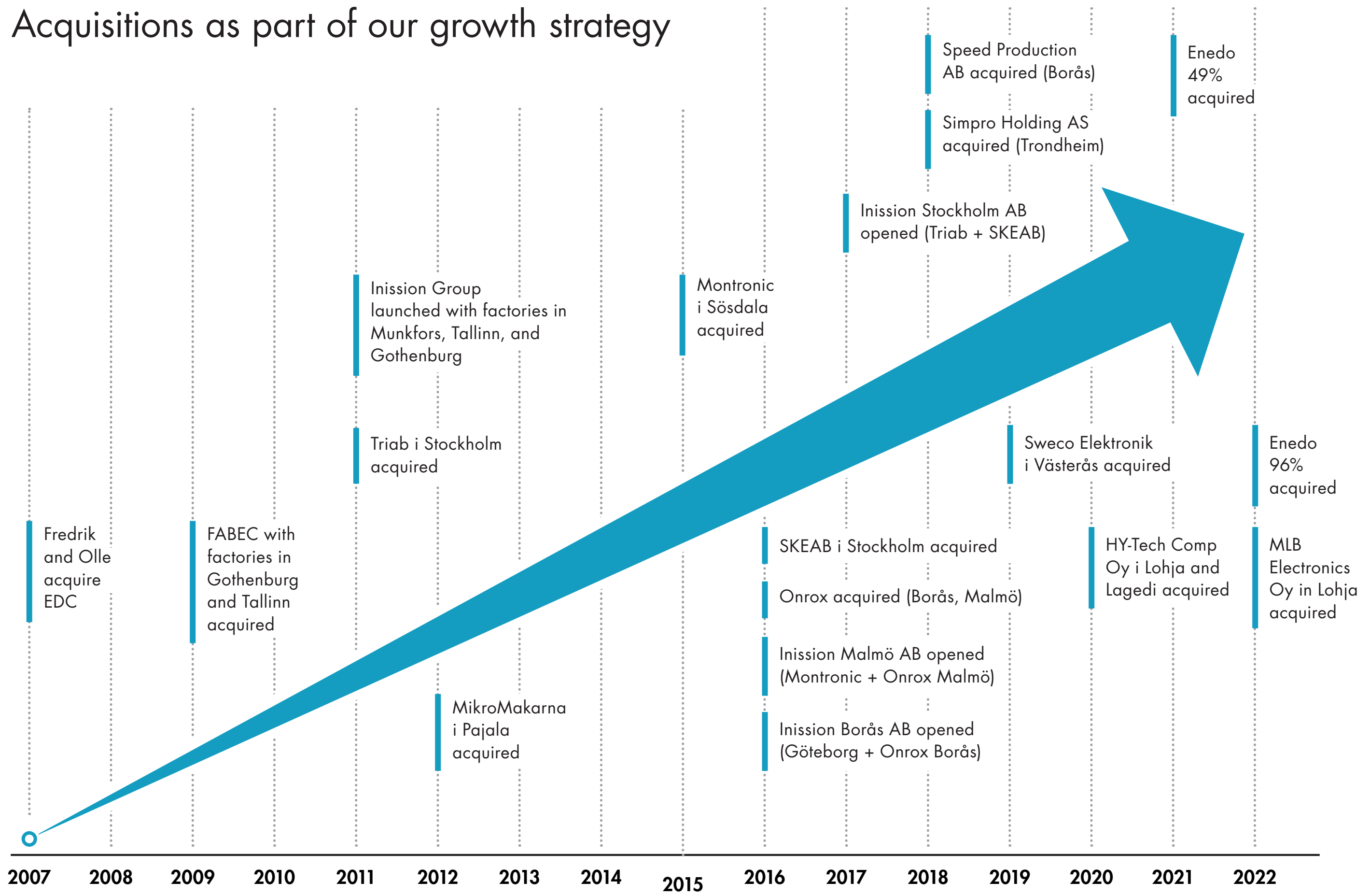
We evaluate the current management and structure and assess the potential for improvement.

Geography

Northern Europe is our market, and based on our current locations, we wish to grow in that market. Deviations from this may occur when one or more customers want us to establish ourselves jointly in a new market.

» The aforesaid applies to the EMS part of the Inission Group. For other parts – mechanics, development services, and power supply – synergies remain to be confirmed before proceeding with further acquisitions.

Acquisitions as part of our growth strategy



Inission Academy

We are convinced that our contribution to our customers' success goes through our competent and committed employees. Therefore, it is important that all employees develop and have fun at work. Development of skills mainly takes place in our daily work, by growing with the tasks and being involved in developing these, combined with training. Individual employee interviews ensure that employees have the opportunity to influence their development. Born out of Inspirit and our quest to always improve, we established the Inission Academy to develop our employees' individual and collective skills. Through Inission Academy, we offer our employees courses and skills development in a number of different areas. We use both external and internal education to develop employees in leadership, project management, Lean, purchasing, production, and finance. The majority of our training courses are led by our own personnel. It creates credibility, and the symbolic value of developing each other should not be underestimated.

By creating the conditions for lifelong learning, we can meet the industry's current and future challenges.

BENEFITS

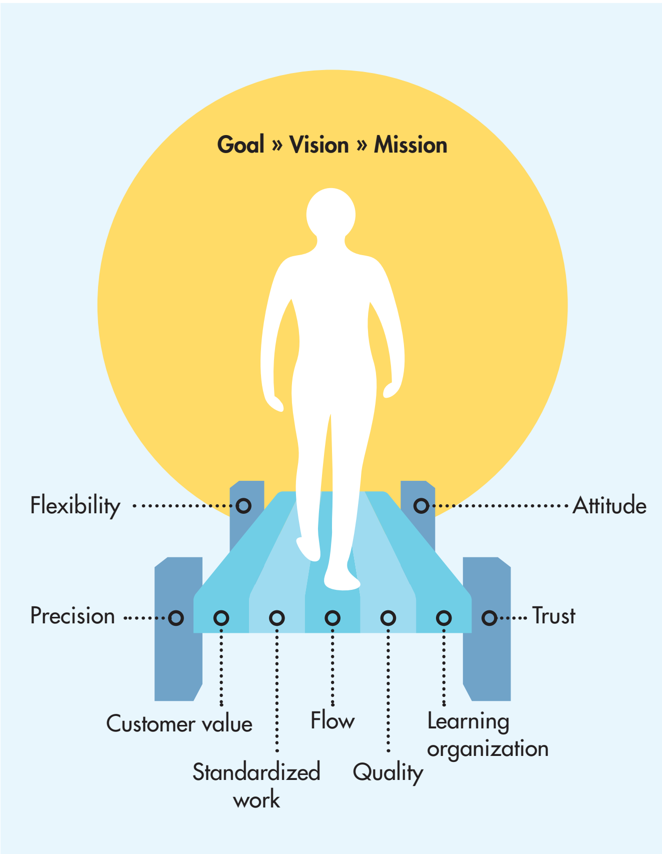
- Individual development and the opportunity to grow as a person
- Increased attractiveness during recruitment
- Strengthened corporate culture
- Contribution to Inission's further profitability and growth




In 2022, we trained 66 employees through a total of 845 training hours.

Inspirit – business strategy

Since its inception in 2008, Inission has systematically worked to develop our understanding and application of Lean. On this journey, we have often worked together with other companies in different networks. We have also brought in external knowledge in order to evolve. Lean has been more or less in vogue from time to time. When we are on study visits to gain new knowledge and inspiration, we see a clear link between how good someone is and how long they have been doing it. Our takeaway from that is the importance of never giving up. Lean is a very broad concept and has sometimes become synonymous with something that is good. With the aim of clarifying exactly what Lean means to us, we have created Inspirit. Inspirit is thus our definition of Lean. Inspirit is our production system and business strategy. The business strategy describes how we should think and, accordingly, how we should act. Five principles guide our thinking: Customer value, Standardized work, Flow, Quality, and Learning organization. As with everything we do, Inspirit is based on our values. In short, Inspirit explains our best-known way to achieve our vision and mission. We have also created a challenge, a milestone, on the way to our vision. Now our challenge is "TWO FIVE 2025". Since the Inission Group continuously acquires businesses, different companies in our Group are at varying stages of development. We have therefore created a set of clearly defined development steps. This enables our different companies to work on these issues according to their own abilities. In 2022, we made a great effort to drive this development forward by signing a long-term agreement with Part Development that will methodically go through our entire Group over six years.



TWO FIVE 2025

TWO FIVE 2025 is Inission's long-term goal. The name stands for doubling profitability, doubling net sales, and becoming one of Northern Europe's five most profitable contract manufacturers by the end of 2025. To reach the goal, we need to double flow production, reduce CO_2 emissions to net zero, increase employee engagement by 20%, and achieve a customer satisfaction rating above five on a six-point scale.

The share

The number of A shares in the Company as of this date is 2 400 012. The number of B shares amounts to 17 863 030. The number of votes in the Company as of this date amounts to 41 863 150. One A share has 10 votes. One B share has one vote.

No agreements, laws, or paragraphs in the Articles of Association limit the right to transfer shares. No provisions in the Articles of Association or any other agreement regulate the appointment and dismissal of Board members or their severance pay. Furthermore, there are no restrictions by agreement or the Articles of Association on amending the Articles of Association.

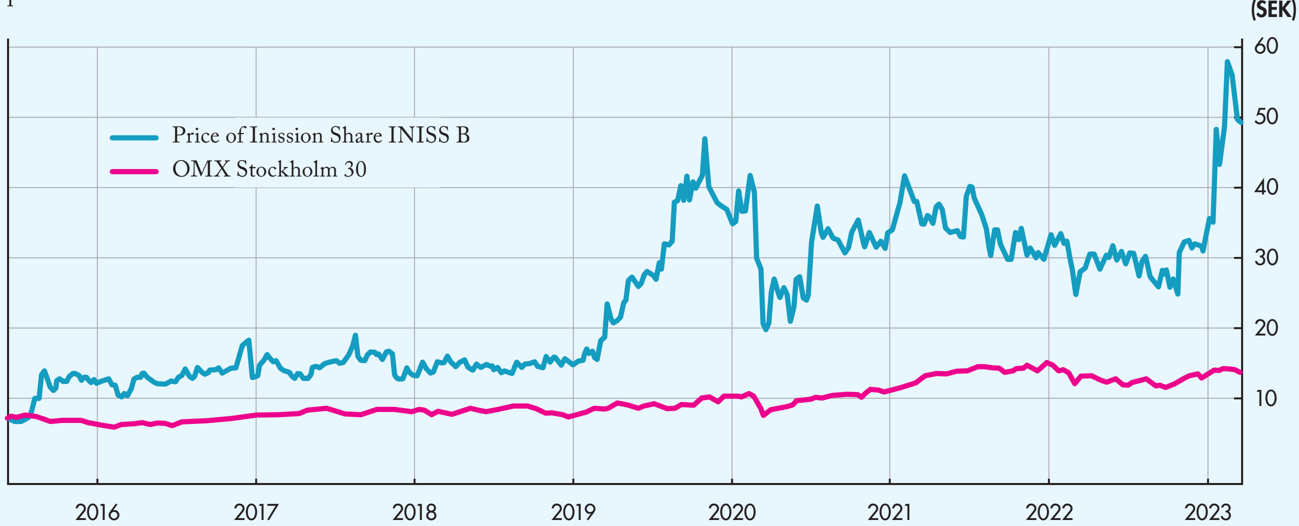
OWNERSHIP, 2022-12-31

Shareholder	Series A and B shares	Votes	Capital
IFF Konsult AB	5 282 988	33.26%	26.07%
FBM Consulting AB	4 863 012	23.23%	24.00%
Wingefors depå fyra AB	1 714 140	14.41%	8.46%
Creades via Kapitalförsäkring	1 740 494	4.16%	8.59%
Handelsbanken Microcap Sverige	925 000	2.21%	4.56%
Joensuun Kauppa ja Kone Oy	687 337	1.64%	3.39%
Björn Eriksson	508 500	1.21%	2.51%
Almia Consulting AB	420 000	10.03%	2.07%
Rausanne Oy	416 754	1.00%	2.06%
Other	3 704 817	8.85%	18.28%
Total	**20 263 042**	**100.00%**	**100.00%**

FBM Consulting AB is ultimately controlled by Fredrik Berghel.
IFF Konsult AB is ultimately controlled by Olle Hulteberg.
Wingefors Depå Fyra AB is ultimately controlled by Lars Wingefors.

SHARE PRICE PERFORMANCE

From June 10, 2015, to March 15, 2023. Inission has, since the introduction, distributed the equivalent of SEK 20.5 per share.



SUBSCRIPTION WARRANTS

At the Annual General Meeting on May 5, 2022, a decision was made to establish an employee share options program with a term of three years. The subscription period expires at the end of July 2025. In total, the options program entitled to a subscription of 145 000 shares, of which 47 640 shares were subscribed, corresponding to a dilution of 0.3%. The subscription price amounted to SEK 35.20. In 2023, the Board proposes a corresponding program to the Annual General Meeting. A full presentation of the proposed program can be found in the Annual General Meeting notice.

THE FINAL RESULT OF THE ENEDO MANDATORY PUBLIC OFFER

In October 2022, Inission announced the final result of the mandatory public offer for all shares issued by Enedo Plc. The shares submitted in the takeover bid represented approximately 15.42% of all shares and votes in Enedo. Of these, a total of 295 Enedo shareholders (3 932 851 shares in Enedo) opted for a share consideration, and a total of 1 824 Enedo shareholders (6 630 428 shares in Enedo) opted for a cash consideration. Inission now owns ca. 95.85% of all shares and votes in Enedo and has initiated the process of compulsory redemption of the remaining shares. This is planned to be completed during the first half of 2023.

Risks

The business is affected by several factors, which in some respects cannot be controlled by Inission at all, and in other respects not completely. Factors considered particularly important to the Company's future development are described below. The following risk factors account does not claim to be complete, nor are the risks ranked by importance. Additional risks that are currently not known to Inission can have a significant impact on Inission's operations, financial position, and/or results. None of the factors are described in detail, and a complete evaluation must include all information in this Annual Report and a general assessment of external circumstances.

RISK MANAGEMENT

Economic cycle

The industry is sensitive to economic cycles in the sense that we are dependent on the extent to which our customers' customers choose to make their purchases. However, we have customers in several industries with partially different economic cycles. If the general state of the market suffers a significant deterioration, there is a risk that Inission's net sales and performance will be adversely affected.

Customer dependence

Today, Inission has contracts with mainly about 160 customers from many different industries, limiting Inission's customer dependence. Inission's largest customer accounted for approximately 5% of revenue in 2022. Some business risks relate to the market success of the key customers' products and also the progress of Inission's offer, where primarily product development projects within Enedo depend partly on the customers' project schedules.

Product portfolio (Enedo)

Fluctuations in demand typical of the market may lead to rapid changes in Enedo's operations. To manage the risks in the product offer, Enedo has ongoing measures to upgrade the product portfolio and keep up to date with the latest technologies.

Complaints

Complaints may arise from defects in the manufacturing process and/or products. The cause may be, e.g., mechanical failure, operator error, component defects, or design flaws, both in the hardware and the software. Complaints costs are on par with the rest of the industry. Historically, Inission has had low complaint costs.

Production, disruption, and logistics

Inission conducts advanced manufacturing in several different areas with multiple production facilities, all with high demands on modern machinery and efficient processes. Inission can move production between the different units in case of, e.g., fire or similar accidents. The main risk is materials, especially electronics, which have long replacement times, and a move can be associated with high costs.

Materials

Inission's customer orders often extend over long periods during which material prices may change. Inission mainly protects itself against price changes of materials through price and currency clauses. It cannot be ruled out that Inission will be negatively affected by large price increases in raw materials and inputs. Historically, currency fluctuations have had the most significant impact on the price of materials, as we primarily trade components in the original currency. Inission partly counteracts this by having customer contracts in the same currencies as we buy components. In addition, we hedge part of our net outflow in foreign currency. We still feel the effects of Covid-19 in the form of uncertainty about the supply capacity of some suppliers.

Component shortages are also a risk, i.e., the availability of customer-specific materials may create problems. In the financial statements, an impairment loss is recognized for inventory obsolescence, meaning that materials that have not been moved for 12 months and have no orders are considered obsolete. Determining impairment is a matter of judgment.

Key personnel

Inission has a decentralized structure. This means that company executives and their management teams operationally manage Inission. Strategically, Inission is developed by these company executives together with Group-wide resources. If key personnel within Inission were to leave the Company, there is a risk that, in the short term, this would harm Inission.

Financial risk management

Information on financial risk management can be found in note 3.

Sustainability report

"Sustainability is crucial to Inission's long-term business. Being responsible and innovative by improving ourselves daily will create opportunities for good business with efficient production and environmentally friendly products. This is not something we can do on our own. We believe in collaboration. We support and cooperate with the UN Global Compact for Sustainable Development."

- Fredrik Berghel, President and Group CEO

Inission's sustainability work is integral to our business operations throughout the organization. We are a total supplier of tailored manufacturing services and products in the field of advanced industrial electronics and mechanics. Our services cover the entire product lifecycle, from development and design to industrialization, volume production and aftermarket services. Inission has operations in Sweden, Norway, Finland, Estonia, Italy, USA, and Tunisia with about 900 employees. Inission's offer is divided into two business areas, one of which is contract manufacturing of electronics and mechanics under the brand name of Inission and the other is power electronics and systems under the Enedo brand. Read more about our business model and business areas on page 5. In our role as a manufacturer, we collaborate with both our customers and suppliers to contribute to sustainable development. Inission's Code of Conduct sets out what we require of ourselves, our suppliers, and business partners to succeed. We take responsibility by including all three perspectives: environment, social, and economic sustainability. Operations take place in our facilities, and we take responsibility by working actively with social issues, streamlining our processes, and acting ethically in our business.

Continued on next page »

We regularly work with our larger suppliers based on the Code of Conduct. Our purchasing categories are components, electromechanical components, mechanics, PCBs, cabling, and indirect materials. Most of our electronic components are purchased by distributors who, in turn, buy directly from the manufacturer. Inission's centralized purchasing organization complements our local purchasing functions and works more on strategic issues, including sustainability.

Inission is part of our society on a broader level, and we see a clear trend among customers, suppliers, and employees that interest in sustainability issues is increasing. Inission has always had high ambitions within sustainability and is well equipped to further focus on these questions. We simply think that it is important. In 2022, objectives, activities, and reporting have been established within Inission based on the major sustainability project carried out in 2021. A part of this work has been training for key personnel in several sustainability areas: the global goals, the UN Global Compact's Ten Principles, Inission's four sustainability goals and direction, and the GHG protocol Scope 1 & 2. A film has also been produced to train new employees on the Code of Conduct. A whistleblower policy and related reporting tools have been implemented for the Group companies in 2022*.

SUSTAINABILITY GOALS AND OUTCOMES* 2022

Customer satisfaction**

Goal: 100%

Why: Inission's mission is to have the most satisfied customers, which is a prerequisite for new business and growth.

Outcome: 97% (96%)

Employee engagement

Goal: 70%

Why: It's all about people, and ultimately they are our most important resource. We want to be a good employer where everyone thrives, develops, and grows.

Outcome: 71% (71%)

Health attendance

Goal: 97.5%

Why: A high health attendance indicates a sound working environment that does not negatively affect the health of our employees. Inission has set a high goal for our employees to thrive at work.

Outcome: 95.1% (95.8%)

Environment***

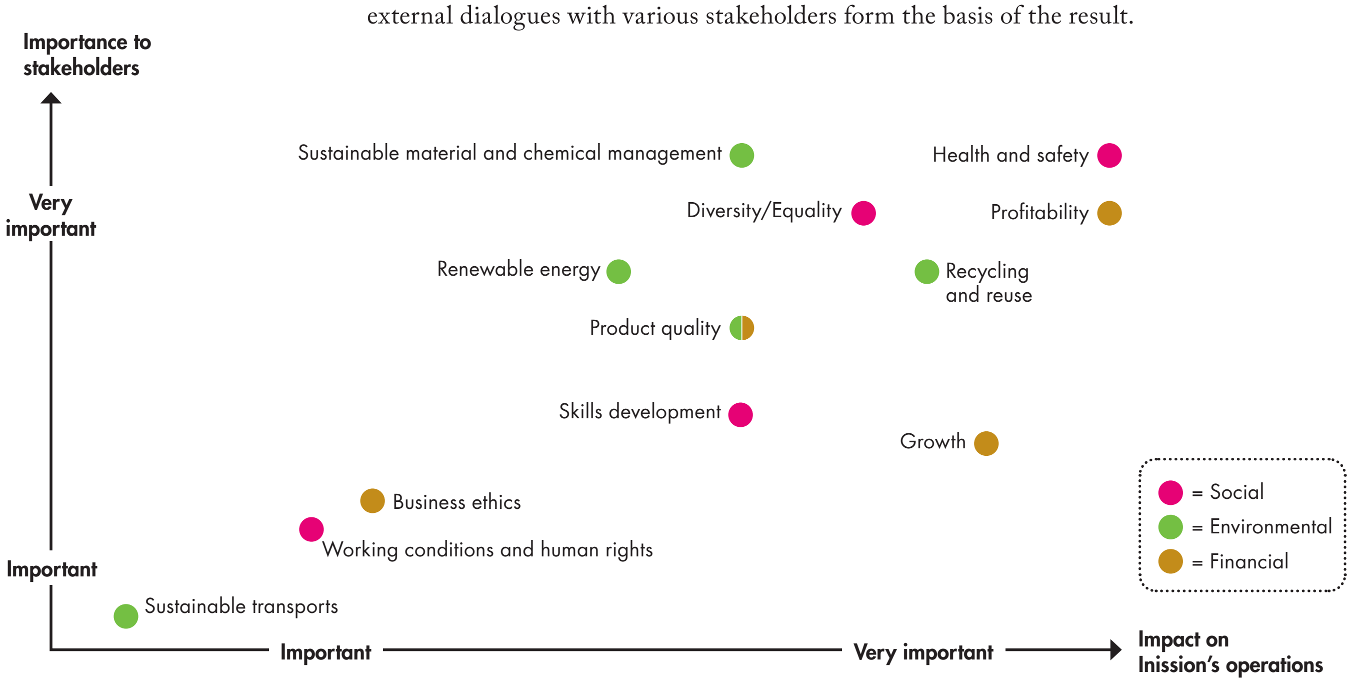
Goal: 2.12 CO_2 tonne/MSEK

Why: The climate is changing and we need to act. Inission sees it as a given to reduce the CO_2 emissions caused by its activities. Our ambition is to become carbon neutral by 2025.

Outcome: 1.73 CO_2 tonne/MSEK (2.36 CO_2 tonne/MSEK)

MATERIALITY ANALYSIS

As part of this work, Inission has carried out a materiality analysis where internal and external dialogues with various stakeholders form the basis of the result.



* Refers to companies that were part of the Group during the first half of the year (i.e., excl. Enedo)
** Read more about Customer satisfaction on page 7
*** According to GHG Protocol, Scope 1 & 2

Global goals

Based on Inission's materiality analysis, four of the global goals have been linked to Inission's sustainability work. Here Inission has the greatest opportunity to contribute to achieving the goals from a global perspective.

	5 JÄMSTÄLLDHET	8 ANSTÄNDIGA ARBETSVILLKOR OCH EKONOMISK TILLVÄXT	9 HÅLLBAR INDUSTRI, INNOVATIONER OCH INFRASTRUKTUR	12 HÅLLBAR KONSUMTION OCH PRODUKTION
DEFINITION	Gender equality between women and men is a prerequisite for sustainable and peaceful progress. Gender equality is about the fair distribution of power, influence, and resources.	Promote durable, inclusive, and sustainable economic growth, and full and productive employment with decent working conditions for all	Build resilient infrastructure, work towards inclusive and sustainable industrialization, and promote innovation.	Ensure sustainable consumption and production patterns.
INISSION'S WORK ON THE GOALS	Inission's Code of Conduct and Diversity Policy clearly state that every employee should be treated respectfully and fairly regardless of gender, age, ethnicity, religion, disability, or sexual orientation. These issues are followed up in the yearly employee survey. The work towards an equal distribution of female and male managers and employees is central for Inission.	Sustainable growth and stable profit performance are important to Inission and are reflected in the financial targets. All Inission employees should have a safe, non-discriminatory, and stimulating workplace. The Company applies a market-based and fair pay structure.	A sustainable and competitive industry is crucial for Inission's operations. By working in a structured manner on constant improvements, we develop new solutions that are smarter and more sustainable. We annually award the Inission Innovation Award to promote innovations and entrepreneurs who contribute to society.	Inission continuously implements measures to minimize the environmental impact of the operations following our environmental policy. The Company continuously promotes responsible consumption by managing and monitoring the purchase of goods and services. We conduct audits to monitor suppliers' compliance with the Code of Conduct.

Inission is since 2021 a Signatory member of the UN Global Compact. As a Signatory member, we have committed to follow and work with the Ten Principles in human rights, labor law, environment, and anti-corruption.

The work is conducted following applicable laws and regulations, and based on this, Group-wide policies are also set. Inission sets targets for its activities and measures and follows up according to these targets. In our Business Plan, which is drawn up per production unit, targets and activities are defined. The Business Plan is revised annually and followed up at all levels according to the established structure. In line with our decentralized business model, our production units are free to supplement with stricter requirements than the existing Group-wide policies.

Social sustainability

Inission has several tools to maintain and improve social conditions and human rights. The basis is our values, which guide us in making the right decisions. The work on the core values is ongoing, and to further increase the understanding of our values, we are working on our Code of Conduct, which can be downloaded from the website.

The most significant risks* related to social sustainability include freedom of association, discrimination, working conditions, and conflict minerals.

All production units have an employee handbook and related personnel policy that regulates, among other things, gender equality, working conditions, information and consultation with employees, trade union rights, harassment, health, and safety. All incidents are reported according to a standardized working method, followed by measures to maintain safety in Inission's factories.

All production units conduct annual employee surveys and performance reviews. According to the annual Group-wide employee survey, the level of employee engagement in 2022 amounted to 71%** (71%).

Risks in the supply chain are managed within the framework of the Procurement Manual and Inission's Conflict Minerals Policy. The Conflict Minerals Policy can be found on the website, **www.inission.se**. Our larger suppliers are regularly audited for human rights and compliance with our Code of Conduct.

The employees are Inission's most important resource, and through the Inission Academy we harness the potential of our employees. During the year, we have conducted several training courses in economics, purchasing, Inspirit (Lean), and our values Precision, Attitude, Flexibility, and Trust. We have also followed up on the much-appreciated leadership program together with Chefsakademin.

We also want to be an attractive employer. The Inission Academy and the collaboration with Chefsakademin aim to ensure Inission's access to skills. This is done by developing the skills of our employees and strengthening Inission's employer brand. Read more about Inission Academy on page 17 and our values on page 13 or at **www.inission.com/how/values**.

We also work actively to train the future workforce by offering internships for vocational and secondary school students and thesis work for college and university students.

A drug policy should be in place in all production units.

PRINCIPLES 1–6 OF THE UN GLOBAL COMPACT'S TEN PRINCIPLES	WORK ON THE PRINCIPLES	OUTCOME
1. Support and respect internationally proclaimed human rights in the sphere of corporate influence **2.** Ensure that their own companies are not involved in human rights abuses **3.** Uphold freedom of association and recognition of the right to collective bargaining **4.** Eliminate all forms of forced labor **5.** Abolish child labor **6.** Eliminate discrimination in respect of employment and occupation	Inission's Code of Conduct addresses all the UN Global Compact's Ten Principles. The Code of Conduct is available on the website: **www.inission.se** All employees have the right to collective bargaining, and to form and join trade unions as set out in the Code of Conduct. There are collective agreements for most of the production units. Through the Procurement Manual, Inission encourages existing and new business partners and suppliers to join or support the UN Global Compact by communicating the importance of these issues. Inission's Conflict Minerals Policy addresses our approach to conflict minerals and how we work with suppliers to avoid them. The conflict minerals policy is available on the website: **www.inission.se**	In 2022, Inission produced a film that trains new employees on the Code of Conduct. Training in social sustainability, the Ten Principles and Inission's sustainability goals and direction has been conducted for key personnel. A Group-wide employee survey was conducted during the year, where questions about discrimination were included to ensure that it does not occur. During the year, we have supplemented the local purchasing functions with a more centralized purchasing organization that works more with strategic issues, including sustainability.

* Read more about risks on page 20
** Refers to companies that were part of the Group during the first half of the year (i.e., excl. Enedo)

Environmental sustainability

Following our Environmental Policy, Inission shall systematically and continuously reduce its environmental impact. We set targets and measure and monitor these parameters to continuously reduce our impact.

The most significant risk* in environmental sustainability is not meeting the demands and expectations of legislators, customers, and other stakeholders. It is clear to us that demands for sustainability are increasing, and many stakeholders have more far-reaching demands than what is legislated.

Inission's goal is for all production facilities to be certified according to ISO 14001. The work shall be conducted with relevant environmental permits and licenses. With ISO 14001, we have a comprehensive tool for continuous improvement. The system stipulates both internal and external controls.

For our work with suppliers, we have a Procurement Manual that covers, among other things, transportation and how we minimize the environmental impact following our environmental policy. The Procurement Manual encourages our suppliers and business partners to join the UN Global Compact. We follow a precautionary principle by avoiding materials and methods related to potential environmental and health risks when other options are available. With the major sustainability project of 2021 as a basis, Inission established a structure for measuring carbon dioxide emissions according to GHG Scope 1 & 2 in 2022. Key personnel have been trained on the GHG protocol and Inission's impact, targets, and direction in the field. The results of the measurement are monitored and reported annually.

We shall comply with rules and legislation and continuously work on improvements to reduce or prevent our environmental impact from design to delivery.

PRINCIPLES 7–9 OF THE GLOBAL COMPACT'S TEN PRINCIPLES

7. Support the precautionary principle with regard to environmental risks

8. Take initiatives to promote greater environmental awareness

9. Encourage the development of environmentally friendly technologies

WORK ON THE PRINCIPLES

Inission's Code of Conduct addresses all the UN Global Compact's Ten Principles. The Code of Conduct is available on the website: **www.inission.se**

Efforts are continuously being made to improve Inission's environmental work in recycling, energy consumption, waste, and raw material consumption in compliance with Inission's environmental policy. The environmental policy is available on the website: **www.inission.se**

The production units are certified to ISO 14001 or are working to become so.

A database is used to identify RoHS, Reach, and conflict minerals in components

OUTCOME

Following Inission's environmental policy, new machinery has been installed in 2022. This contributes to a more environmentally friendly process through better use of raw materials, less tin slag, and lower energy consumption.

Several of our factories have improved their process for recycling production waste.

Additional factories have entered into renewable electricity contracts.

A project is underway to increase the electronic scrap recycling rate in one of our factories, together with a leading player in the recycling industry.

Key personnel have been trained in environmental sustainability, the Ten Principles, Inission's sustainability goals and direction, and the GHG Protocol Scope 1 & 2.

* Read more about risks on page 20

Continued on next page »

Economic sustainability

Our mission is to have the most satisfied customers, and we have, therefore, set our customer satisfaction target at 100%. This means that all our key customers should answer yes to whether they are satisfied with Inission as a supplier. The results are reported annually.

A prerequisite for satisfied customers is that we show and offer uniquely good performance, but also that our customers have confidence in us.

The most significant risk* in economic sustainability is corruption. Inission does not tolerate any form of corruption; bribes, extortion, bribery, or other attempts to create advantages, e.g., through payments, gifts of greater value, entertainment, services, donations, or other transfers of value. We monitor our suppliers and regularly conduct audits and reviews of our larger suppliers.

PRINCIPLE 10 OF THE UN GLOBAL COMPACT'S TEN PRINCIPLES	WORK ON THE PRINCIPLES	OUTCOME
10. Work against corruption in all its forms, including extortion and bribery	Inission's Code of Conduct addresses all the UN Global Compact's Ten Principles. The Code of Conduct is available on the website: **www.inission.se** Active efforts to ensure compliance with Inission's Code of Conduct are ongoing. Inission's whistleblower policy and reporting tools ensure that issues can be reported anonymously. The whistleblower policy is available on the website: **www.inission.com**	A Group-wide whistleblower policy was developed in 2022. A web-based reporting channel has also been implemented to facilitate reporting of suspected violations of our Code of Conduct, which is available to Inission's employees and other stakeholders. The reporting channel is maintained by an external party and is designed to guarantee anonymity, in line with new EU legislation. One whistleblower case was reported in 2022, which did not lead to further action. Key personnel have been trained in economic sustainability, anti-corruption, the Ten Principles, and Inission's sustainability goals and direction.

* Read more about risks on page 20

Continued on next page »

Activities in 2023

Inission's sustainability work in 2022 has largely involved implementing and establishing objectives, activities, and reporting based on previously implemented sustainability projects. The UN Global Compact and the Ten Principles have been integrated into operations. Work will continue through 2023 to ensure compliance and improvement.

Integrating Enedo into the Group's sustainability work will commence in early 2023. The ambition is to include Enedo in the presentation of our four sustainability goals and outcomes in the next Annual Report.

In 2022, Group entities have reported carbon emissions through the GHG protocol within Scope 1 & 2. In 2023, a project will be carried out to implement a reduction plan and monitoring structure for carbon dioxide emissions within each Group company. Our ambition is to become carbon neutral by 2025.

We will continue to develop our employees through our Inission Academy training platform. In early 2023, we completed digital training, and more in finance, leadership, project management, and Inspirit (Lean) are scheduled for this year. Inission Academy is continuously developed and is a highly appreciated training platform for both employees and the Company.

SUSTAINABILITY GOALS 2023

Inission has four sustainability goals central to the business, which are reported annually. Below are the goals set for 2023.

- **Customer satisfaction** – 100%
- **Employee engagement** – 75%
- **Health attendance** – 97.5%
- **Environment** – 1.5 CO_2 tonne/MSEK

Inission's policies, guidelines, and manuals for sustainability work

- **Code of conduct**
- **Whistleblower policy**
- **Quality and environmental policy**
- **Personnel policy**
- **Equal opportunities policy**
- **GDPR[1]-policy**
- **Drug policy**
- **Procurement Manual**
- **Conflict minerals[2], RoHS[3] and Reach[4]**

1) GDPR (General Data Protection Regulation)

2) Conflict minerals (Minerals that are extracted from Democratic Republic of Congo and nine neighboring countries, where money from the exploitation used by local warlords and groups to fund ongoing conflicts)

3) RoHS (Restriction of Hazardous Substance)

4) REACH (Registration, Evaluation, Authorisation and restriction of Chemicals)

The auditor’s opinion regarding the statutory sustainability report

To the General Meeting of Inission AB (publ), corp. ID No. 556747-1890

Assignments and division of responsibility
The Board is responsible for the sustainability report for the year 2022 on pages 21–27 and for preparing it under the Swedish Annual Accounts Act.

Audit scope and approach
We have conducted our review in accordance with FAR’s recommendation RevR 12, The auditor’s opinion on the statutory sustainability report. This means that our review of the sustainability report has a different focus and a significantly smaller scope than an audit under International Standards on Auditing and generally accepted auditing standards in Sweden. We believe this review provides a sufficient basis for our statement.

Statement
A sustainability report has been prepared.

Karlstad on April 4, 2022
Öhrlings PricewaterhouseCoopers AB

Martin Johansson,
Authorized auditor

Statutory administration report

GENERAL INFORMATION ON THE BUSINESS

The Board of Directors and the Chief Executive Officer of Inission AB (publ) with registered office in Karlstad, corporate identity number 556747-1890, hereby submit the Annual Report and Consolidated Accounts for the financial year 2022. Inission is a supplier of tailored manufacturing services and products in the field of advanced industrial electronics and mechanics. Our services cover the entire product lifecycle, from development and design to industrialization, volume production and aftermarket services.

PERFORMANCE AND DEVELOPMENT DURING THE FINANCIAL YEAR AND FUTURE DEVELOPMENT

This is Inission's first Annual Report prepared under IFRS. Historical financial information has been recalculated from January 1, 2021, the transition date to IFRS reporting. Explanations for the transition from the previous accounting policy to IFRS and the impact of the conversion on the statements of comprehensive income and equity are presented in note 43. According to IFRS, Enedo is now accounted for as a subsidiary from April 1, 2021, when Inission acquired 49.6%, as Inission is considered to have a controlling influence. This means that Enedo's entire income statement and balance sheet are included in Inission from April 1, 2021.

An additional 30.81% was acquired in Enedo Oyj on July 1 and 15.42% on October 1, which means that Inission's total ownership in Enedo Oyj now amounts to 95.85%. Unowned shares in Enedo between April 1, 2021, and September 30, 2022, are recognized as non-controlling interests. As of October 2022, owned shares in Enedo are not recognized as non-controlling interests when the ownership share exceeds 90%. Inission will acquire the remaining 4.15% of shares in Enedo through compulsory redemption, most likely in Q2 2023.

MLB Electronics Oy was 100% acquired as of January 31. The effect of acquired companies is presented for each significant income statement and balance sheet item below. Net sales for 2022 amounted to MSEK 1 921 (1 283), of which the acquired company MLB contributed MSEK 96.7. This means that excluding currency impact (MSEK +39.4) and acquired companies, the organic growth for the year amounts to 39%. Other operating revenue has increased to MSEK 21.3 (10.6), of which MLB contributed MSEK 0.4, mainly consisting of currency effects. The proportion of materials during the year increased to 61.7% (59.3%), partly due to increased sales of unprocessed material to customers.

Other external costs amounted to MSEK 162.9 (125.8), of which MLB contributed 12.1. Personnel costs amounted to MSEK 380.6 (341.0), of which 19.6 related to MLB. Depreciation for the year amounted to MSEK 82.4 (67.9), of which 1.8 was associated with MLB. Operating profit increased to MSEK 87.5 (-20.5). Profit after financial items came to MSEK 63.3 (-37.1). Earnings per share after tax amount to SEK 2.57 (-2.34).

Continued on next page »

In the balance sheet, goodwill has increased and now amounts to MSEK 178.5 (149.9). The acquisition of MLB on January 31 resulted in an increase of goodwill by 15.1. Other intangible assets amount to MSEK 101.6 (100.5). The total value of tangible fixed assets amounts to MSEK 87.0 (81.3), of which 4.5 belong to MLB. Accounting for right-of-use assets, new under IFRS, stands at MSEK 224.5 (168.9), directly increasing the balance sheet total and reducing the equity ratio. The corresponding liabilities to the right-of-use assets are reported as lease liabilities under non-current and current liabilities. Financial fixed assets amount to MSEK 4.2 (3.1). Inventory amounts to MSEK 642.2 (421.9), of which 17.4 relates to MLB, a sharp increase from the previous year related to the component shortage situation in the market, increased net sales, and a large order backlog. Other current assets amount to MSEK 318.8 (285.4), of which 17.5 relates to MLB. Total assets increased to MSEK 1 579.8 (1 231.9), mainly related to increased inventory and right-of-use assets. Total equity amounts to MSEK 424.3 (398.0) with an equity ratio of 27% (32%). Non-current liabilities have increased to MSEK 430.0 (233.2), of which 8.0 relates to MLB. The change is mainly due to the fact that Inission has requested a deferral of tax and VAT for the Swedish companies according to special rules linked to the pandemic amounting to MSEK 118.8. At the same time, the use of the overdraft facility has decreased. Current liabilities have increased to MSEK 725.5 (600.8), of which 16.6 relates to MLB. The change is mainly attributable to increased accounts payable, increased liabilities to credit institutions, and increased invoice discounting credit.

Significant events

From left: Inission CEO Fredrik Berghel and Part Development CEO Henric Alsterman.

IN 2022

January

Inission AB, through its wholly-owned subsidiary Inission Lohja Oy, entered into an agreement to acquire 100% of MLB Electronics Oy. MLB is one of Finland's most experienced contract manufacturers. The acquisition expands Inission's portfolio and strengthens its position and presence in Finland.

Christian Löfgren took office as the new CEO of Inission Västerås. Christian is also CEO of Inission Stockholm. Joint leadership contributes to synergies that both existing and new customers may benefit from.

Inission Malmö AB signed a significant manufacturing agreement with a Danish global leader in Audio and Communication. Net sales are expected to amount to about MSEK 50 per year.

Inission Stockholm signed an agreement with a large Swedish industrial company to produce and verify electronic products for engine control to meet aftermarket needs. The agreement is worth about MSEK 10 and is a break-through deal that can lead to more business.

February

Inission's Vice President, Håkan Rååd, assumed responsibility for the Group's Supply Chain Management.

May

Marcus Karlsson took over responsibility for Inission Innovate, Inission's successful service for developing and designing electronic products.

Continued on next page »

Inission announced that a warrant scheme for employees and Board members in Inission will run from June 2022 to July 2025 of up to 149 000 warrants, corresponding to a dilution of up to 0.8%.

June

Inission announced its long-term and strategic collaboration with Part Development, one of Sweden's leading consulting companies in Lean business development. An important part of the agreement is that Part Development reinvests half of the commission through purchasing newly printed Inission shares. Thereby, Part Development will become a significant shareholder in Inission over time.

July

Inission's ownership in Enedo Plc increased to 80.43%. Inission was then obliged to make a mandatory public offer for the remaining shares in Enedo Plc.

October

Inission announced the final result of the mandatory public offer for all shares issued by Enedo Plc. The shares submitted in the takeover bid represented approximately 15.42% of all shares and votes in Enedo. Of these, a total of 295 Enedo shareholders (3 932 851 shares in Enedo) opted for share consideration, and a total of 1 824 Enedo shareholders (6 630 428 shares in Enedo) opted for a cash consideration. Inission now owns about 95,85% of all shares and votes in Enedo and has initiated the process of compulsory redemption of the remaining shares. This is planned to be completed during the first half of 2023.

Inission Løkken AS announced that the company has entered into a significant supply agreement with NoFence AS. The agreement is worth MNOK 70 over two years and includes printed circuit board production, assembly into finished products, and delivery of approximately 17 000 cattle collars and 27 000 sheep and goat collars.

November

Nadežda Dementjeva took office as the new CEO of Inission Tallinn.

The Inission innovation award was decided during Ny Teknik's 33-listan Live. The price included services to the value of MSEK 1. The winner of the year was Brinja AB, with its IoT platform for construction sites.

December

Involve was presented, a conference founded by Inission to change and improve the industry. Involve will offer networking, inspiring speakers, and a unique opportunity to influence the industry through a new approach. Involve will premiere on April 20, 2023.

IN 2023

January

Inission held an Extraordinary General Meeting. The Meeting authorized the Board of Directors to decide on a new issue of shares and voted in favor of the Board's proposal to carry out, on the given terms, a directed issue of a maximum of 200 000 series B shares to key persons in a leading position.

Inission held a live Capital Markets Day. Inission's CEO Fredrik Berghel and Marketing Manager Olle Hulteberg presented Inission's strategic direction, business, financial development, and financial targets.

February

Inission announced that it is changing its accounting policy to International Financial Reporting Standards (IFRS). IFRS enables a long-term, fair, quality-assured structure matching Inission's size, maturity, growth, and market expectations. The transition also allows a possible future change in the listing.

For more information:
www.inission.com

FUTURE DEVELOPMENTS

The pandemic and the subsequent shortage of components have limited our efficiency and, thus, our sales in recent years. It has also significantly increased our capital tied up. This situation is now gradually easing. Capacity is now the main driver, although problems with procuring certain components remain. We hope and believe that the shortage of components will be resolved in the second half of 2023. The full-scale and deeply tragic war in Ukraine has lasted over a year now. We fear that it will last for a long time. The direct impact of the war on our customers and suppliers has been very small. The indirect impact has partly reinforced trends affected by Covid-19, deglobalization, regionalization, and geopolitical tensions. Another clear impact is electrification. The cut-off of Russian oil and gas has highlighted the urgency of phasing out fossil fuels, especially in heating. Interest rate hikes have already led to a slowdown in private consumption. However, it is difficult to predict when and how this will affect our customers. It is, therefore, more important than ever for us to be close to our customers and understand how they and their customers are affected. We must be prepared to pass on cost increases. We must also be prepared to adjust our capacity and costs.

MULTI-YEAR OVERVIEW

Group performance and position	2022	2021	2020	2019	2018	2017
Net sales (TSEK)	1 921 173	1 283 172	1 059 040	979 972	739 763	713 390
Profit after financial items (TSEK)	63 292	-37 122	38 049	47 963	37 017	25 392
Balance sheet total (TSEK)	1 579 789	1 231 905	522 592	476 653	481 760	385 518
Equity ratio (%)	27%	32%	52%	30%	23%	20%
Average number of employees	936	853	515	448	369	356
Earnings per share before dilution (SEK)	2.57	-2.34	5.19	7.61	6.13	4.12
Earnings per share after dilution (SEK)	2.57	-2.34	5.15	7.55	6.09	4.04

Parent Company performance and position	2022	2021	2020	2019	2018	2017
Net sales (TSEK)	26 691	22 754	21 999	19 694	20 519	16 188
Profit after financial items (TSEK)	44 506	-574	82	-5 195	7 406	12 218
Balance sheet total (TSEK)	418 013	259 350	198 913	172 012	182 067	186 509
Equity ratio (%)	65%	60%	78%	32%	37%	32%
Average number of employees	9	7	6	6	6	6

GROUP STRUCTURE

Parent Company

Inission AB does not run any operational production activities of its own or have any own customers. Its role is to own, manage, and develop the Group.

Swedish operating subsidiaries

Inission Munkfors AB, Inission Stockholm AB, Inission Borås AB, Inission Malmö AB, and Inission Västerås AB.

Foreign operating subsidiaries

Inission Tallinn OÜ, Inission Norge AS, Inission Lohja Oy, MLB Electronics Oy, and Enedo Oy.

Organization

Inission is a decentralized organization with its own profit centers, that are also its own companies, and with minimal central overhead. Each subsidiary is led by a company executive responsible for performance, management, governance, and development. The subsidiaries are coordinated in a matrix within the areas where synergies are achieved, e.g., financial management, sales coordination, purchasing strategy, IT infrastructure, and processes.

SUSTAINABILITY REPORT

The Board of Directors issues the sustainability report. The statutory sustainability report can be found on pages 21–27.

Environmental impact

The operating companies work according to ISO 14001 principles. ISO 14001 means that companies must continuously prevent environmental impact and carry out ongoing improvement work in the environmental field. No activity requires a special environmental permit.

STATEMENT OF THE BOARD

The Board of Directors of Inission proposes that no dividend be paid at the Annual General Meeting 2023. The grounds for this proposal are that Inission shall use existing working capital for continued growth. Inission's dividend policy is, if liquidity permits, to distribute 30 percent of the Group's profit after tax.

DIVIDEND POLICY

Provided that the development of Inission's business allows it, the goal is to distribute 30% of the year's profit after tax.

PROPOSAL FOR DISTRIBUTION OF PROFITS

Parent Company

At the disposal of the AGM is the following profits (TSEK):

Retained earnings from previous years	25 962
Share premium fund	195 270
Net result for the year	48 563
Total	269 795

The Board proposes that the earnings be distributed as follows:

Dividends to shareholders	0
To be carried forward	269 795
Total	269 795

Group

The Group's equity attributable to the Parent Company's shareholders amounts to TSEK 423 048. With regard to the Parent Company's and the Group's performance and financial position in other respects, please refer to the following income statements and balance sheets with accompanying comments.

FURTHER INFORMATION

Investment policy

In addition to acquisitions, our basic idea is to reinvest the depreciation of our machinery. Apart from this, we will invest as needed depending on customer projects, which can apply to both capacity and technology.

Work of the Board and CEO

Over the past year, the Board has consisted of six members, all elected at the 2022 Annual General Meeting, and has held 16 minuted meetings. The Board and CEO work according to established rules of procedure. Regarding remuneration in 2022 to the Board and CEO, please refer to note 8, Personnel. The Board's proposal of guidelines for remuneration to senior executives in Inission, according to chapter 8(51) of the Swedish Limited Liability Companies Act, is as follows:

Regarding Board fees, a fixed Board fee of SEK 350 000 (220 000) is proposed for the Chairman and SEK 150 000 (140 000) for ordinary external members. Remuneration to the CEO consists of a fixed basic salary, variable remuneration based on profit and cash flow, and a pension benefit according to collective agreements. The variable remuneration is maximized to three months' salary. Other senior executives receive a basic salary supplemented by variable remuneration based on profit and cash flow. The remuneration does not exceed what can be considered in line with market conditions. There are no benefits other than regular pension benefits as a percentage of fixed remuneration for work performed based on employment contracts.

Information on Risks and uncertainties

See page 20.

Information on Market and trends

See page 14.

Financial statements

Consolidated statement of comprehensive income in summary (TSEK)

	Note	2022	2021
Net sales	6	1 921 173	1 283 172
Change in inventories of work in progress and finished goods incl. capitalized work for own account		68 857	-8 983
Other operating revenue	9	21 252	10 631
Operating revenue		**2 011 282**	**1 284 819**
Raw materials and consumables		-1 254 829	-752 000
Other external costs	7	-162 876	-125 800
Personnel costs	8	-380 639	-341 003
Amortization and depreciation of intangible assets and tangible fixed assets	15,16, 18	-82 351	-67 948
Other operating expenses	10	-43 126	-18 557
Total operating expenses		**-1 923 821**	**-1 305 309**
Operating profit		**87 462**	**-20 489**
Financial revenue	11	4 318	2 193
Financial costs	11	-28 488	-18 826
Financial items – net		**-24 170**	**-16 633**
Profit before tax		**63 292**	**-37 122**
Income tax	12	-13 712	-5 138
Net result for the year		**49 580**	**-42 260**

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cont'd. Consolidated statement of comprehensive income in summary (TSEK)

	Note	2022	2021
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Exchange differences arising on the translation of foreign subsidiaries		14 814	2 874
Items that may not be reclassified to profit or loss:			
Remeasurement of the net defined benefit liability		858	-133
Income tax relating to the above item		0	0
Other comprehensive income for the year, after tax		**15 672**	**2 741**
Total comprehensive income for the year		**65 252**	**-39 519**
Profit for the year attributable to:			
Parent Company shareholders		56 154	-4 759
Non-controlling interest		-6 574	-37 502
Total		**49 580**	**-42 260**
Total comprehensive income for the year related to:			
Parent Company shareholders		68 311	-1 505
Non-controlling interest		-3 059	-38 014
Total		**65 252**	**-39 519**
Earnings per share, based on the profit attributable to Parent Company shareholders during the year (SEK):			
Earnings per share before dilution	41	2.57	-2.34
Earnings per share after dilution	41	2.57	-2.34

Consolidated balance sheet in summary (TSEK)

ASSETS	Note	2022-12-31	2021-12-31	2021-01-01*
Fixed assets				
Intangible assets				
Goodwill		178 532	149 924	33 180
Capitalized development expenditure		0	0	0
Other intangible assets		101 583	100 522	0
Licenses etc.		4 250	3 528	3 326
Total intangible assets	16	**284 365**	**253 974**	**36 506**
Tangible fixed assets				
Machinery and other technical equipment		79 839	73 320	44 785
Equipment, tools, and installations		4 566	5 781	5 509
Improvement costs to third-party property		2 552	2 162	2 178
Total tangible fixed assets	15	**86 957**	**81 263**	**52 472**
Right-of-use assets	18	224 532	168 962	154 805
Financial fixed assets				
Other non-current securities	2, 17, 20	1 090	354	5 377
Other non-current receivables	2, 17, 20	3 105	2 751	700
Total financial fixed assets		**4 195**	**3 105**	**6 077**
Deferred tax assets	28	18 732	17 266	1 213
Total fixed assets		**618 782**	**524 569**	**251 074**
Current assets				
Inventory	19	642 235	421 913	211 415
Trade receivables	20, 21	288 295	236 210	148 265
Derivative instruments	20, 22	0	315	0
Current tax receivables		0	1 085	2 971
Other receivables	20, 23	4 341	12 872	0
Prepaid expenses and accrued income	20, 24	11 533	7 108	1 600
Cash and cash equivalents	20, 25	14 603	27 832	44 267
Total current assets		**961 007**	**707 336**	**408 518**
» TOTAL ASSETS		**1 579 789**	**1 231 905**	**659 591**

Continued on next page »

* 2021-01-01 reported due to the conversion to IFRS.

cont'd. Consolidated balance sheet in summary (TSEK)

EQUITY AND LIABILITIES	Note	2022-12-31	2021-12-31	2021-01-01*
Equity	26			
Share capital		845	755	751
Other contributed capital		195 271	125 126	123 482
Reserves		14 618	3 320	0
Retained earnings incl. profit for the period		212 313	139 897	144 773
Total equity attributable to Parent Company shareholders		**423 048**	**269 097**	**269 006**
Non-controlling interest		1 267	128 856	754
Total equity		**424 315**	**397 953**	**269 760**
Non-current liabilities				
Liabilities to credit institutions	20, 27	75 944	53 120	18 762
Lease liabilities	18	187 611	131 026	123 167
Other non-current liabilities	20, 27, 30	135 230	16 083	31 800
Deferred tax liabilities	28	23 514	21 611	9 976
Provision for pensions	29	6 863	10 431	0
Other provisions	38	821	908	0
Total non-current liabilities		**429 983**	**233 179**	**183 705**
Current liabilities				
Liabilities to credit institutions	20, 27	95 648	70 603	6 450
Derivative instruments	20, 22	1 440	184	405
Customer advances		32 300	26 308	597
Accounts payable	20	344 252	273 657	86 310
Lease liabilities	18	31 925	31 428	22 637
Overdraft facility (Limit 100 000)	20, 27	32 408	42 305	0
Invoice discounting credit	20, 27	69 484	44 692	9 257
Current tax liabilities		16 243	5 084	3 583
Other current liabilities	20, 31	34 385	29 603	28 173
Other provisions	38	2 415	1 411	0
Accruals and deferred income	20, 32	64 991	75 497	48 716
Total current liabilities		**725 490**	**600 772**	**206 126**
» TOTAL EQUITY AND LIABILITIES		**1 579 789**	**1 231 905**	**659 591**

* 2021-01-01 reported due to the conversion to IFRS.

Consolidated statement of changes in equity (TSEK)

	Note	Share capital	Other contributed capital	Reserves	Retained earnings including profit for the year	Total equity relating to Parent Company shareholders	Non-controlling interest	Total equity
		Attributable to Parent Company shareholders						
OPENING BALANCE AT 2021-01-01		**751**	**123 482**	**0**	**144 773**	**269 006**	**754**	**269 760**
Net result for the year					-4 759	-4 759	-37 502	-42 260
Other comprehensive income				3 320	-66	3 254	-512	2 741
Total comprehensive income		**0**	**0**	**3 320**	**-4 824**	**-1 505**	**-38 014**	**-39 519**
Shareholder transactions								
Non-controlling interests arising from the acquisition of subsidiaries	36					0	166 115	166 115
Changed holding of employee share options					-51	-51		-51
New issue on termination of option scheme		4				4		4
Premium fund at end of option scheme			1 644			1 644		1 644
Total shareholder transactions		**4**	**1 644**	**0**	**-51**	**1 597**	**166 115**	**167 712**
CLOSING BALANCE AT 2021-12-31		**755**	**125 126**	**3 320**	**139 897**	**269 098**	**128 856**	**397 953**

	Note	Share capital	Other contributed capital	Reserves	Retained earnings including profit for the year	Total equity relating to Parent Company shareholders	Non-controlling interest	Total equity
OPENING BALANCE AT 2022-01-01		**755**	**125 126**	**3 320**	**139 897**	**269 098**	**128 856**	**397 953**
Profit for the year					56 154	56 154	-6 574	49 580
Other comprehensive income				11 298	858	12 157	3 515	15 672
Total comprehensive income		**0**	**0**	**11 298**	**57 013**	**68 311**	**-3 059**	**65 252**
Shareholder transactions								
New share issue		0	225			225		225
Changed holding of employee share options					541	541		541
Dividends					-5 432	-5 432		-5 432
Transactions with non-controlling interest / New share issue	39	90	69 920		27 617	97 627	-124 529	-26 902
Transaction costs for buy-outs of non-controlling interest					-7 323	-7 323		-7 323
Total shareholder transactions		**90**	**70 145**	**0**	**15 403**	**85 639**	**-124 529**	**-38 890**
CLOSING BALANCE AT 2022-12-31		**845**	**195 271**	**14 618**	**212 313**	**423 048**	**1 267**	**424 315**

Consolidated statement of cash flows in summary (TSEK)

	Note	2022	2021
Cash flow from operating activities			
Profit after financial items		63 292	-37 123
Depreciation of assets	37	82 351	67 949
Tax paid		-3 184	-10 516
Other non-cash items	37	2 666	23 926
Cash flow from operating activities before changes in working capital		**145 125**	**44 235**
Cash flow from changes in working capital			
Increase/decrease of inventories		-195 310	-138 599
Increase/decrease operating receivables		-39 517	-48 790
Increase/decrease operating liabilities		160 396	103 712
Total change in working capital		**-74 431**	**-83 677**
Cash flow from operating activities		**70 694**	**-39 441**
Cash flow from investing activities			
Acquisitions of subsidiaries, net of cash acquired	36	-18 569	54 106
Acquisitions of tangible and intangible fixed assets	15,2	-25 077	-30 681
Sales of tangible and intangible fixed assets	15,2	0	81
Divestment/reduction of financial fixed assets		-800	0
Cash flow from investing activities		**-44 446**	**23 506**
Cash flow from financing activities			
New share issue, net of transaction costs	26	225	0
Raised loans	34	47 425	77 357
Repayment of loans	34	-29 045	-112 988
Amortization of lease liabilities	34	-34 753	-28 718
Dividends paid		-5 432	0
Changes in customer invoice factoring	34	0	-409
Transactions with non-controlling interest	26, 39	-18 821	0
Transaction costs non-controlling interest		-7 323	0
Increase/decrease in current financial liabilities	35	7 221	64 257
Cash flow from financing activities		**-40 503**	**-500**
Cash flow for the year		**-14 255**	**-16 436**
Cash at the beginning of the year		27 832	44 267
Cash flow for the year		-14 255	-16 436
Exchange difference in cash		1026	0
Cash at the end of the year		**14 603**	**27 832**
Cash flow information			
Interest paid		-21 788	-18 826
Interest received		4 319	2 193

Parent Company income statement in summary (TSEK)

	Note	2022	2021
Net sales	45	26 691	22 754
Other operating revenue	48	1 434	1 789
Total		**28 125**	**24 543**
Other external costs	46	-13 576	-10 995
Personnel costs	47	-15 241	-13 977
Other operating expenses	49	-7 504	-333
Total operating expenses		**-36 322**	**-25 305**
Operating profit		**-8 197**	**-762**
Profit from shares in Group companies	53	50 000	0
Interest revenue and similar revenue	50	5 575	1 889
Interest expense and similar costs	50	-2 872	-1 701
Total income from financial items		**52 703**	**188**
Profit before tax		**44 506**	**-574**
Appropriations			
Changes in amortization fund		0	400
Group contributions received		3 800	0
Tax on profit for the year	52	257	-32
Profit for the year		**48 563**	**-206**

In the Parent Company, no items are recognized as other comprehensive income. Therefore, the total comprehensive income is consistent with the profit for the year.

Parent Company balance sheet in summary (TSEK)

ASSETS	Note	2022-12-31	2021-12-31	2021-01-01
Fixed assets				
Financial fixed assets				
Shares in Group companies	53	304 275	240 104	152 748
Receivables from Group companies	54	62 737	504	25 322
Other non-current receivables		3	3	3
Total financial fixed assets		**367 015**	**240 610**	**178 073**
Deferred tax assets		297	38	0
Total fixed assets		**367 311**	**240 648**	**178 073**
Current assets				
Current receivables				
Trade receivables		0	2 087	0
Receivables from Group companies	54	48 600	13 268	19 088
Derivative instruments	22	0	315	0
Other current receivables		194	743	586
Prepayments and accrued income	55	1 908	2 289	1 166
Total current receivables		**50 702**	**18 701**	**20 840**
Cash and bank	56	**0**	**0**	**0**
Total current assets		**50 702**	**18 701**	**20 840**
» **TOTAL ASSETS**		**418 014**	**259 349**	**198 913**

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cont'd. Parent Company balance sheet in summary (TSEK)

EQUITY AND LIABILITIES	Note	2022-12-31	2021-12-31	2021-01-01
Equity				
Restricted equity				
Share capital	57	845	755	751
Total restricted equity		**845**	**755**	**751**
Unrestricted equity				
Share premium fund		195 270	125 125	123 481
Retained earnings incl. profit for the period		74 525	30 853	31 109
Total unrestricted equity		**269 795**	**155 978**	**154 590**
Total equity		**270 639**	**156 733**	**155 341**
Tax-free reserves		1 855	1 855	2 255
		1 855	**1 855**	**2 255**
Non-current liabilities				
Liabilities to credit institutions	58	15 580	17 386	0
Liabilities to Group companies		69 500	0	0
Deferred tax liabilities		0	65	0
Other non-current liabilities	58,59	15 134	12 000	31 800
Total non-current liabilities		**100 214**	**29 451**	**31 800**
Current liabilities				
Overdraft facility	58	16 433	63 795	3 263
Accounts payable		4 147	2 842	1 511
Liabilities to Group companies		10 677	46	268
Current tax liabilities		0	0	454
Derivative instruments	22	1 440	184	405
Other current liabilities	60	9 625	561	530
Accruals and deferred income	61	2 983	3 882	3 086
Total current liabilities		**45 305**	**71 311**	**9 517**
» TOTAL EQUITY AND LIABILITIES		**418 013**	**259 350**	**198 913**

Parent Company statement of changes in equity (TSEK)

		Restricted equity		Unrestricted equity		
	Note	Share capital	Premium fund	Profit or loss brought forward	Profit for the year	Total equity
OPENING BALANCE AT 2021-01-01		**751**	**123 481**	**30 520**	**589**	**155 341**
Disposition of the previous year's profit				589	-589	0
Profit for the year and total comprehensive income					-206	-206
Shareholder transactions						
Changed holding of employee share options				-51		-51
New issue on termination of option scheme		4				4
Premium fund at end of option scheme			1 644			1 644
Total shareholder transactions		**4**	**1 644**	**-51**	**0**	**1 597**
CLOSING BALANCE AT 2021-12-31		**755**	**125 125**	**31 058**	**-206**	**156 732**

OPENING BALANCE AT 2022-01-01		**755**	**125 125**	**31 058**	**-206**	**156 732**
Disposition of the previous year's profit				-206	206	0
Profit for the year and total comprehensive income					48 563	48 563
Shareholder transactions						
New share issue			225			225
Payment of employee share options				541		541
Dividends				-5 432		-5 432
Transactions with non-controlling interest / New share issue	57	90	69 920			70 010
Total shareholder transactions		**90**	**70 145**	**-4 891**	**0**	**65 344**
CLOSING BALANCE AT 2022-12-31		**845**	**195 270**	**25 961**	**48 563**	**270 640**

Parent Company statement of cash flows in summary (TSEK)

	Note	2022	2021
Cash flow from operating activities			
Profit after financial items		44 506	-574
Tax paid		109	-448
Other non-cash items		224	0
Cash flow from operating activities before changes in working capital		**44 839**	**514**
Cash flow from changes in working capital			
Change in current operating receivables		-32 109	2 138
Change in current operating payables		21 831	1 706
Total change in working capital		**-10 278**	**3 844**
Cash flow from operating activities		**34 561**	**2 822**
Cash flow from investing activities			
Acquisition/sale of subsidiaries	53	-34 150	-87 355
Cash flow from investing activities		**-34 150**	**-87 355**
Cash flow from financing activities			
Borrowing	63	70 934	17 386
Loans granted (Group companies)	63	-4 733	24 818
Change in overdraft facility	63	-47 362	60 532
Repayment of loans	63	-13 806	-19 800
Dividends paid		-5 444	0
New issue on termination of warrant scheme		0	1 597
Cash flow from financing activities		**-411**	**84 533**
Cash flow for the year		**0**	**0**
Cash at the end of the year		**0**	**0**
Cash flow information			
Interest paid		-2 285	-1 939
Interest received		1 769	2 029

Notes

Note 1 – General information

These Consolidated Accounts comprise the Parent Company Inission AB (publ), corporate ID number 556747-1890, and its subsidiaries. Inission AB (publ) is a Parent Company registered in Sweden based in Karlstad with the address Lantvärnsgatan 4. Unless otherwise stated, all amounts are in TSEK. The figures in brackets refer to the comparison period.

Rounding-off differences may occur. The Board of Directors approved these Consolidated Accounts for publication on 2023-04-04.

Note 2 – Summary of significant accounting principles

The note contains a list of the significant accounting principles adopted in the preparation of these Consolidated Accounts. These principles have been applied consistently for all the years presented. The Consolidated Accounts comprise the legal Parent Company Inission AB (publ) and its subsidiaries.

BASIS FOR PREPARING THE STATEMENTS

The Consolidated Accounts of Inission AB have been prepared according to the Swedish Annual Accounts Act, RFR 1 Supplementary Accounting Rules for Groups, and International Financial Reporting Standards (IFRS) and interpretations of the International Financial Reporting Interpretations Committee (IFRS IC) as adopted by the EU. The Parent Company applies RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act.

These Consolidated Accounts are Inission's first financial statements prepared under IFRS. Historical financial information has been recalculated from January 1, 2021, the transition date to IFRS reporting. Explanations of the transition from the previous accounting policy to IFRS and the impact of the conversion on the statements of comprehensive income and equity are presented in note 43.

The Consolidated Accounts have been prepared under the cost model, except:

- financial assets and liabilities at fair value through profit or loss
- defined benefit pension plans – plan assets measured at fair value

Preparing reports in accordance with IFRS requires the use of some important estimates for accounting purposes. Furthermore, management is required to make certain assessments when applying the Group's accounting principles. The areas involving a high degree of assessment and complexity, or areas where assumptions and estimates are significant to the Consolidated Accounts, are disclosed in note 5 "Important estimates and assessments for accounting purposes" of this report.

PARENT COMPANY

The Parent Company applies RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. The application of RFR 2 means that the Parent Company, in the interim report of the legal entity, applies all IFRS and statements adopted by the EU to the extent possible within the framework of the Swedish Annual Accounts Act, the Pension Obligations Vesting Act and taking into account the relationship between accounting and taxation.

In connection with the transition to accounting under IFRS in the Consolidated Accounts, the Parent Company has adopted RFR 2. Explanations for the transition from the previous accounting policy to RFR 2 and the impact of the conversion on the statements of comprehensive income and equity are presented in note 67.

Preparing reports in accordance with RFR 2 requires the use of some important estimates for accounting purposes. Furthermore, management is required to make certain assessments when applying the Parent Company's accounting principles. The areas involving a high degree of assessment and complexity, or

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areas where assumptions and estimates are significant to the Annual Report are disclosed in note 5.

The Parent Company applies different accounting principles than the Group in the cases listed below:

Forms of presentation
The income statement and balance sheet follow the format of the Swedish Annual Accounts Act. The statement of changes in equity follows the Group's format but must contain the columns specified in the Swedish Annual Accounts Act. Furthermore, there are differences in designations, compared with the Consolidated Accounts, particularly in respect of financial income and expenses and equity.

Shareholder and Group contributions
Group contributions provided by the Parent Company to subsidiaries and Group contributions received by the Parent Company from subsidiaries are recognized as appropriations. Shareholder contribution provided is recognized in the Parent Company as an increase in the carrying amount of the investment and in the recipient company as an increase in equity.

Financial instruments
The accounting principles for financial instruments described in this note are also applied in the Parent Company, except that the rules concerning financial guarantee contracts in favor of subsidiaries are not applied. The recognition and measurement rules in IAS 37 Provisions, Contingent Liabilities, and Contingent Assets are applied instead.

Leased assets
The Parent Company has chosen not to apply IFRS 16 Leases but has instead chosen to apply RFR 2 (IFRS 16 Leases, pp. 2–12). This decision means that no right-of-use asset and lease liability are recognized in the balance sheet, and instead, the lease payments are recognized as an expense on a straight-line basis over the lease term.

Shares in subsidiaries
Shares in subsidiaries are measured at cost, less any impairment losses.

Other types of revenue
Interest revenue in the Parent Company relates, in addition to interest received from third parties, to imputed interest from subsidiaries on financial claims.

NEW AND AMENDED STANDARDS NOT YET APPLIED BY THE GROUP

A series of new standards and interpretations come into effect for financial years beginning on or after January 1, 2023, and they have not been applied in preparing this financial report. No published standards that have not yet entered into effect are considered to have any impact on the Group.

CONSOLIDATED ACCOUNTS

Subsidiaries
Subsidiaries are all companies over which the Group has a controlling influence. The Group controls a company when it is exposed to, or is entitled to a variable return from its holding in the company, and has the power to affect the return through its influence in the company. Subsidiaries are included in the Consolidated Accounts from the day on which the controlling influence is transferred to the Group. They are excluded from the Consolidated Accounts from the day on which the controlling influence ceases.

The Group has assessed that it has had controlling influence in Enedo from the date of acquisition (April 2021), although 49.6% of the voting rights and capital are held. As there is a controlling influence, Enedo is accounted for as a subsidiary from the date of acquisition. This is based on the presumption of de facto control (see further description under estimates and assessments). In 2022, the remaining shares in Enedo have been acquired. The acquisition of the remaining shares is accounted for as a transaction with shareholders (see below).

Intra-group transactions, balance sheet items, and unrealized gains and losses on transactions between Group companies are eliminated. Intra-group losses may indicate impairment losses that must be recognized in the Consolidated Accounts. Where applicable, the accounting principles of subsidiaries have been amended to ensure a consistent application of the Group's principles.

Non-controlling interests in the results and equity of subsidiaries are reported separately in the consolidated income statement, the statement of comprehensive income, the statement of changes in equity, and the balance sheet.

In cases where the Group acquires additional shares in an entity over which it already has controlling influence, the transaction is accounted for as a transaction with shareholders in equity. The same applies if the Group disposes of shares in a company but still has a controlling influence.

SEGMENT REPORTING

The CEO has been identified as the chief operating decision maker, for the reason that it is primarily the CEO who is responsible for allocating resources and evaluating performance. The assessment of the Group's operating segments shall be based on the financial information reported to the CEO. The financial

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information reported to the CEO, as a basis for allocating resources and assessing the Group's performance, relates to Inission and Enedo. The chief operating decision maker decides on the allocation of resources and assesses results on the basis of Inission and Enedo, respectively, which is why these are considered in the Group's reports of its segments and operating segments.

FOREIGN CURRENCY TRANSLATION

Functional currency and reporting currency
The items included in the financial statements of the various entities in the Group are measured in the currency used in the economic environment in which each entity is principally active (functional currency). In the Consolidated Accounts, the Swedish krona (SEK) is used, which is the functional currency of the Parent Company and the Group's reporting currency.

Transactions and balance sheet items
Transactions in foreign currency are translated into the functional currency at the exchange rate that applies on the transaction date or the date on which the items are remeasured. Foreign exchange gains and losses arising from the payment of such transactions and from the translation of monetary assets and liabilities denominated in foreign currency at closing rate are recognized in the income statement.

Exchange rate profits and losses relating to loans and cash are recognized in the income statement as financial income or expenses. All other exchange rate profits and losses are recognized in the item Other operating revenue or Other operating expenses in the income statement.

Group companies
The results and financial position for all Group companies that have a different functional currency than the reporting currency are translated into the Group's reporting currency as follows:

- assets and liabilities for each of the balance sheets are translated at closing rate;
- revenue and expenses for each of the income statements are translated at the average exchange rate (provided that this average rate reasonably approximates the cumulative effect of the rates applicable on the date of the transaction; otherwise, revenue and expenses are translated at the exchange rate on the date of the transaction); and
- all exchange differences arising are recognized in other comprehensive income.

In the Consolidated Accounts, exchange differences arising from the translation of a net investment in a foreign operation, together with exchange differences relating to borrowings or other financial instruments designated as hedging instruments for such investments, are recognized in other comprehensive income. Accumulated profits and losses in equity are recognized in the income statement when the foreign operation is fully disposed of in whole or in part.

Goodwill and fair value adjustments arising on acquiring a foreign operation are treated as assets and liabilities of that operation and translated at the closing rate.

BUSINESS COMBINATION

The purchase method is used to account for the Group's business combinations, whether the combination consists of equity interests or other assets. The purchase price for the acquisition of a subsidiary comprises the fair values of:

- assets transferred
- liabilities incurred by the Group to previous owners
- shares issued by the Group
- assets or liabilities resulting from a contingent consideration arrangement
- previous equity interest in the acquiree

Identifiable assets acquired, liabilities assumed, and contingent liabilities assumed in a business combination are, with rare exceptions, measured initially at their fair values on the acquisition date. For each acquisition, i.e., on an acquisition-by-acquisition basis, the Group determines whether non-controlling interests in the acquiree are recognized at fair value or the non-controlling interest's proportionate share of the carrying amount of the acquiree's net identifiable assets.

Acquisition-related costs are expensed as incurred.

Goodwill is the amount by which the consideration transferred and any non-controlling interest in the acquiree exceeds the fair value of the identifiable net assets acquired. If the amount is less than the fair value of the net assets acquired, in the case of a bargain purchase, the difference is recognized directly in the income statement.

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Note 2 continued.

Contingent consideration is classified either as equity or as a financial liability, depending on whether it is payable in shares or in cash. Within the Group, there are only contingent considerations settled in cash. Amounts classified as financial liabilities are remeasured each period at fair value. Any revaluation profits and losses are recognized in the income statement.

If the business combination is completed in several stages, the previous equity interests in the acquiree are remeasured to their fair values on the acquisition date. Any profit or loss arising from the revaluation will be recognized in the income statement.

REVENUE RECOGNITION

The Group predominantly manufactures electronic and mechanical products. Revenue is recognized after deducting VAT and discounts. Discounts only consist of those directly deducted at the time of sale. There are no volume discounts, customer loyalty programs, or similar.

Sales of goods are recognized as revenue at a specific point in time when control of the products has been transferred, which occurs when the goods are delivered to the customer. Delivery takes place when the products have been transported to a specific location, the risks of obsolescence and loss have been transferred to the customer and either the customer has accepted the products in accordance with the sales contract, the terms of acceptance have expired, or there is objective evidence that all acceptance criteria have been met. In practice, the transfer of control and hence revenue recognition normally depends on the delivery terms. Only one performance obligation has been identified in the contracts.

A receivable is recognized when the goods are delivered because it is at that point that consideration is unconditional as it is only a matter of time before payment is due. If the consideration is conditional on further performance, a contract asset is recognized. If the Group receives advances from customers, a contract liability is recognized.

The most common guarantee commitment for the Group is to replace a defective product in accordance with statutory and general practice. In these cases, the guarantee commitment is reported as a provision.

In most cases, freight charges are included in the price of the product sold and the revenue is recognized at the same time as the revenue from product sales.

For certain customers, the Group stores products in the customer's warehouse or point of sale. Transfer of control of the products is made when the customer lifts the product from the warehouse or when the product is sold to the end customer. The Group recognizes revenue when control has been transferred or when there is a legal right to conduct a sale transaction.

No financing component is deemed to exist at the time of sale as the credit period is usually 30–60 days.

GOVERNMENT GRANTS

Government grants are recognized at fair value when there is reasonable certainty that the grants will be received and the Group will meet the conditions associated with the grants.

Government grants relating to the recovery of costs are accrued and rec ognized in the income statement over the same periods as the costs they are intended to compensate.

CURRENT AND DEFERRED INCOME TAX

The tax expense for the period includes current tax calculated on the period's taxable profit at the applicable tax rates adjusted for changes in deferred tax assets and liabilities related to any temporary differences and unused deficits.

The current tax expense is calculated on the basis of the tax rules enacted or substantively enacted at the balance sheet date in the countries where the Parent Company and its subsidiaries operate and generate taxable income. The management regularly evaluates the claims made in tax returns with regard to situations where applicable tax rules are subject to interpretation and assesses whether it is likely that a Tax Authority will deem an uncertain tax treatment as acceptable. The Group measures its recognized taxes either based on the most likely amount or the expected value, depending on which method best predicts the outcome of the uncertainty.

Deferred tax is reported on all temporary differences arising between the value for tax purposes of assets and liabilities and their carrying amounts in the Consolidated Accounts. However, a deferred tax liability is not recognized if it arises from the initial recognition of goodwill. Deferred tax is also not recognized if it arises from a transaction that is the initial recognition of an asset or liability that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred income tax is calculated by applying the tax rates (and laws) adopted or announced at the balance sheet date and is expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

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Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available, against which the temporary deductible differences can be utilized.

Deferred taxes relating to temporary differences arising from interests in subsidiaries, associates, and joint ventures are not recognized if the Parent Company can control the timing of the reversal of the temporary differences, and it is not considered probable that such reversal will occur in the foreseeable future.

Deferred tax assets and liabilities are netted when there is a legal right of set-off for current tax assets and liabilities and when the deferred tax assets and liabilities pertain to taxes levied by the same Tax Authority and relate either to the same taxable entity or different taxable entities, where there is an intention to settle the balances through net payments.

Current and deferred tax is recognized in the income statement, except when it relates to items recognized in other comprehensive income or directly in equity. In such cases, the tax is also recognized in other comprehensive income and equity, respectively.

LEASES

The Group leases office premises, industrial premises, warehouses, cars, and machinery as well as low-value assets in the form of trucks, printers, containers, and feeders. Leases typically specify a fixed period ranging from 36 months to 5 years, but extending a lease may be possible.

Contracts may contain both leasing and non-leasing components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for lease payments of properties where the Group is the lessee, it has been decided not to separate the lease and non-lease components. Instead, they are recognized as a single lease component.

The terms are negotiated separately for each contract and contain a large number of contractual terms. The leases do not contain any specific conditions or restrictions except that the lessor retains the rights to pledged leased assets. The leased assets may not be used as collateral for loans.

Assets and liabilities arising from leases are initially recognized at their present value.

Lease liabilities include the present value of the following lease payments:

- fixed charges (including substantive fixed charges), less any lease incentives to be received
- variable lease charges that depend on an index or a price, initially measured using the index or price at the com mencement date
- amounts expected to be paid by the lessee under residual value guarantees
- the exercise price of any call option if the Group is reasonably certain to exercise such a possibility
- lease termination penalties, if the lease term indicates that the Group will exercise an option to terminate the lease.

If the Group is reasonably certain of exercising an option to extend a lease, then any lease payments for that extension period are included in the measurement of the liability.

Lease payments are discounted at the implicit interest rate of the lease. If this rate cannot be determined easily, as is typical for Group leases, then the lessee's incremental borrowing rate shall be used, which is the interest rate that the individual lessee would have to pay to borrow the funds necessary to purchase an asset of similar value to the right of use in a similar economic environment with similar terms and collateral.

The Group is exposed to possible future increases in variable lease payments based on an index or interest rate, which are not included in the lease liability until they become effective. When adjustments to lease payments based on an index or interest rate take effect, the lease liability is remeasured and adjusted against the right of use.

Lease payments are allocated between repayment of the liability and interest. The latter is recognized in profit or loss over the lease term in a manner that results in a fixed interest rate for the lease liability recognized in the respective period.

Right-of-use assets are measured at cost and include the following:

- the initial measurement of the lease liability; and
- payments made on or before the date the leased asset is made available to the lessee.

Continued on next page »

Note 2 continued.

The right-of-use asset is written off on a straight-line basis over the shorter of the useful life of the asset and the lease term. If the Group is reasonably certain to exercise a call option, the right of use is written off over the useful life of the underlying asset.

Lease payments attributable to short-term leases and leases for which the underlying asset has a low value are recognized as an expense on a straight-line basis over the lease term. Short-term leases are contracts where the lease term is 12 months or less. Leases for which the underlying asset is of low value relate mainly to trucks, printers, containers and feeders.

Options to extend and terminate contracts

Options to extend or terminate contracts are included in the Group's lease contracts for cars and office premises. These conditions are used to maximize flexibility in managing the contracts. Options to extend or terminate contracts are included in the asset and the liability where it is reasonably certain they will be exercised.

Accounting in subsequent periods

The lease liability is remeasured if there are any amendments to the lease contract or changes in the cash flow based on the original contractual terms. Changes in cash flows based on original contractual terms occur when: the Group changes its initial assessment of whether extension and/or termination options will be exercised; there are changes in previous estimates of whether a call option will be exercised; changes in lease payments arise due to changes in the index or interest rate.

A revaluation of the lease liability leads to a corresponding adjustment of the right-of-use asset. If the carrying amount of the right-of-use asset has already been reduced to zero, the remaining revaluation is recognized in the income statement. The right-of-use asset is tested for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset is not recoverable.

INTANGIBLE ASSETS

Goodwill

Goodwill arising from business combinations is included in intangible assets. Goodwill is not amortized but instead tested for impairment annually or more frequently if events or changes in circumstances indicate a possible impairment. Goodwill is recognized at cost less accumulated impairment losses. On selling an entity, the carrying amount of goodwill is included in the resulting profit/loss.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units or groups of cash-generating units expected to benefit from the synergies of the combination. Each unit or group of units to which goodwill has been allocated corresponds to the lowest level in the Group at which the goodwill in question is monitored for internal management purposes.

Brands, customer relationships, and product rights

Brands and customer relationships acquired through a business combination are recognized at fair value on the acquisition date. Only customer relationships have a finite useful life and are stated in subsequent periods at acquisition cost less accumulated amortization and depreciation.

The amortization period for customer relationships amounts to 13 years. The brands are considered to have an indefinite useful life. The acquired brands are well-established, and the business is expected to be conducted under these brands for the foreseeable future, which supports the assessment of the indefinite useful life. Brands are not amortized but tested annually for impairment.

Other intangible assets

Other intangible assets consist of capitalized costs for IT projects and licenses. These are initially recognized at cost. In subsequent periods, they are reported at cost less accumulated amortization and depreciation. The amortization period for other intangible assets is 3–10 years (5 years in Inission and 3–10 years in Enedo for other intangible assets and 3–5 years for intellectual property rights).

Capitalized expenditures for development costs

Research costs are expensed as incurred.

Expenditure directly attributable to the development and testing of identifiable and unique products controlled by the Group is recognized as intangible assets when the following criteria are met:

- it is technically feasible to finalize the product so that it can be used;
- the Company's intention is to finalize the product and to use or sell it;
- there are opportunities to use or sell the product;
- it can be shown how the product will generate probable future economic benefits;

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- adequate technical, financial, and other resources to complete the development and to use or sell the product are available; and
- expenditure relating to the product during its development can be measured reliably.

Directly attributable expenditure balanced as part of capitalized development expenditure includes expenses for employees and a fair share of indirect costs. Capitalized development costs are recognized as intangible assets and amortized from when the asset is ready for use. The amortization period for capitalized development expenditure amounts to 5 years.

TANGIBLE FIXED ASSETS

Tangible fixed assets are recognized at cost less depreciation. The cost includes expenditures directly attributable to the acquisition of the asset.

Additional expenditure is added to the carrying amount of the asset or recognized as a separate asset, as appropriate, only where it is probable that the future economic advantages associated with the asset will benefit the Group and the cost of the asset can be measured in a reliable manner. The carrying amount of the replaced part is removed from the balance sheet. All other types of repairs and maintenance are recognized as expenses in the statement of comprehensive income during the period in which they are incurred.

Depreciation is performed on a straight-line basis to allocate the cost less estimated residual value over the estimated useful life. The useful lives are as follows:

- Buildings and land: 20–40 years
- Machinery and other technical equipment: 3–10 years
- Equipment, tools, fixtures and fittings: 3–7 years
- Improvement cost to third-party property: 20 years

The assets' residual values and useful lives are assessed at the end of each reporting period and adjusted as necessary.

The carrying amount of an asset is written down immediately to its recoverable amount if the carrying amount exceeds the estimated recoverable amount of the asset. Profits and losses on disposal are determined by comparing the sales revenue with the carrying amount and are included in the item depreciation and amortization of intangible assets and tangible fixed assets in the income statement.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Goodwill and intangible assets that have an indefinite useful life or intangible assets not ready for use are not amortized but are tested for impairment annually, or when there is an indication of impairment. Assets that are amortized are assessed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount is the higher of the asset's fair value, less cost of sales, and its value in use. When assessing the need for impairment, assets are grouped at the lowest levels where there are essentially independent cash flows (cash-generating units). For assets (other than goodwill) that have been previously impaired, an assessment is made at each closing date to determine whether a reversal should be made.

FINANCIAL INSTRUMENTS

The Group's financial assets and liabilities consist of the following items: Other non-current securities, Other receivables (part of the item), Trade receivables, Derivative instruments, Accrued income, Cash and bank, Liabilities to credit institutions, Accounts payable, Overdraft facility, Other liabilities (part of the item), Invoice discounting credit, and Accrued expenses (part of the item).

Initial recognition

Financial assets and financial liabilities are recognized when the Group becomes a party to the instrument's contractual terms. Purchases and sales of financial assets and liabilities are recognized on the trade date, which is the date on which the Group commits to buy or sell the asset

Financial instruments are recognized at fair value on initial recognition plus, for an asset or financial liability not recognized at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and liabilities recognized at fair value through profit or loss are expensed in the income statement.

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Note 2 continued.

Financial assets – Classification and valuation

The Group classifies and values its financial assets at amortized cost and fair value through profit or loss. The classification of investments in debt instruments depends on the Group's business model for managing financial assets and the contractual terms of the assets' cash flows.

Financial assets at amortized cost

Assets held to collect contractual cash flows and where those cash flows consist only of principal and interest are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit losses recognized. The Group's financial assets measured at amortized cost consist of the items: Other receivables (part of the item), Trade receivables, and Accrued income.

Financial assets at fair value through profit or loss

The Group measures all equity instruments at fair value. These are also carried at fair value in subsequent periods and the change in value is recognized in profit or loss. Financial assets, other than derivatives, measured at fair value through profit or loss relate to shareholdings and are included in the item Other non-current securities.

Derivatives are recognized in the balance sheet on the trade date and are measured at fair value, both initially and on subsequent remeasurements. All changes in fair value of derivative instruments that do not qualify for hedge accounting are recognized directly in the items Other operating revenue or Other operating expenses in the income statement.

Financial liabilities – Classification and valuation

The Group classifies and values its financial liabilities at amortized cost and fair value through profit or loss. Financial liabilities are classified as current liabilities if they fall due within 12 months of the balance sheet date. If they fall due after 12 months of the balance sheet date, they are classified as non-current liabilities.

Financial liabilities at amortized cost

The Group's financial liabilities are measured after initial recognition at amortized cost using the effective interest method. Any difference between the amount received (net of transaction costs) and the repayment amount is recognized in profit or loss over the loan period. Charges paid for borrowing facilities are recognized as transaction costs of the borrowing to the extent that it is probable that some or all of the credit line will be utilized. The charge is recognized when the credit line is used in such cases. When there is no evidence that it is probable that part or all of the credit line will be utilized, the charge is recognized as an upfront payment for financial services and is spread over the term of the loan commitment in question.

Financial liabilities measured at amortized cost consist of liabilities to credit institutions, other non-current liabilities, overdraft facilities, invoice discounting credits, accounts payable, other current liabilities (part of the item), and accrued expenses (part of the item).

Financial liabilities at fair value through profit or loss

Derivatives and other non-current and current liabilities in the form of earn-out payments are recognized in the balance sheet on the trade date and measured at fair value, both initially and on subsequent remeasurements. All changes in the fair value of derivative instruments that do not qualify for hedge accounting are recognized directly in the items Other operating revenue or Other operating expenses in profit or loss. Financial liabilities at fair value through profit or loss consist entirely of derivative instruments and earn-out payments.

Derecognition of financial assets and financial liabilities

Financial assets are derecognized from the statement of financial position when the right to receive cash flows from the instrument has expired or has been transferred, and the Group has transferred practically all the risks and rewards associated with the ownership.

Financial liabilities are derecognized from the statement of financial position when the obligation under the contract has been met or otherwise extinguished. When the terms of a financial liability are renegotiated, and not derecognized from the balance sheet, a profit or loss is recognized in the income statement. The profit or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

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Set-off of financial instruments

Financial assets and liabilities are offset and recognized at a net amount in the balance sheet only when there is a legal right to offset the carrying amounts and an intention to settle them at a net amount or simultaneously realize the asset and settle the liability. The legal right may not depend on future events and must be legally binding for the Company and counterparty in the ordinary course of business and in the event of default, insolvency, or bankruptcy

Impairment of financial assets

Assets recognized at amortized cost

The Group assesses the future expected credit losses related to assets recognized at amortized cost. The Group recognizes a loan loss reserve for such expected credit losses at each reporting date. For trade receivables, the Group applies the simplified credit provisioning approach, i.e., the reserve will correspond to the expected loss throughout the life of the trade receivable. To measure the expected credit losses, trade receivables have been grouped based on allocated credit risk characteristics and days overdue. The Group utilizes forward-looking variables for expected credit losses. Expected credit losses are recognized in the consolidated income statement in the item Other external costs.

INVENTORY

Inventories are carried at the lower of cost and net realizable value. The cost comprises direct cost of goods sold, direct remuneration, and attributable indirect production costs (based on standard manufacturing capacity). Borrowing costs are not included. The cost of individual items in inventory is allocated based on weighted average costs. The cost of goods for resale is determined after deducting rebates. The net realizable value is the estimated sales price in the operations, less applicable variable selling costs.

TRADE RECEIVABLES

Trade receivables are initially recognized at the unconditional amount. If significant financing components are included, they are recognized at fair value. Subsequently, they are recognized at amortized cost using the effective interest method less credit provisions. See the description of financial instruments above.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include bank deposits in both the balance sheet and the cash flow statement. Overdraft facility is recognized in the balance sheet as part of the current liabilities.

SHARE CAPITAL

Ordinary shares are classified as equity. Transaction costs directly attributable to the issue of new shares or options are recognized, net of tax, in equity as a deduction from the issue proceeds

ACCOUNTS PAYABLE

Accounts payable are obligations to pay for goods or services that have been acquired from suppliers in operating activities. The amounts are unsecured and are usually paid within 30–60 days. Accounts payable and other liabilities are classified as current liabilities if they fall due within one year or sooner (or within the normal operating cycle if this is longer). If not, they are presented as non-current liabilities. Liabilities are initially recognized at fair value and subsequently at amortized cost using the effective interest method.

BORROWINGS

Borrowings are initially recognized at fair value, net of transaction costs. Borrowings are subsequently carried at amortized cost and any difference between the amount received (net of transaction costs) and the repayment amount is recognized in the income statement over the loan period, applying the effective interest method. Charges paid for borrowing facilities are recognized as transaction costs of the borrowing to the extent that it is probable that some or all of the credit line will be utilized. The charge is recognized when the credit line is used in such cases. When there is no evidence that some or all of the credit line is likely to be used, the charge is recognized as an upfront payment for financial services and is spread over the term of the loan commitment in question.

Borrowings are derecognized when the obligations are settled, canceled, or otherwise terminated. The difference between the carrying amount of a

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financial liability (or part of a financial liability) that is extinguished or transferred to another party, and the consideration paid, including non-cash assets transferred or liabilities incurred, is recognized in profit or loss.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer payment of the liability for at least 12 months after the end of the reporting period.

PROVISIONS

Provisions for legal claims, guarantees, and restoration measures are recognized when the Group has a legal or constructive obligation due to past events. An outflow of resources will probably be required to settle the commitment, and the amount has been reliably calculated. No provisions are made for future operational losses. If there are a number of similar commitments, the likelihood that an outflow of resources will be required in settlement is assessed in aggregate for this entire group of commitments. A provision is recognized even if the probability of an outflow for a particular item in this group of commitments is low.

Provisions are measured at the present value of the amount expected to be required to settle the obligation. For this purpose, a discount rate before tax is used, reflecting a current market assessment of the time-dependent value of money and the risks associated with the provision. The increase of the provision due to the passing of time is carried as an interest expense.

EMPLOYEE BENEFITS

Short-term employee benefits

Liabilities for salaries and remuneration, including non-monetary benefits and paid absences, which are expected to be settled within 12 months after the end of the financial year, are recognized as current liabilities at the undiscounted amount expected to be paid when the liabilities are settled. The cost is recognized in the statement of comprehensive income as the employees perform the services. The liability is recognized as an obligation regarding employee benefits in the consolidated balance sheet.

Pension obligations

The Group has both defined benefit and defined contribution pension plans.

For defined contribution pension plans, the Group pays contributions to publicly or privately administered pension insurance on a mandatory, contractual, or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as personnel costs when they fall due. Prepaid contributions are recognized as an asset to the extent that the cash refund or reduction in future payments may be credited to the Group.

The Group has a defined benefit pension plan in Italy. Under Italian law, if an employment contract is terminated, each employee shall receive a severance payment (Trattamento Fine Rapporto, TRF) which is paid from a fund held by the company or by an external institution. The annual amount is 6.9% of the gross annual salary, and this amount is deducted each month as a personnel cost. The contribution to the fund is recognized as a personnel cost in profit or loss, and the interest from the fund is recognized in net financial income. The revaluation of the fund is recognized in equity. The provision for pensions corresponds to the accumulated defined benefit obligation at the employment termination date. The commitment is measured at fair value and index adjusted annually. The value is based on actuarial calculations, which consider actuarial assumptions such as demographic assumptions about the future regarding current and potential employees and financial assumptions based on market expectations.

For civil servants in Sweden, the ITP 2 plan's defined-benefit pension commitments for retirement and family pensions are secured by an insurance policy from Alecta. According to a statement by the Swedish Financial Reporting Board, UFR 10 Reporting of the Retirement Plan, ITP 2, which is financed via insurance in Alecta, this is a defined-benefit plan covered by several employers. For the financial year 2022, the Company did not have the information needed to report its proportionate share of the plan's obligations, plan assets, and expenses, making it impossible to recognize the plan as a defined-benefit plan. The ITP 2 pension plan, secured by an insurance policy from Alecta, is therefore reported as a defined contribution plan. The premium for the defined-benefit retirement and family pension is calculated individually and depends, among other things, on salary, previously earned retirement benefits, and expected remaining length of service.

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Note 2 continued.

EARNINGS PER SHARE

Earnings per share before dilution
Earnings per share before dilution are calculated by dividing:

- profit attributable to Parent Company shareholders
- by a weighted average number of ordinary shares outstanding during the period, adjusted for the bonus issue element of ordinary shares issued during the year and excluding repurchased shares held as treasury shares by the Parent Company.

Earnings per share after dilution
For the calculation of earnings per share after dilution, the amounts used for calculating earnings per share before dilution are adjusted by taking into account:

- the effect, after tax, of dividends and interest expenses on potential ordinary shares, and
- the weighted average of the additional ordinary shares that would have been outstanding upon conversion of all potential ordinary shares.

DIVIDENDS

Dividends to the Parent Company's shareholders are recognized as a liability in the Consolidated Accounts during the period in which the dividend is approved by the Parent Company's shareholders.

CASH FLOW STATEMENT

The cash flow statement is prepared using the indirect method. The reported cash flow only includes transactions that result in receipts or payments.

SHARE-BASED PAYMENTS

The fair value of the service that entitles employees to the allocation of options is recognized as a personnel cost with a corresponding increase in equity. The total amount to be expensed is based on the fair value of the options granted. The fair value of options granted is calculated using the Black & Scholes valuation model. The options are granted free of charge and are settled in shares. The total cost is recognized on a straight-line basis over the vesting period. At the end of each reporting period, the Group reassesses its estimates of the number of shares expected to be earned based on vesting conditions. Any deviation from the original estimates is recognized in profit or loss with a corresponding adjustment to equity.

Note 3 – Financial risk

FINANCIAL RISK FACTORS

The Group is exposed through its activities to a wide range of financial risks, such as various market risks (currency risk and interest-rate risk), credit risk, liquidity risk, and refinancing risk. The Group seeks to minimize potential adverse effects on its financial performance.

The objective of the Group's financial activities is to:

- ensure that the Group can meet its payment commitments,
- manage financial risks,
- ensure access to the necessary funding, and
- optimize the Group's net financial items.

The Group's risk management is run centrally and involves identifying, evaluating, and securing financial risks in close cooperation with the Group's operational units. The Board has prepared both written instructions for general risk management and guidelines for specific areas such as foreign exchange risk.

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Note 3 continued.

MARKET RISK

(a) Currency risk

The Group is exposed to currency risks arising from various currency exposures, particularly regarding USD-denominated purchases and sales. There is an exposure mainly between USD/SEK. The risk consists partly of fluctuations in the currency of the trade receivable or accounts payable and partly of the currency risk in contracted payment flows, i.e., purchases and sales in a currency that does not correspond to the functional currency of the respective company. Such exposure is referred to as transaction exposure. To financially hedge future flows in foreign currency, the Group enters into forward exchange contracts under the currency policy established by the Board of Directors. The Group does not apply hedge accounting. Within the Group, companies with a functional currency of SEK have loans in euros, which also entails currency exposure.

Moreover, currency risk arises from translating foreign subsidiaries' income statements and balance sheets into the Group's reporting currency, SEK. The Group is mainly exposed to the euro (EUR) and Norwegian krone (NOK) as there are foreign subsidiaries in Finland, Estonia, and Norway. The Group does not currently hedge the translation risk.

(b) Interest rate risk

Liabilities to credit institutions consist of loans in SEK, EUR, and NOK. All loans carry variable interest rates and expose the Group to cash flow interest rate risk. The variable interest rate is based on STIBOR or EURIBOR plus 2.0%. The Group does not currently hedge the interest rate risk with respect to future cash flows.

Furthermore, the Group has borrowings in the form of shareholder loans in SEK without maturity that carry a fixed interest rate of 7.0% (6.0%).

Of the Group's total borrowings, 97% (95%) are carried at variable interest rates, which constitutes the Group's exposure to interest rate risk.

(c) Credit risk

Credit risk arises from balances with banks and credit institutions and customer credit exposures, including outstanding receivables. Only banks and credit institutions that have been given a minimum credit rating of "A" by independent valuators are accepted. The Group has no contractual assets.

Credit risk is managed at the Group level, except for credit risk relating to outstanding trade receivables, where the respective Group company performs an analysis. Each Group company is responsible for monitoring and analyzing the credit risk of each new customer. In cases where there is no independent credit assessment, a risk assessment of the customer's creditworthiness is carried out, considering their financial position, past experiences, and other factors. Individual risk limits are set based on internal or external credit assessments. The use of credit lines is monitored regularly.

The credit risk regarding trade receivables is partly managed by the Group applying invoice sales where the risk is transferred to the counterparty and the trade receivable is written off, and after that, the Group has no remaining credit risk in these receivables.

Historically, the Group has experienced insignificant credit losses. Based on historical data with very low credit losses and a forward-looking assessment, the expected credit losses are not significant for any customers.

LIQUIDITY AND REFINANCING RISK

The Group ensures through prudent liquidity management that sufficient cash is available to meet the needs of its operating activities. At the same time, it is ensured that the Group has sufficient capacity on agreed credit facilities so that liabilities can be paid when they fall due. Management follows rolling forecasts for the Group's liquidity reserve (including unused credit facilities) and cash and cash equivalents based on expected cash flows. The analyses are customarily carried out by the operating companies, taking into account the guidelines and limitations established by Group management. The limitations vary across regions, considering the liquidity of different markets. The Group also monitors balance sheet-based liquidity measures against internal and external requirements and ensures access to external financing.

In addition to the invoice sales described above under credit risk, the Group has an arrangement where invoices are leveraged (invoice discounting credit) but not written off, as the credit risk is not transferred to the counterparty. Of the total trade receivables, TSEK 69 484 (44 692) is leveraged. In the balance sheet, this liability is included in the item Invoice discounting credit.

Refinancing risk is defined as the risk that difficulties arise in refinancing the Group, that financing cannot be obtained, or that it can only be obtained at higher costs. The risk is limited by the Group's ongoing evaluation of different financing solutions. The Group's borrowings consist of liabilities to credit institutions (Nordea), shareholder loans, overdraft facilities, and invoice discounting credits.

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Note 3 continued.

The invoice discounting credit consists of factoring agreements where the risk is not transferred to the counterparty, and the receivable is, therefore, not written off. The borrowing from Nordea is subject to covenants. All covenants are met at the respective balance sheet date. There are unused credit lines attached to invoice discounting credits and overdraft facilities. For more information on the Group's borrowings, see note 27 Borrowings.

FAIR VALUE MEASUREMENT AND DISCLOSURE

The table below shows financial instruments measured at fair value based on how they are classified in the fair value hierarchy. The different levels are defined as follows:

(a) Level 1 financial instruments
Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 financial instruments
Observable data for the asset or liability other than quoted prices included in level 1, either directly (i.e., as price quotes) or indirectly (i.e., derived from price quotes).

(c) Level 3 financial instruments
In cases where one or more significant inputs are not based on observable market data.

The following table shows the Group's financial liabilities and assets measured at fair value on 2021-01-01:

FINANCIAL LIABILITIES	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Financial liabilities at fair value through profit or loss				
Derivative (foreign exchange forwards)	0	405	0	405
Total financial liabilities	**0**	**405**	**0**	**405**

FINANCIAL ASSETS	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value				
Derivative (foreign exchange forwards)	0	0	0	0
Other non-current securities	0	0	5 377	5 377
Total financial assets	**0**	**0**	**5 377**	**5 377**

The following table shows the Group's financial liabilities and assets measured at fair value on 2021-12-31:

FINANCIAL LIABILITIES	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Financial liabilities at fair value through profit or loss				
Derivative (foreign exchange forwards)	0	184	0	184
Total financial liabilities	**0**	**184**	**0**	**184**

FINANCIAL ASSETS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Financial liabilities at fair value				
Derivative (foreign exchange forwards)	0	315	0	315
Other non-current securities	0	0	353	353
Total financial assets	**0**	**315**	**353**	**668**

The following table shows the Group's financial liabilities and assets measured at fair value on 2022-12-31:

FINANCIAL LIABILITIES	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Financial liabilities at fair value				
Derivative (foreign exchange forwards and interest rate swaps)	0	1 440	0	1 440
Contingent consideration	0	0	6 677	6 677
Total financial liabilities	**0**	**1 440**	**6 677**	**8 117**

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Note 3 continued.

FINANCIAL ASSETS	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Financial liabilities at fair value				
Derivative (foreign exchange forwards)	0	0	0	0
Other non-current securities	0	0	1 090	1 090
Total financial assets	**0**	**0**	**1 090**	**1 090**

The following tables show the reconciliation of the opening and closing carrying amounts of the financial assets and liabilities measured at level three.

FINANCIAL LIABILITIES, LEVEL 3	CONTINGENT CONSIDERATION
Carrying amount 2021-01-01	**0**
Additional amount	0
Change recognized in the income statement	0
Amounts paid	0
Exchange rate difference	0
Carrying amount 2021-12-31	**0**
Additional amount	6 293
Change recognized in the income statement	384
Amounts paid	0
Exchange rate difference	0
Carrying amount 2022-12-31	**6 677**

FINANCIAL ASSETS, LEVEL 3	OTHER NON-CURRENT HOLDINGS OF SECURITIES (UNLISTED SHARES)
Carrying amount 2021-01-01	**5 377**
Additional amount	51
Change recognized in the income statement	-5 075
Amounts paid	0
Carrying amount 2021-12-31	**353**
Additional amount	737
Change recognized in the income statement	0
Amounts paid	0
Carrying amount 2022-12-31	**1 090**

The carrying amount of the Group's borrowings essentially corresponds to its fair value since interest rates are on par with current market rates. The carrying amount of the Group's short-term financial instruments measured at amortized cost substantially corresponds to its fair value as the discounting effect is not material.

Level 3 fair value measurement inputs and the valuation process
The fair value of the contingent consideration agreement is based on the management's assessment of what is likely to be paid given the terms of the share transfer agreement. Management has determined that 100% of the stated amount will be paid based on net sales to a number of key customers.

Note 4 – Capital management

The Group's objective regarding its capital structure is to ensure its ability to continue its operations so that it may generate returns for shareholders and benefits for other stakeholders, as well as maintain an optimal capital structure to keep the cost of capital down.

To maintain or adjust the capital structure, the Group may change the dividend paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce liabilities.

The Group assesses its capital based on the leverage ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (comprising the items Non-current liabilities to credit institutions and Current liabilities to credit institutions) less cash and cash equivalents.

Total capital is calculated as Equity in the consolidated balance sheet plus net debt.

The Group's strategy is to have a balanced capital structure where the debt-to-equity ratio is continuously monitored based on the Group's capital requirements. The debt-to-equity ratio at each balance sheet date was as follows:

2022-12-31	2022-12-31	2021-12-31	2021-01-01
Total borrowings	171 592	123 723	25 212
Less: cash and cash equivalents	-14 603	-27 832	-44 267
Net debt	**156 989**	**95 891**	**-19 055**
Total equity	**581 304**	**493 844**	**250 704**
Debt-to-equity ratio %	**27%**	**19%**	**-8%**

The increase in the debt-to-equity ratio during 2021-12-31/2022-12-31 was mainly attributable to the acquisition of shares in Enedo and increased capital tied up due to the component situation and increased net sales.

Note 5 – Important estimates and assessments for accounting purposes

The Inission Group makes estimates and assumptions about the future. The resulting estimates for accounting purposes will, by definition, rarely correspond to the actual outcome. The estimates and assumptions that pose a significant risk of material adjustments to the carrying amounts of assets and liabilities during the next financial year are outlined below.

Impairment testing of goodwill

The Group tests goodwill for impairment each year in accordance with the accounting policy described in this report. The recoverable amount of the cash-generating units has been determined by calculating the value in use. This calculation requires certain estimates to be made, of which the most important estimates are the discount rate and long-term growth rate. For further information on impairment testing, see note 16.

Inventory obsolescence

In the financial statements, an impairment loss is recognized for obsolescence, meaning that materials that have not been moved for 12 months and have no orders are considered obsolete. Obsolescence assessments are based on individual assessments. Determining any impairment requirements is a significant and difficult assessment issue.

De facto control

The Group's Board considers that the Group has a controlling influence in Enedo Plc at the date of acquisition (April 1, 2021), even though the Group holds less than half (49.6%) of the voting rights in Enedo. This is because the Group is the largest shareholder in Enedo with 49.6 % of the voting rights, while the remaining shares are spread over a large number of shareholders. Furthermore, there is no history of shareholders coming together to exercise their votes collectively.

Deferred tax assets

Deferred tax assets for carry-forward tax losses or other future tax deductions are recognized to the extent that it is probable that the deduction can be offset against future taxable profits.

Note 6 – Segment reporting and disclosure of net sales

The Group's chief operating decision maker is the CEO, who assesses the performance of the operating segments based on the type of production. The operations are monitored from Enedo and the rest of Inission. The CEO monitors performance based on operating profit. The Group's operations are managed and reported on the basis of the following operating segments:

1. Inission – contract manufacturing of electronics and mechanics
Inission is a manufacturing partner with services and products that cover the entire product lifecycle, from development and design to industrialization, volume production, and aftermarket. Inission has production units in Stockholm, Västerås, Borås, Munkfors, Malmö, Trondheim (Norway), Lohja (Finland), Lagedi, and Tallinn (Estonia), with a total of 557 employees.

2. Enedo – Power electronics and systems
Enedo is a product company that develops, manufactures, and sells high-quality electronic power supplies and system solutions. Enedo has operations in Finland, Italy, USA, and Tunisia, with a total of 350 employees.

2022-01-01 » 2022-12-31	ENEDO	INISSION	ELIMINATIONS	TOTAL
Revenue per segment	493 210	1 429 253	0	1 922 463
Revenue from other segments	0	0	-1 290	-1 290
Revenue from external customers	**493 210**	**1 429 253**	**-1 290**	**1 921 173**
Operating profit	1 372	86 090	0	87 462
Financial items	0	0	0	-24 170
Profit before tax	**1 372**	**86 090**	**0**	**63 292**

2021-01-01 » 2021-12-31	ENEDO	INISSION	ELIMINATIONS	TOTAL
Revenue per segment	280 082	1 003 200	0	1 283 282
Revenue from other segments	0	0	-111	-111
Revenue from external customers	**280 082**	**1 003 200**	**0**	**1 283 172**
Operating profit	-55 318	34 829	0	-20 489
Financial items	0	0	0	-16 633
Profit before tax	**0**	**0**	**0**	**-37 122**

SEGMENT ASSETS AND LIABILITIES 2022-12-31	ENEDO	INISSION	ELIMINATIONS	TOTAL
Assets	282 050	1 315 332	-17 593	1 579 789
Liabilities	-293 536	-879 531	17 593	-1 155 474
Total	**-11 486**	**435 801**	**0**	**424 315**

SEGMENT ASSETS AND LIABILITIES 2021-12-31	ENEDO	INISSION	ELIMINATIONS	TOTAL
Assets	376 597	855 967	-659	1 231 905
Liabilities	-286 071	-548 539	659	-833 951
Total	**90 526**	**307 428**	**0**	**397 953**

SEGMENT ASSETS AND LIABILITIES 2021-01-01	ENEDO	INISSION	ELIMINATIONS	TOTAL
Assets	0	659 591	0	659 591
Liabilities	0	-389 831	0	-389 831
Total	**0**	**269 760**	**0**	**269 760**

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Notes 6 continued.

Inission AB uses operating profit as a measure of operating segment performance. Interest revenue and expenses are not allocated to the segments, as this activity is driven by the central financing function, which manages the Group's liquidity. Sales between segments are made at market prices and are eliminated on consolidation. The amounts provided to the CEO with respect to segment revenue are measured in a manner consistent with the financial statements.

The main revenue streams of the Group are sales of goods. The sales are recognized as revenue when control of the goods is transferred, which occurs when the risk is transferred under the applicable delivery terms. Revenue is, therefore, essentially recognized at a point in time. The Group disaggregates its revenue by geography, as shown in the table below:

Revenue from external customers by country, based on the location of the customers:

2022-01-01 » 2022-12-31	ENEDO	INISSION	ELIMINATIONS	TOTAL
Sweden	3 835	630 439	-1 290	632 985
Finland	41 808	244 745	0	286 553
Estonia	4 691	80 119	0	84 810
Other EU countries	234 539	144 367	0	378 906
Norway	2 441	303 006	0	305 447
USA	102 598	11 455	0	114 053
Other non-EU countries	103 298	15 122	0	118 420
Total	**493 210**	**1 429 253**	**-1 290**	**1 921 173**

Revenue from external customers by country, based on the location of the customers:

2021-01-01 » 2021-12-31	ENEDO	INISSION	ELIMINATIONS	TOTAL
Sweden	3 952	562 333	-111	566 175
Finland	35 166	104 622	0	139 788
Estonia	2 399	56 390	0	58 789
Other EU countries	127 879	69 385	0	197 264
Norway	2 098	178 562	0	180 660
USA	59 327	5 541	0	64 868
Other non-EU countries	49 260	26 367	0	75 627
Total	**280 082**	**1 003 200**	**-111**	**1 283 172**

Fixed assets other than financial instruments and deferred tax assets based on the asset's physical location are shown in the table below:

	2022-12-31	2021-12-31	2021-01-01
Sweden	10 970	11 561	10 543
Finland	7 812	1 810	683
Estonia	29 167	29 990	26 582
Other EU countries	9 259	9 409	0
Norway	13 490	12 995	14 666
USA	0	0	0
Other non-EU countries	16 259	15 498	0
Total	**86 957**	**81 263**	**52 473**

Note 7 – Auditors' remuneration

AUDITORS (TSEK)	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Audit assignment ÖhrlingsPricewaterhouseCoopers AB	955	757
Audit assignment KPMG	1 833	1 646
Other services ÖhrlingsPricewaterhouseCoopers AB	1 098	436
Other services KPMG	107	892
Total	**3 992**	**3 731**

Note 8 – Employee benefits, etc.

EMPLOYEE BENEFITS	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Salaries and other benefits	290 033	284 880
Social security costs	53 564	50 754
Pension costs:		
Defined contribution plans	39 623	40 995
Defined benefit plans	3 405	2 465
Total	**386 626**	**379 093**

SALARIES AND OTHER BENEFITS	2022-01-01 » 2022-12-31		2021-01-01 » 2021-12-31	
	Salaries and other benefits	Of which bonuses	Salaries and other benefits	Of which bonuses
Board, CEO, and other executives	7 265	0	6 685	0
Other employees	282 768	0	278 195	0
Group total	**290 033**	**0**	**284 880**	**0**

SOCIAL COSTS	2022-01-01 » 2022-12-31		2021-01-01 » 2021-12-31	
	Social costs	Of which pension costs	Social costs	Of which pension costs
Board, CEO, and other executives	4 089	1 806	3 245	1 489
Other employees	95 560	15 023	104 492	14 544
Group total	**99 649**	**16 829**	**107 738**	**16 033**

AVERAGE NUMBER OF EMPLOYEES WITH GEOGRAPHICAL DISTRIBUTION BY COUNTRY	2022-01-01 » 2022-12-31		2021-01-01 » 2021-12-31	
	Average number of employees	Of which men	Average number of employees	Of which men
Sweden	251	157	257	164
Norway	74	43	70	41
Finland	79	26	40	0
Estonia	230	148	176	104
Italy	59	0	90	0
USA	2	0	5	0
Tunisia	241	0	216	0
Group total	**936**	**374**	**854**	**309**

Continued on next page »

Note 8 continued.

GENDER BALANCE IN THE GROUP (INCL. SUBSIDIARIES) FOR BOARD MEMBERS AND OTHER SENIOR EXECUTIVES	2022-01-01 » 2022-12-31		2021-01-01 » 2021-12-31	
	Number at balance sheet date	Of which men	Number at balance sheet date	Of which men
Board members	17	10	18	11
CEO and other senior executives	28	17	28	17
Group total	**45**	**27**	**46**	**28**

REMUNERATION AND OTHER BENEFITS 2022-01-01 » 2022-12-31	Basic salary/ Director's fees	Variable remuneration	Other benefits	Pension cost	Share-based payments	Total
Chairman of the Board	0				0	0
Board member - Karin Skoglund	130					130
Board member - Margareta Alestig Johnson	132					132
Board member - Mia Bökmark	83					83
Board member - Hans Linnarson	132					132
Chief Executive Officer	986				0	986
Other senior executives (4 persons)	4 200	142		1 415	45	5 802
Total	**5 662**	**142**	**0**	**1 415**	**45**	**7 265**

REMUNERATION AND OTHER BENEFITS 2021-01-01 » 2021-12-31	Basic salary/ Director's fees	Variable remuneration	Other benefits	Pension cost	Share-based payments	Total
Chairman of the Board	0				0	0
Board member - Karin Skoglund	97					97
Board member - Margareta Alestig Johnson	60					60
Board member - Hans Linnarson	95					
Board member - Mattias Hultheimer	97					
Chief Executive Officer	1 219				0	1 219
Other senior executives (4 persons)	3 902	335		1 062	9	5 309
Total	**5 469**	**335**	**0**	**1 062**	**9**	**6 685**

Guidelines
Fees are paid to the Chairman and Board members following the resolution of the Annual General Meeting, 2022-05-05. For other Board members who receive a salary in the form of employment in any Group company, no director's fees have been paid. The General Meeting has decided on the following remuneration guidelines for the management. Remuneration to the CEO and other senior executives consists of a basic salary, variable remuneration, other benefits, pension, and more. Other senior executives refer to the 4 persons who, together with the CEO, comprise the Group management. The division between fixed and variable remuneration shall be proportionate to the executive's responsibility and authority. For other senior executives, the variable remuneration is maximized at 15–18% of the fixed salary. The variable remuneration is based on the outcome in relation to individually set targets. Pensions and other benefits for the CEO and other senior executives are paid as part of the total remuneration.

Pension
The retirement age for the CEO and other senior managers aligns with current legislation. The pension agreement

Continued on next page »

Note 8 continued.

follows an age-based contribution scale, which states that the pension contribution should amount to 25–45% of the pensionable salary. No pension commitments are made for Board members whom any Group company does not permanently employ.

Severance pay

The notice period between the Company and the CEO is 9 months for the Company and 6 months for the employee. There is no severance pay in case of termination of employment.

A mutual notice period of 3–12 months applies between the Company and other senior executives. There is no severance pay in case of termination of employment.

	2022-12-31	2021-12-31	2021-01-01
Senior executives hold the following number of warrants on each balance sheet date	18 200	0	11 800
Total	**18 200**	**0**	**11 800**

SHARE-BASED PAYMENTS

Warrant scheme 2022

In 2022, the employees were offered to acquire warrants enabling them to purchase shares in Inission from May 20, 2022, to July 13, 2022. The exercise price per warrant amounts to SEK 35.20. The warrants were acquired at fair value on the acquisition date (SEK 11.39). Of this amount, Inission subsidized 50% at the time of acquisition, and Inission will subsidize the remaining 50% of the acquisition price provided that the employees remain in employment up until the exercise date. The fair value of the warrants has been determined using the Black & Scholes valuation model with a volatility of 57%.

Warrant scheme 2018

In 2018, the employees were offered to acquire warrants enabling them to purchase shares in Inission from June 15, 2021, to July 15, 2021. The exercise price per warrant amounted to SEK 51.59. The warrants were acquired at fair value on the acquisition date (SEK 9.00). Of this amount, Inission subsidized 50% at the time of acquisition, and Inission will subsidize the remaining 50% of the acquisition price provided that the employees remain in employment up until the exercise date. The fair value of the warrants has been determined using the Black & Scholes valuation model with a volatility of 35%.

SUMMARY OF OUTSTANDING WARRANTS	2022-01-01 » 2022-12-31		2021-01-01 » 2021-12-31	
	Average exercise price in SEK per warrant	Number of warrants	Average exercise price in SEK per warrant	Number of warrants
As of 1 January		**0**		**37 875**
Granted		47 640		0
Forfeited			51	0
Utilized				-32 580
Expired				-5 295
At 31 December		**47 640**		**0**

Note 9 – Other operating revenue

OTHER OPERATING REVENUE	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Grants	2 207	6 548
Changes in the positive value of derivative instruments at fair value through profit or loss	1 455	469
Capital gain on disposal of fixed assets	106	1
Exchange gains	15 619	2 244
Rental income	685	604
Changes in the positive value of other long-term securities holdings recognized at fair value through profit or loss	1 181	61
Other	0	703
Total	**21 252**	**10 631**

Note 10 – Other operating expenses

OTHER OPERATING EXPENSES	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Changes in the negative value of derivative instruments at fair value through profit or loss	-3 006	-333
Changes in the negative value of other long-term securities holdings recognized at fair value through profit or loss	0	-5 323
Exchange losses	-29 257	-4 053
Other operating expenses	-10 864	-8 848
Total	**-43 127**	**-18 557**

Note 11 – Financial revenue and financial costs

FINANCIAL REVENUE (TSEK)	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Interest revenue	4 318	2 193
Exchange differences borrowings	0	0
Annulment of debt	0	0
Other financial revenue	0	0
Total financial revenue	**4 318**	**2 193**
FINANCIAL COSTS (TSEK)		
Interest expenses, liabilities to credit institutions	-21 396	-9 558
Interest expenses, shareholder loans	-164	-1 007
Interest expenses on lease liabilities	-4 236	-4 088
Exchange differences	0	0
Other financial costs	-2 692	-4 173
Total financial costs	**-28 488**	**-18 826**
Financial items – net	**-24 170**	**-16 633**

Note 12 – Income tax

CURRENT TAX (TSEK)	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Current tax on profit for the year	-16 214	-8 154
Adjustments for previous years	9	0
Total current tax	**-16 205**	**-8 154**

DEFERRED TAX (TSEK)	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Increase/Decrease of deferred tax assets	2 493	3 016
Increase/Decrease of deferred tax liabilities	0	0
Total deferred tax	**2 493**	**3 016**
Total income tax	**-13 712**	**-5 138**

Reconciliation between theoretical tax expense and reported tax

Tax at Swedish tax rate of 20.6% (20.6%).

INCOME TAX (TSEK)	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Profit before tax	63 292	-37 122
Income tax calculated at the Swedish tax rate of 20.6% (20.6%)	-13 038	7 647
Tax impact of:		
Non-taxable revenue	2 889	15
Non-deductible revenue	0	35
Non-deductible expenses	-649	-2 259
IFRS adjustments	0	-3 455
Tax attributable to prior years	0	585
Foreign tax rate difference	-610	4 272
Unrecognized tax losses	-2 977	-13 268
Previously unrecognized tax losses used during the year	385	1 372
Impact of change in tax rate	0	0
Other	287	-81
Income tax	**-13 712**	**-5 138**

The weighted average tax rate for the Group was 20% (20%).

Note 13 – Exchange differences, net

Exchange differences have been recognized in the statement of comprehensive income as follows:

EXCHANGE DIFFERENCES (TSEK)	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Other operating revenue (note 9)	15 619	2 244
Other operating expenses (note 10)	-29 257	-4 053
Financial items – net (note 11)	0	0
Total	**-13 638**	**-1 809**

Note 14 – Investments in subsidiaries

NAME	COUNTRY OF REGISTRATION AND OPERATION	PROPORTION OF ORDINARY SHARES OWNED BY THE GROUP (%) 2022-12-31	PROPORTION OF ORDINARY SHARES OWNED BY THE GROUP (%) 2021-12-31
Inission Munkfors AB	Sweden	100%	100%
Inission Stockholm AB	Sweden	100%	100%
Inission Tallinn OÜ	Estonia	100%	100%
Inission Onrox Group AB	Sweden	0%	100%
Inission Malmö AB	Sweden	100%	0%
Inission Norge AS (Simpro Holding AS)	Norway	98.09%	98.09%
Inission Västerås AB	Sweden	100%	100%
Inission Lohja Oy	Finland	100%	100%
MLB Electronics Oy	Finland	100%	
Enedo Plc	Finland	100%	49.6%
Efore (USA), Inc	USA	100%	100%
Enedo (Hongkong) Co, Limited	China	100%	100%
Efore (Suzhou) Automotive Technology	China	100%	100%
Enedo SpA	Italy	100%	100%
Enedo Holding Oy	Finland	100%	100%
Enedo Finland Oy	Finland	100%	100%
Enedo Sarl	Tunisia	99.72%	99.72%
Enedo Inc.	USA	100%	100%

Note 15 – Tangible fixed assets

As of 2021-01-01	Machinery and other technical equipment	Equipment, tools, and installations	Improvement costs to third-party property	Total
Acquisition value	196 230	22 011	6 428	224 669
Accumulated depreciation	-151 444	-16 502	-4 250	-172 197
Carrying amount	**44 785**	**5 509**	**2 178**	**52 472**
Financial year 2021				
Opening carrying amount	44 785	5 509	2 178	52 472
Acquisitions in the year	22 511	2 106	495	25 112
Disposals and retirements	-2 020	-1 233	0	-3 253
Acquired through business combinations	25 741	806	0	26 547
Exchange differences	0	0	0	1
Depreciation for the year	-17 697	-1 407	-511	-19 615
Closing carrying amount	**73 320**	**5 781**	**2 162**	**81 264**

Continued on next page »

Note 15 continued.

As of 2021-12-31	Machinery and other technical equipment	Equipment, tools, and installations	Improvement costs to third-party property	Total
Acquisition value	242 462	23 690	6 923	273 075
Accumulated depreciation	-169 142	-17 909	-4 761	-191 812
Carrying amount	**73 320**	**5 781**	**2 162**	**81 263**
Financial year 2022				
Opening carrying amount	73 320	5 781	2 162	81 263
Acquisitions in the year	20 108	3 889	1 025	25 022
Disposals and retirements	-4 191	-762	0	-4 953
Acquired through business combinations	5 066	0	-129	4 937
Exchange differences	-217	0	0	-217
Depreciation for the year	-14 246	-4 343	-506	-19 094
Closing carrying amount	**79 840**	**4 566**	**2 552**	**86 958**
As of 2022-12-31				
Acquisition value	263 227	26 817	7 819	297 864
Accumulated depreciation	-183 387	-22 251	-5 267	-210 906
Carrying amount	**79 840**	**4 566**	**2 552**	**86 958**

Note 16 – Intangible assets

As of 2021-01-01	Goodwill	Licenses, etc.	Capitalized development expenditure	Other intangible assets	Customer relations, technology, brand	Total
Acquisition value	39 539	6 718	971	0	0	47 228
Accumulated depreciation	-6 359	-3 392	-971	0	0	-10 722
Carrying amount	**33 180**	**3 326**	**0**	**0**	**0**	**36 506**
Financial year 2021						
Opening carrying amount	33 180	3 326	0	0	0	36 506
Acquisitions in the year	0	515	0	0	0	515
Disposals and retirements	0	-3 254	0	0	0	-3 254
Acquired through business combinations	116 080	3 872	0	49 643	53 236	222 831
Exchange differences	664	0	0	0	-75	589
Depreciation for the year	0	-931	0	0	-2 282	-3 213
Closing carrying amount	**149 924**	**3 528**	**0**	**49 643**	**50 879**	**253 974**

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Note 16 continued.

As of 2021-12-31	Goodwill	Licenses, etc.	Capitalized development expenditure	Other intangible assets	Customer relations, technology, brand	Total
Acquisition value	156 283	7 851	972	49 643	53 161	267 910
Accumulated depreciation	-6 359	-4 323	-971	0	-2 282	-13 936
Carrying amount	**149 924**	**3 528**	**0**	**49 643**	**50 879**	**253 974**
Financial year 2022						
Opening carrying amount	149 924	3 528	0	49 643	50 879	253 974
Acquisitions in the year	0	997	0	3 828	0	4 826
Disposals and retirements	0	0	0	0	0	0
Acquired through business combinations	15 129	0	0	0	0	15 129
Exchange differences	13 479	0	0	0	4 305	17 784
Depreciation for the year	0	-275	0	-3 913	-3 160	-7 348
Closing carrying amount	**178 532**	**4 250**	**0**	**49 558**	**52 025**	**284 365**
As of 2022-12-31						
Acquisition value	184 891	8 849	972	53 471	57 466	305 649
Accumulated depreciation	-6 359	-4 598	-971	-3 913	-5 441	-21 283
Carrying amount	**178 532**	**4 250**	**0**	**49 558**	**52 025**	**284 365**

Impairment testing of goodwill and brands

Inission monitors goodwill divided into the operating segments Inission and Enedo. Goodwill is monitored at the operating segment level.

The recoverable amount of goodwill has been determined based on calculations of value in use. Inission has assessed that revenue growth, EBITDA margin, discount rate, and long-term growth are the main assumptions in the impairment test. Value-in-use calculations are based on estimated pre-tax future cash flows based on financial budgets approved by management covering a five-year period. The calculations are based on management experience and historical data. The long-term sustainable growth rate for the operating segments has been assessed based on industry forecasts.

For impairment purposes, goodwill is allocated to each operating segment.

	2022-12-31	2021-12-31	2021-01-01
Inission	52 352	33 964	33 180
Enedo	126 180	115 960	0
Total	**178 532**	**149 924**	**33 180**

The total item for brands is allocated to the Enedo operating segment. The carrying value amounts to 14 467 (13 295). The key assumptions set out below attributable to Enedo are also applied to brand impairment testing. The recoverable amount of brands exceeds the carrying amounts by a good margin.

Continued on next page »

Note 16 continued.

Key assumptions used for value-in-use calculations:	Business area	2022-12-31	2021-12-31	2021-01-01
Discount rate before tax*	Inission	11.6%	11.9%	10.8%
Long-term growth rate**	Inission	2.0%	2.0%	2.0%
Discount rate before tax*	Enedo	11.1%	12.0%	
Long-term growth rate**	Enedo	2.0%	2.0%	

* Discount rate before tax used in the present value calculation of estimated future cash flows.
** Weighted average growth rate used to extrapolate cash flows beyond the forecast period.

The sensitivity analysis for both goodwill and brands:
The recoverable amount exceeds the carrying amounts of goodwill by a considerable margin.
This also applies to the following assumptions:

- the pre-tax discount rate would have been 2.0 (2022-12-31), 2.0 (2021-12-31), 2.0 (2021-01-01) percentage points higher,
- the estimated growth rate to extrapolate cash flows beyond the ten-year period would have been 1.0 (2022-12-31), 1.0 (2021-12-31), 1.0 (2021-01-01) percentage points lower.

Aside from the discount rate and long-term growth, the most significant assumptions are revenue growth and EBITDA margin. A 2.0 percentage point change in this assumption would not result in any impairment loss.

Note 17 – Other non-current holdings of securities and other non-current receivables

OTHER NON-CURRENT HOLDINGS OF SECURITIES AND OTHER NON-CURRENT RECEIVABLES (TSEK)	2022-12-31	2021-12-31	2021-01-01
Other non-current securities holdings	0	0	0
Unlisted shares	1 090	354	5 377
Other non-current receivables	0	0	0
Total	**1 090**	**354**	**5 377**

UNLISTED SHARES (TSEK)	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Opening carrying amount	**354**	**5 377**
Acquisitions in the year	777	0
Disposal	0	0
Impairment	0	-5 023
Acquired through business combinations	0	0
Fair value change	0	0
Exchange differences	-41	0
Closing carrying amount	**1 090**	**354**

Continued on next page »

Note 17 continued.

OTHER NON-CURRENT RECEIVABLES (TSEK)	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Opening carrying amount	**2 751**	**700**
Acquisitions in the year	363	66
Disposal	0	0
Acquired through business combinations	0	1 988
Reclassifications	0	-3
Fair value change	0	0
Exchange differences	-9	0
Closing carrying amount	**3 105**	**2 751**

Note 18 – Leases

The following amounts related to leases are recognized in the balance sheet:

RIGHT-OF-USE ASSET	2022-12-31	2021-12-31	2021-01-01
Premises	182 469	130 446	125 328
Machinery	40 081	36 098	27 096
Vehicles	1 982	2 418	2 381
Total	**224 532**	**168 962**	**154 805**

LEASE LIABILITIES	2022-12-31	2021-12-31	2021-01-01
Non-current	187 611	131 026	123 167
Current	31 925	31 428	22 637
Total	**219 536**	**162 454**	**145 804**

The following amounts related to leases are recognized in the balance sheet:

DEPRECIATION OF RIGHT-OF-USE ASSETS	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Premises	25 470	21 282
Machinery	10 371	9 445
Vehicles	435	1 093
Total	**36 276**	**31 819**

OTHER	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Interest expenses (included in financial costs)	4 659	4 408
Total	**4 659**	**4 408**

No significant variable lease payments not included in the lease liability have been identified. Contracted investments regarding rights-of-use assets at the end of the reporting period, which are not yet recognized in the financial statements amount to TSEK 0. The total cash flow for leases was TSEK -37 864 (TSEK -32 063).

Note 19 – Inventory

INVENTORY (TSEK)	2022-12-31	2021-12-31	2021-01-01
Raw materials and consumables	526 901	351 768	161 234
Products in process	48 518	33 745	18 460
Finished goods and merchandise	65 166	33 747	31 721
Advance payments to suppliers (incl. in raw materials)	1 652	2 653	0
Total	**642 235**	**421 913**	**211 415**

The value of the Group's inventory as of 2022-12-31 is TSEK 642 235 (2021-12-31: TSEK 421 913). The cost of goods is included in the item "raw materials and consumables" in the statement of comprehensive income and amounts to TSEK 1 255 (TSEK 752).

Note 20 – Financial instruments per category

2021-01-01	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Total
Assets in balance sheet:			
Other non-current securities holdings	5 377		5 377
Derivative instruments	0		0
Trade receivables		148 265	148 265
Other non-current and current receivables		700	700
Accrued income		348	348
Cash and cash equivalents	**5 377**	44 267	44 267
Total		**193 580**	**198 957**

2021-01-01			
Liabilities in balance sheet:			
Liabilities to credit institutions (non-current and current)		25 212	25 212
Shareholder loans		31 800	31 800
Derivative instruments	405		405
Accounts payable		86 310	86 310
Overdraft facility		0	0
Invoice discounting credit		9 257	9 257
Other current liabilities (part of item)		8 255	8 255
Accrued expenses		8 265	8 265
Total	**405**	**169 098**	**169 504**

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Note 20 continued.

2021-12-31	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Total
Assets in balance sheet:			
Other non-current securities holdings	354		354
Derivative instruments	315		315
Trade receivables		236 210	236 210
Other non-current and current receivables		5 800	5 800
Accrued income		2 299	2 299
Cash and cash equivalents		27 832	27 832
Total	**669**	**272 142**	**272 811**

2021-12-31			
Liabilities in balance sheet:			
Liabilities to credit institutions (non-current and current)		123 723	123 723
Shareholder loans		12 000	12 000
Derivative instruments	184		184
Accounts payable		273 657	273 657
Overdraft facility		42 305	42 305
Invoice discounting credit		44 692	44 692
Other current liabilities (part of item)		7 928	7 928
Accrued expenses		30 243	30 243
Total	**184**	**534 548**	**534 732**

2022-12-31			
Assets in balance sheet:			
Other non-current securities holdings	1 090		1 090
Derivative instruments	0		0
Trade receivables		288 295	288 295
Other non-current and current receivables		3 106	3 106
Accrued income		853	853
Cash and cash equivalents		14 603	14 603
Total	**1 090**	**306 857**	**307 947**

2022-12-31			
Liabilities in balance sheet:			
Liabilities to credit institutions (non-current and current)		171 592	171 592
Shareholder loans		9 380	9 380
Contingent consideration (included in item Non-current and current liabilities)	7 869		7 869
Derivative instruments	1 440		1 440
Accounts payable		344 252	344 252
Overdraft facility		32 408	32 408
Invoice discounting credit		69 484	69 484
Other current liabilities (part of item)		6 741	6 741
Accrued expenses		20 650	20 650
Total	**9 309**	**654 506**	**663 816**

In addition to the financial instruments shown in the tables (above), the Group has financial liabilities in the form of lease liabilities, which are recognized and measured under IFRS 16.

Note 21 – Trade receivables

TRADE RECEIVABLES (TSEK)	2022-12-31	2021-12-31	2021-01-01
Trade receivables	288 295	236 210	148 265
Minus: provision for expected credit losses	0	0	0
Trade receivables – net	**288 295**	**236 210**	**148 265**

The carrying amount of trade receivables includes receivables covered by a factoring agreement amounting to TSEK 182 288 (2021-12-31: TSEK 173 410; 2021-01-01: TSEK 45 980). Receivables have been transferred under the contract in exchange for cash and, therefore, cannot be sold or pledged. The credit risk and the risk of late payment have been retained. Thus, the Group continues to recognize the transferred assets on the balance sheet fully. The amount received through the factoring agreement is recognized in the item Invoice discounting credit. For further information on the Invoice discounting credit, see note 27 Borrowings.

The fair value of the trade receivables is equal to their carrying amount, as the effect of discounting is not material. Information on the impairment of trade receivables and the Group's credit risk exposure and currency risk can be found in note 3.

Note 22 – Derivative instruments

The Group does not apply hedge accounting and holds derivative instruments only for economic hedging of risks. The Group has the following holdings in derivative instruments:

CURRENT RECEIVABLES (TSEK)	2022-12-31	2021-12-31	2021-01-01
Forward foreign exchange contracts	0	315	0
Total	**0**	**315**	**0**

CURRENT LIABILITIES (TSEK)	2022-12-31	2021-12-31	2021-01-01
Forward foreign exchange contracts	1 440	184	405
Total	**1 440**	**184**	**405**

For information on changes in fair value recognized in the income statement, see note 9 Other operating revenue, and note 10 Other operating expenses.

Note 23 – Other receivables

OTHER RECEIVABLES	2022-12-31	2021-12-31	2021-01-01
VAT	3 946	2 966	0
Other	395	9 906	0
Total	**4 341**	**12 872**	**0**

Note 24 – Prepayments and accrued income

PREPAYMENTS AND ACCRUED INCOME	2022-12-31	2021-12-31	2021-01-01
Prepayments	10 139	4 809	776
Accrued income	1 394	2 299	825
Total	**11 533**	**7 108**	**1 601**

Note 25 – Cash and cash equivalents

In the consolidated statement of financial position and the consolidated statement of cash flows, the following items are included in "cash and cash equivalents":

CASH AND CASH EQUIVALENTS	2022-12-31	2021-12-31	2021-01-01
Cash and bank balances	14 603	27 832	44 267
Total	**14 603**	**27 832**	**44 267**

Note 26 – Share capital

	NUMBER OF SHARES	SHARE CAPITAL
As of 2021-01-01	**6 002 665**	**751**
Share split 3:1	12 005 330	
New share issue	97 740	4
As of 2021-12-31	**18 105 735**	**755**
New share issue	2 157 307	90
As of 2022-12-31	**20 263 042**	**845**

The share capital as of 2022-12-31 consists of 20 263 042 ordinary shares with a quota value of SEK 0.0417 (2021-12-31: SEK 0.0417, 2021-01-01: SEK 0.1251). All shares issued by the Parent Company are fully paid up.

Note 27 – Borrowings

LONG-TERM SECURED LOANS (TSEK)	2022-12-31	2021-12-31	2021-01-01
Liabilities to credit institutions (bank loans)	75 944	53 120	18 762
Total secured loans	**75 944**	**53 120**	**18 762**

LONG-TERM UNSECURED LOANS (TSEK)			
Shareholder loans	9 380	12 000	31 800
Total unsecured loans	**9 380**	**12 000**	**31 800**

SHORT-TERM SECURED LOANS (TSEK)			
Liabilities to credit institutions (bank loans)	95 648	70 603	6 450
Invoice discounting credit	69 484	44 692	9 257
Total short-term secured loans	**165 131**	**115 295**	**15 707**

SHORT-TERM UNSECURED LOANS (TSEK)			
Overdraft facility	32 408	42 305	0
Total short-term unsecured loans	**32 408**	**42 305**	**0**
Total borrowings	**282 864**	**222 720**	**66 269**

Liabilities to credit institutions mature until 2027 and carry an interest rate of 1.95% plus reference rate per annum (1.95% plus reference rate per annum). The shareholder loans have no maturity date and carry a fixed interest rate of 7.0% per annum (6.0 %). Interest is paid annually. The Group's borrowings are in SEK, EUR, USD, DKK, and NOK. See the table below.

BORROWINGS BY CURRENCY (TSEK)	2022-12-31	2021-12-31	2021-01-01
SEK	28 456	44 943	33 988
EUR	196 027	148 945	30 813
NOK	50 733	28 833	0
DKK	3 008	0	1 469
USD	4 639	0	0
Total	**282 864**	**222 720**	**66 269**

Liabilities to credit institutions are subject to certain covenants. These covenants are that the equity ratio shall be at least 30% and that "Net debt through rolling 12-month EBITDA" shall amount to a maximum of 3.0 (2.5). The Group meets all covenants in 2022 and 2021.

Continued on next page »

Note 27 continued.

SHORT-TERM BORROWINGS

Liabilities to credit institutions and overdraft facilities classified as short-term refer to the part of the loan that does not have an unconditional right to defer payment of the liability for at least 12 months after the end of the reporting period.

Liabilities to credit institutions have been secured by floating charges.
For further information, see note 33.

For most of the Group's borrowings, the carrying amount corresponds to their fair value since the interest on these borrowings is on par with current market rates or because of the short-term nature of the borrowings.

Overdraft facility

The Group has an approved overdraft facility in SEK of TSEK 100 000. Of the overdraft facility granted, TSEK 32 408 has been utilized as of December 31, 2022 (TSEK 42 305 as of 2021-12-31, TSEK 0 as of 2021-01-01).

Invoice discounting credit

The Group has a granted invoice discounting credit of TSEK 288 069, which will be renegotiated in 2022. TSEK 69 484 of the granted invoice discounting credit has been utilized as of December 31, 2022 (TSEK 44 692 as of 2021-12-31, TSEK 9 257 as of 2021-01-01).

Apart from the overdraft facility and the invoice discounting credit facility, there are no unutilized credit facilities within the Group.

Note 28 – Deferred tax

Deferred tax liabilities
are allocated as follows:

Deferred tax liabilities	Tax-free reserves	Identifiable intangible at fair value	Intangible assets measured at fair value	Right-of-use asset	Derivative instruments measured at fair value	Other	Total
As of 2021-01-01	**9 976**	**0**	**0**	**0**	**0**	**0**	**9 976**
Increase through business combinations	0	13 104	600	0	0	0	13 704
Reported in the statement of comprehensive income	794	-2 890	0	0	65	0	-2 096
Exchange differences	0	-38	0	0	0	0	-38
As of 2021-12-31	**10 770**	**10 176**	**600**	**0**	**65**	**0**	**21 611**
Increase through business combinations	0	0	0		0	0	0
Reported in the statement of comprehensive income	1 511	-632	-28	0	-65	256	1 042
Exchange differences	0	861	0	0	0	0	861
As of 2022-12-31	**12 281**	**10 405**	572	**0**	**0**	**256**	**23 514**

Deferred tax liabilities	Tax loss carryforwards	Tangible fixed assets	Inventory	Receivables	Lease liability	Derivative instruments measured at fair value	Other	Total
As of 2021-01-01	**0**	**311**	**642**	**253**	**77**	**0**	**-70**	**1 213**
Increase through business combinations	15 790	0	0	0	0	0	0	15 790
Reported in the comprehensive income statement	0	0	-312	172	344	38	3	263
Exchange differences	0	18	0	0	0	0	0	0
As of 2021-12-31	**15 790**	**329**	**330**	**425**	**421**	**38**	**-67**	**17 266**
Increase through business combinations	0	0	0	0	0	0	0	0
Reported in the comprehensive income statement	1 883	-329	-330	-102	340	259	-256	1 465
Exchange differences	0	0	0	0	0	0	0	0
As of 2022-12-31	**17 673**	**0**	**0**	**323**	**761**	**297**	**-323**	**18 731**

Deferred tax assets are recognized for the carryforward of tax losses or other deductions to the extent that it is probable that they can be utilized through future taxable profits. Unused tax loss carryforwards for which no deferred tax assets have been recognized amount to 513 as of 2022-12-31 (2021-12-31: 475 and 2021-01-01: 428).

Deferred tax on unused tax loss carryforwards for which no deferred tax has been recognized amounts to 139 as of 2022-12-31 (2021-12-31: 116). The tax loss carryforwards expire between 2023 and 2042 and refer to companies in Finland, USA, Tunisia, and Italy.

Note 29 – Provisions for pensions and similar commitments

The Group has a defined benefit pension plan in Italy. Under Italian law, if an employment contract is terminated, each employee shall receive a severance payment (Trattamento Fine Rapporto, TRF) which is paid from a fund held by the company or by an external institution. The annual amount is 6.9% of the gross annual salary, and this amount is deducted each month as a personnel cost. The provision for pensions corresponds to the accumulated defined benefit obligation at the employment termination date. The commitment is measured at fair value and index adjusted annually. The value is based on actuarial calculations, which consider actuarial assumptions such as demographic assumptions about the future regarding current and potential employees and financial assumptions based on market expectations.

The amounts recognized in the statement of financial position and changes in the defined benefit pension plan during the year are:

Deferred tax liabilities	Present value of obligations
As of 2021-01-01	0
Current year service costs	-1 979
Past service costs	-354
Interest expense/(revenue)	49
Total presented in statement of comprehensive income	**-2 284**
Revaluations:	
(Profit)/loss resulting from changed financial assumptions	148
(Profit)/loss resulting from changed demographic assumptions	0
Total reported in other comprehensive income	**148**
Contributions:	
By the employer	12 566
From employees covered by the plan	0
From payments under the plan	-2 136
Acquired through business combinations	0
As of 2021-12-31	**10 431**

As of 2022-01-01	0
Current year service costs	-3 342
Past service costs	0
Interest expense/(revenue)	28
Total presented in statement of comprehensive income	**-3 314**
Revaluations:	
(Profit)/loss resulting from changed financial assumptions	-966
(Profit)/loss resulting from changed demographic assumptions	0
Total reported in other comprehensive income	**-966**
Contributions:	
By the employer	11 143
From employees covered by the plan	0
From payments under the plan	-4 280
Acquired through business combinations	0
As of 2022-12-31	**6 863**

Continued on next page »

Note 29 continued.

The key actuarial assumptions were as follows:

	2022-12-31	2021-12-31	2021-01-01
Discount rate	3.17%	0.29%	0.44%
Inflation	2.10%	1.75%	1.20%
Salary increase	3.07%	2.81%	2.40%

Life expectancy assumptions are based on public statistics and experiences from mortality studies in Italy and are set in consultation with actuarial expertise. The sensitivity of the defined benefit obligation to changes in the weighted key assumptions is:

	CHANGES IN ASSUMPTIONS			INCREASE IN ASSUMPTIONS			DECREASE IN ASSUMPTIONS		
	2022-12-31	2021-12-31	2021-01-01	2022-12-31	2021-12-31	2021-01-01	2022-12-31	2021-12-31	2021-01-01
Discount rate	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Salary increase	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Inflation	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Life expectancy	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

The sensitivity analyses above are based on a change in one assumption while keeping all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation for significant actuarial assumptions, the same method is used (the present value of the defined benefit obligation using the projected unit credit method at the end of the reporting period) as when calculating the pension liability recognized in the statement of financial position.

For the financial year 2022, contributions to the defined benefit pension plan in Italy are expected to amount to 489 (3 630). The maturity analysis of expected undiscounted payments for defined benefit pension plans is shown below:

As of 2022-12-31	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Defined benefit pension plans in Italy	44	93	107	44	289
Total	**44**	**93**	**107**	**44**	**289**

Note 30 – Other non-current liabilities

OTHER NON-CURRENT LIABILITIES (TSEK)	2022-12-31	2021-12-31	2021-01-01
Contingent consideration	6 293	0	0
Shareholder loans	9 380	12 000	31 800
Tax and VAT deferrals	118 834	0	0
Other non-current liabilities	723	4 083	0
Total	**135 230**	**16 083**	**31 800**

For information on conditions linked to the shareholder loans, see note 34; for information on conditions linked to the contingent consideration, see note 36.

Note 31 – Other current liabilities

OTHER CURRENT LIABILITIES (TSEK)	2022-12-31	2021-12-31	2021-01-01
VAT and employee-related taxes and charges	26 466	28 806	27 179
Contingent consideration	7 869	0	0
Deposits	0	750	994
Other	50	47	0
Total	**34 385**	**29 603**	**28 173**

For information on conditions related to contingent consideration, see note 36.

Note 32 – Accruals and deferred income

ACCRUALS AND DEFERRED INCOME (TSEK)	2022-12-31	2021-12-31	2021-01-01
Accrued salaries	7 352	7 772	5 178
Holiday allowances	28 757	25 568	25 482
Social security costs	8 525	7 656	6 569
Other items	20 357	34 501	11 487
Total	**64 992**	**75 497**	**48 716**

Note 33 – Collateral provided and contingent liabilities

COLLATERAL PROVIDED (TSEK)	2022-12-31	2021-12-31	2021-01-01
Pledged trade receivables	182 288	173 410	45 980
Floating charges (also at the disposal of Inission AB)	437 719	358 975	235 515
Shares in subsidiaries	304 275	240 104	152 747
Retention of title, machinery, and equipment	0	501	1 458
Total	**924 282**	**772 990**	**435 700**

Contingent liabilities

A general joint and several guarantee for all liabilities to credit institutions, overdraft facilities, factoring credits, and lease liabilities exists for all Group companies. A guarantee has also been provided to the subsidiary Enedo Plc of MEUR 5.0 (MEUR 5.0).

Note 34 – Transactions with related parties

Inission AB is the most senior Parent Company that prepares consolidated accounts. No single party has control over Inission AB. The companies IFF Konsult AB and FBM Consulting AB, which individually have significant interests in Inission AB, are both owned by key management personnel and are therefore associated with Inission. In addition to the companies mentioned above, related parties are all the subsidiaries of the Group and key management personnel in the Group and their related parties. Transactions are carried out on market terms.

Transactions with related parties consist of two shareholder loans from the above-mentioned companies. Amounts owed to shareholders on 2022-12-31 amounts to 9 380 (12 000). Interest expense attributable to shareholder loans in 2022 amounts to 164 (720).

RECEIVABLES AND LIABILITIES AT THE END OF THE YEAR ARISING FROM SALE AND PURCHASE OF GOODS AND SERVICES (TSEK)	2022-12-31	2021-12-31	2021-01-01
Liabilities to related parties:			
Shareholder loans	9 380	12 000	31 800
Interest on shareholder loans	164	720	375
Total	**9 544**	**12 720**	**32 175**

Note 35 – Changes in liabilities related to financing activities

	2021-01-01	Cash inflow	Cash outflow	Non-cash flow items	2021-12-31
Lease liability	145 804	0	-28 718	45 368	162 454
Liabilities to credit institutions	25 212	77 357	-93 188	114 342	123 723
Shareholder loans	31 800	0	-19 800	0	12 000
Overdraft facility	0	54 598	0	-12 293	42 305
Invoice factoring	9 257	9 250	0	26 185	44 692
Total	**212 073**	**141 205**	**-141 706**	**173 602**	**385 174**

	2022-01-01	Cash inflow	Cash outflow	Non-cash flow items	2022-12-31
Lease liability	162 454	0	-34 753	91 835	219 536
Liabilities to credit institutions	123 723	38 045	-17 045	26 869	171 592
Shareholder loans	12 000	9 380	-12 000	0	9 380
Overdraft facility	42 305	0	-4 086	-5 811	32 408
Invoice factoring	44 692	27 282	0	-2 490	69 484
Total	**385 174**	**74 707**	**-67 884**	**110 403**	**502 400**

Changes in overdraft facility and invoice factoring are reported on a net basis.
Non-cash flow items mainly include additional lease liabilities and liabilities incurred by acquisitions.

Note 36 – Business combinations

BUSINESS COMBINATIONS DURING THE FINANCIAL YEAR 2022-01-01 » 2022-12-31 (TSEK)

MLB Electronics Oy

On January 31, 2022, Inission AB, through its wholly-owned subsidiary Inission Lohja Oy, acquired 100% of the share capital in MLB Electronics AB. MLB Electronics is one of Finland's most experienced contract manufacturers and offers a wide range of services throughout the manufacturing process. The following table summarizes the purchase price paid for MLB Electronis AB and the fair value of acquired assets and assumed liabilities recognized at the acquisition date.

Purchase price paid (TSEK)	
Cash and cash equivalents	18 852
Earn-out payment	6 293
Total purchase price paid	**25 145**

Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	**283**
Tangible fixed assets	5 066
Inventory	20 441
Trade and other receivables	8 548
Deferred tax liabilities	0
Accounts payable and other liabilities	-24 322
Total identifiable net assets	**10 016**
Goodwill	**15 129**

Goodwill

Goodwill is mainly attributable to synergies. No part of the recognized goodwill is expected to be tax deductible.

Revenues and profits of business acquired

The revenue from MLB Electronics Oy included in the consolidated statement of comprehensive income since January 31 amounts to 97 216. MLB Electronics Oy also contributed a profit of 11 412 for the same period. If the acquisition had been completed on January 1, the pro-forma consolidated revenue and profit on December 31 would have been 105 116 and 13 279, respectively. These amounts have been calculated using the results of the subsidiary adjusted for differences in accounting principles between the Group and the subsidiary.

Contingent consideration

This acquisition includes contingent considerations related to the average net sales of MLB Electronics Oy during 2022 and 2023. The maximum outcome of the contingent consideration is TEUR 600.

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Note 36 continued.

Purchase price – cash outflow to acquire subsidiaries after deductions for cash and cash equivalents (TSEK)	2022-01-01 - 2022-12-31
Cash purchase price	18 852
Less: Acquired cash and cash equivalents	-283
Net cash outflow – investing activities	**18 569**

BUSINESS COMBINATIONS DURING THE FINANCIAL YEAR2021-01-01 » 2021-12-31 (TSEK)

Enedo Plc

On April 1, 2021, Inission AB acquired 49.62% of the shares in the listed company Enedo. Enedo manufactures high-quality electronic power supplies, with operations in Finland, Italy, USA and a production facility in Tunisia.

The Group has determined that controlling influence exists in Enedo already from the date of acquisition even if the holding does not amount to 50% of the voting rights. This is because the Group is the largest shareholder in Enedo with 49.6% ownership (49.6% of the votes), while the remaining shares are spread over a large number of shareholders. The Group has therefore assessed that de facto control exists, and controlling influence is thus deemed to be present. (see also estimates and assessments and accounting principles). Non-controlling interests are carried at fair value on the date of acquisition.

The following table summarizes the purchase price paid for Enedo and the fair value of acquired assets and assumed liabilities and non-controlling interest recognized at the acquisition date:

Purchase price paid (TSEK)	
Cash and cash equivalents	69 615
Total purchase price paid	**69 615**
Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	**123 722**
Intangible assets (customer relationships, brand, and technology)	113 114
Tangible fixed assets (incl. right-of-use assets)	34 996
Financial fixed assets	2 700
Deferred tax assets	15 807
Inventory	84 185
Trade and other receivables	54 486
Deferred tax liabilities	-14 802
Provision for pensions	-11 692
Other provisions	-3 794
Liabilities to credit institutions	-118 114
Derivative instruments	0
Accounts payable and other liabilities (incl. lease liabilities)	-160 960
Total identifiable net assets	**119 649**
Non-controlling interest	**166 114**
Goodwill	**116 080**

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Note 36 continued.

Goodwill
Goodwill is attributable to synergies. No part of the recognized goodwill is expected to be tax deductible.

Revenues and profits of business acquired
The revenue from Enedo included in the consolidated statement of comprehensive income since April 1, 2021, amounts to 282 329. Enedo also contributed a loss of -62 902 for the same period. If the acquisition of Enedo had been completed on January 1, the pro-forma consolidated revenue and profit on December 31 would have been 375 410 and -45 481, respectively.

Purchase price – cash outflow to acquire subsidiaries after deductions for cash and cash equivalents (TSEK)	**2021-01-01 » 2021-12-31**
Cash purchase price	70
Less: Acquired cash and cash equivalents	-124
Net cash outflow – investing activities	**-54**

Note 37 – Adjustment for items not included in the cash flow

	2022-12-31	**2021-12-31**
Depreciation	82 351	67 949
Changes in pension provisions	0	6 412
Impairment of other non-current securities holdings	0	5 323
Other	2 666	12 191
Total	**85 017**	**91 875**

Note 38 – Provisions

Provisions consist entirely of provisions for guarantees.

	2022-12-31	**2021-12-31**
Carrying amount at the beginning of the financial year	2 319	0
Increase through business combinations	0	3 766
Additional provision	1 393	0
Utilized provision	-476	-1 447
Exchange differences	0	0
Carrying amount at the end of the financial year	**3 236**	**2 319**

Note 39 – Transactions with non-controlling interest

At the time of acquisition, Inission AB held 49.62% in Enedo but is considered to have a controlling influence as mentioned in note 2. Two further acquisitions of shares in Enedo were made in 2022. On July 1, 2022, an additional 30.81% was acquired in Enedo, and on October 1, 2022, an additional 15.42% was acquired in Enedo. As Inission's shareholding in Enedo after the second acquisition amounts to 95.85%, i.e., is over 90%, a process for compulsory redemption of the remaining shares has now been initiated. Therefore, no minority interest attributable to Enedo is recognized after the acquisition. The effects of transactions with non-controlling interests are described below. The acquisition on July 1, 2022, was paid for with shares in Inission through a new issue by Inission. The second acquisition was paid partly in cash and partly with shares in Inission. In connection with the acquisition, transaction costs of TSEK 7 323 were incurred.

	2022-01-01 » 2022-12-31 (TSEK)
Acquisition July 1, 2022 (additional 30.81%), carrying value of non-controlling interest	75 702
Purchase price	-58 880
Effect on equity	**16 822**
Acquisition October 1, 2022 (additional 15.44%), carrying value of non-controlling interest	48 827
Purchase price	-29 951
Minority liability	-8 081
Effect on equity	**10 795**
Total effect on equity	**27 617**

In 2021, there were no transactions with non-controlling interest.

Note 40 – Non-controlling interest

Below is the financial information in summary for the Enedo Oyj Group, which is the only non-controlling interest in the Group. As of 2021-12-31, the non-controlling interest in Enedo Oyj amounted to 50.4%. In 2022, the remaining shares in Enedo were acquired (see note 39), which is why no non-controlling interest exists as of 2022-12-31. The amounts below refer to the Enedo Group and are before intra-group eliminations.

BALANCE SHEET IN SUMMARY	ENEDO OYJ, 2021
Fixed assets	102 540
Current assets	176 835
Total assets	**279 375**
Non-current liabilities	41 406
Current liabilities	234 489
Total liabilities	**275 895**
Net assets	**3 480**
Accumulated non-controlling interest	127 589

STATEMENT OF COMPREHENSIVE INCOME IN SUMMARY	ENEDO OYJ, 2021
Revenue	280 082
Profit for the year	**-62 902**
Other comprehensive income	0
Total comprehensive income	**-62 902**
Profit attributable to non-controlling interests	-31 703
Dividends paid to non-controlling interests	0

CASH FLOW ANALYSIS IN SUMMARY	ENEDO OYJ, 2021
Cash flow from operating activities	-50 930
Cash flow from investing activities	109 718
Cash flow from financing activities	-30 956
Increase/decrease in cash and cash equivalents	**27 832**

Note 41 – Earnings per share

Earnings per share are calculated by dividing the profit for the year by the weighted average number of ordinary shares outstanding during the period.

SEK	2022-12-31	2021-12-31
Earnings per share before dilution	2.57	-2.34
Earnings per share after dilution	2.57	-2.34
Performance metrics used in the calculation of earnings per share		
Earnings attributable to profit for the period used to calculate earnings per share before and after dilution	0	0
Earnings attributable to the Parent Company's shareholders, TSEK	49 580	-42 260
Calculation of the weighted average number of shares		
Weighted average number of ordinary shares in calculating earnings per share before dilution	19 305 170	18 052 447
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share after dilution	19 328 990	18 052 447
Number of ordinary shares at the end of the period	20 263 042	18 105 735

Note 42 – Events after the reporting period

2023-01-16 – Extraordinary General Meeting

On January 16, Inission held an Extraordinary General Meeting. The Meeting authorized the Board of Directors to decide on a new issue of shares and voted in favor of the Board's proposal to carry out, on the given terms, a directed issue of a maximum of 200 000 series B shares to key persons in a leading position.

2023-01-19 – Capital Markets Day

On January 19, Inission held a live Capital Markets Day. Inission's CEO Fredrik Berghel and Marketing Manager Olle Hulteberg discussed Inission's strategic direction, business, financial development, and financial targets.

2023-02-16 – Inission AB switches to IFRS

The Board of Inission AB decided that the Group will change accounting policy from K3 to International Financial Reporting Standards (IFRS). Switching to IFRS paves the way for a long-term fair and quality-assured structure that matches the Company's size, maturity, growth, and market expectations. The transition to IFRS aims to increase comparability with other listed companies and create increased transparency and understanding for international investors regarding the financial reports. The transition also allows a possible future change in the listing.

Note 43 - Effects of transition to International Financial Reporting Standards (IFRS)

EFFECTS OF TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

This Annual Report is Inission AB's (Inission) first Annual Report prepared in accordance with IFRS. The accounting principles described in note 2 Summary of significant accounting principles have been applied in the preparation of the Consolidated Accounts of Inission on December 31, 2022, and for the comparative information presented on December 31, 2021, and in the preparation of the opening statement of financial position for the period (opening balance sheet) on January 1, 2021 (the Group's date of transition to IFRS).

When the opening balance sheet on January 1, 2021, and the balance sheet on December 31, 2021, under IFRS were prepared, amounts reported in previous financial statements in accordance with BFNAR 2012:1 Annual Accounts and Consolidated Accounts (K3) were adjusted. An explanation of how the transition from previous applied accounting principles to IFRS has affected the Group's performance and position is shown in the tables below and in the accompanying notes.

DECISIONS TAKEN IN THE TRANSITION TO IFRS

The transition to IFRS is accounted for in accordance with IFRS 1 First-time Adoption of IFRS. The general rule is that all applicable IFRS and IAS standards that have entered into force and have been endorsed by the EU should be applied retrospectively. However, IFRS 1 contains transitional provisions that give companies a certain amount of choice.

The exemptions from full retrospective application of all standards permitted by IFRS, which Inission has chosen to apply in the transition from previous applied accounting principles to IFRS, are listed below.

i) Leases

The Group has opted for the exemption to apply IFRS 16 from the transition date (January 1, 2021) onwards. The selected exemption means that the lease liability is measured at the present value of the remaining lease payments discounted at the lessee's incremental borrowing rate. The right-of-use asset is measured at an amount corresponding to the lease liability adjusted for deferred lease payments. Moreover, the Group has made the following decisions based on IFRS 1 at the time of transition:

- Leases for which the lease term is short (less than 12 months) and leases for which the underlying asset is of low value are not recognized in the right-of-use asset or lease liability
- Hindsight estimates are used to determine the lease term when the lease contains options to extend or terminate the lease.

ii) Exemption for business combinations

IFRS 1 provides the option to apply the principles of IFRS 3, Business Combinations, either prospectively from the date of transition to IFRS or from a specific time before the transition date. This provides relief from a full retrospective application that would require a restatement of all business combinations prior to the transition date.

The Group has elected to apply IFRS 3 prospectively to business combinations occurring after the IFRS transition date. Business combinations occurring before the transition date have, therefore, not been restated.

iii) Exemption for cumulative translation differences

IFRS 1 permits cumulative translation differences recognized in equity to be reset to zero at the transition date to IFRS. This provides relief from determining cumulative translation differences in accordance with IAS 21, The Effects of Changes in Foreign Exchange Rates, from the date a subsidiary was formed or acquired. Inission has elected to reset all cumulative translation differences in the translation reserve to zero and reclassify them to capitalized earnings at the transition date to IFRS on January 1, 2021.

RECONCILIATION BETWEEN PREVIOUS APPLIED ACCOUNTING PRINCIPLES AND IFRS

IFRS 1 requires the Group to present reconciliations between equity and total comprehensive income reported under previous applied accounting principles and equity and total comprehensive income under IFRS.

The transition to IFRS has impacted the total cash flow of TSEK 27 832 due to the consolidation of Enedo from April 1, 2021, see note a) below. In addition, there has been a reclassification of cash flow between financing activities and cash flow from operating activities as the amortization of the lease liability is recognized in financing activities following the transition to IFRS.

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Note 43 continued.

Under the current accounting principles, only the amortization of lease liabilities related to leases classified as finance leases was recognized in financing activities. The remaining leases have been fully recognized in cash flow from operating activities. The tables below show the reconciliation between the previous applied accounting principles and IFRS for each period for equity and total comprehensive income. The corresponding notes can be found below the tables.

RECONCILIATION OF EQUITY ON JANUARY 1, 2021, AND DECEMBER 31, 2021	2021-01-01				2021-12-31			
	Notes	According to previous accounting principles	Total effect of transition to IFRS excl. reclassifications	According to IFRS	Notes	According to previous accounting principles	Total effect of transition to IFRS excl. reclassifications	According to IFRS
ASSETS								
Intangible assets								
Goodwill		33 180	0	33 180	b)	24 781	125 143	149 924
Customer relationships (included in other intangible assets in the balance sheet)		0	0	0	c)	0	37 584	37 584
Brands (included in other intangible assets in the balance sheet)		0	0	0	c)	0	13 295	13 295
Licenses, etc.		3 326	0	3 326		3 528	0	3 528
Other intangible assets		0	0	0	a)	0	49 643	49 643
Tangible fixed assets								
Improvement costs to third-party property	a)	2 178	0	2 178	a)	1 989	173	2 162
Machinery and other technical equipment	e)	55 930	-11 145	44 785	a,e	71 304	2 016	73 320
Equipment, tools, and installations		5 509	0	5 509		5 781	0	5 781
Rights-of-use assets	e)	0	154 805	154 805	a,e	0	168 962	168 962
Financial fixed assets								
Shares in associated companies		0	0	0	d)	35 962	-35 962	0
Other non-current receivables		700	0	700	a)	763	1 988	2 751
Other non-current securities holdings		5 377	0	5 377	a)	302	51	353
Deferred tax assets		1 213	0	1 213		1 036	16 230	17 266
Total fixed assets		**107 413**	**143 660**	**251 073**		**145 446**	**379 123**	**524 569**
Current assets								
Inventory		211 415	0	211 415	a, c	326 165	95 748	421 913
Trade receivables		148 265	0	148 265	a)	191 319	44 891	236 210
Current tax assets		2 971	0	2 971	a)	0	1 085	1 085
Other receivables		0	0	0	a)	7 387	5 485	12 872
Derivative instruments		0	0	0	f)	0	315	315
Prepayments and accrued income	e)	8 260	-6 660	1 600	a,e	10 791	-3 683	7 108
Cash and cash equivalents		44 267	0	44 267		0	27 832	27 832
Total current assets		**415 178**	**-6 660**	**408 518**		**535 662**	**171 674**	**707 336**
TOTAL ASSETS		**522 592**	**136 999**	**659 591**		**681 108**	**550 797**	**1 231 905**

Continued on next page »

Note 43 continued.

	2021-01-01				2021-12-31			
	Notes	According to previous accounting principles	Total effect of transition to IFRS excl. reclassifications	According to IFRS	Notes	According to previous accounting principles	Total effect of transition to IFRS excl. reclassifications	According to IFRS
EQUITY AND LIABILITIES								
Share capital		751	0	751		755	0	755
Other contributed capital		123 482	0	123 482		125 126	0	125 126
Reserves		0	0	0	h)	0	3 320	3 320
Retained earnings (including net profit for the year)		144 556	217	144 773		138 750	1 147	139 897
Total equity attributable to Parent Company shareholders		**268 789**	**217**	**269 006**		**264 631**	**4 467**	**269 098**
Non-controlling interest		754	0	754	c)	838	128 018	128 856
Total equity		**269 543**	**217**	**269 760**		**265 469**	**132 485**	**397 954**
Non-current liabilities								
Provisions for pensions		0	0	0	a)	0	10 431	10 431
Deferred tax liabilities		9 976	0	9 976	a, g	10 770	10 841	21 611
Lease liabilities	e)	0	123 167	123 167	a, e	0	131 026	131 026
Liabilities to credit institutions	e)	26 337	-7 575	18 762	a,e	47 274	5 846	53 120
Other non-current liabilities		31 800	0	31 800	a	13 521	2 562	16 083
Non-current provisions		0	0	0	a	0	908	908
Total non-current liabilities		**68 113**	**115 592**	**183 705**		**71 565**	**161 614**	**233 179**
Current liabilities								
Overdraft facility		0	0	0		42 305	0	42 305
Current provisions		0	0	0	a	0	1 411	1 411
Liabilities to credit institutions	e)	8 059	-1 609	6 450	a,e	8 755	61 848	70 603
Derivative instruments	f)	0	405	405	f)	0	184	184
Customer advances		597	0	597	a)	19 928	6 380	26 308
Accounts payable		86 310	0	86 310	a)	166 442	107 215	273 657
Lease liability	e)	0	22 637	22 637	a, e	0	31 428	31 428
Current tax liabilities		3 583	0	3 583	a)	1 716	3 368	5 084
Invoice discounting credit		9 257	0	9 257	a)	33 134	11 558	44 692
Other current liabilities		28 578	-405	28 173	a)	21 415	8 188	29 603
Accrued expenses and deferred income		48 553	163	48 716	a)	50 379	25 118	75 497
Total current liabilities		**184 937**	**21 191**	**206 128**		**344 074**	**256 698**	**600 772**
TOTAL EQUITY AND LIABILITIES		**522 592**	**136 999**	**659 591**		**681 108**	**550 797**	**1 231 905**

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Note 43 continued.

TOTAL COMPREHENSIVE INCOME FOR THE PERIOD JANUARY–DECEMBER 2021

		2021		
	Notes	Income statement (according to previous accounting principles)	Total effect of transition to IFRS	According to IFRS
Net sales	a)	1 003 200	279 971	1 283 171
Change in inventories of work in progress and finished goods and capitalized work for own account	a, c	6 400	-15 383	-8 983
Other operating revenue	a,f	7 043	3 588	10 631
Total		**1 016 643**	**268 176**	**1 284 819**
Raw materials and consumables	a)	-578 631	-173 369	-752 000
Other external costs	a,e	-111 739	-14 061	-125 800
Personnel costs	a)	-256 787	-84 216	-341 003
Goodwill amortization	b)	-8 503	8 503	0
Share of profit from associates	d)	-33 654	33 654	0
Other operating expenses	a, j	-636	-17 921	-18 557
Depreciation and amortization of intangible and tangible fixed assets	i)	-16 113	-51 835	-67 948
Total operating expenses		**-1 006 063**	**-299 246**	**-1 305 309**
Operating profit		10 580	-31 069	-20 489
Financial revenue	a)	2 184	9	2 193
Financial costs	a, e, j	-12 513	-6 313	-18 826
Financial items – net		-10 329	-6 304	-16 633
Profit before tax		251	-37 373	-37 122
Income tax	a, g	-9 123	3 985	-5 138
Profit for the year		**-8 872**	**-33 388**	**-42 260**
Profit for the year attributable to:				
Non-controlling interest		28	-37 530	-37 502
Shareholders of the Parent Company		-8 900	4 141	-4 759
Other comprehensive income:				
Translation differences for the year		0	2 874	2 874
Remeasurement of the net defined benefit liability		0	-133	-133
Other comprehensive income for the year		0	2 741	2 741
Total comprehensive income for the year		**-8 872**	**-30 647**	**-39 519**
Total comprehensive income for the year attributable to:				
Non-controlling interest		28	-38 042	-38 014
Shareholders of the Parent Company		-8 900	7 395	-1 505

Continued on next page »

Note 43 continued.

A) EFFECT OF CONSOLIDATION OF ENEDO FROM APRIL 1, 2021

In April 2021, Inission AB acquired 49.62% of the shares in the Finnish-listed company Enedo through a directed new share issue. The current accounting principles applied are more specifically structured and strictly linked to the holding of voting rights. In accordance with current accounting principles applied, Enedo has been accounted for as an associated company since it held less than 50% of the votes. Apart from Inission, there are approximately 4 600 additional shareholders, of which approximately 10 own shares corresponding to 35% of the votes. Inission owns less than half of the voting rights but is nevertheless deemed to have sufficient voting rights to have a controlling influence in Enedo. This assessment is mainly based on the fact that Inission is deemed to have de facto control over Enedo, as it is not reasonably practicable for the other shareholders to come together to obtain a majority of the votes at a General Meeting. This is because there are a large number of shareholders in addition to Inission, about 4 600 in total.

The current accounting principles applied do not have the concept of de facto control, but rather assess control on the basis of legal ownership, which is why this becomes a difference in the transition to IFRS. From the date of acquisition, April 1, 2021, Inission has thus consolidated Enedo as a subsidiary. The acquisition is a business combination that has been accounted for in accordance with IFRS 3 Business Combinations. For effects of IFRS 3 Business Combinations, see c) below. The effect of the consolidation of Enedo is described below on various lines of the consolidated income statement and balance sheet.

Effect of the 2021 consolidation of Enedo on the consolidated income statement

Net sales	279 971
Change in inventories of work in progress and finished goods	-3 213
Other operating income	3 124
Total	**279 882**
Raw materials and consumables	-173 369
Other external costs	-39 057
Personnel costs	-84 378
Other operating expenses	-12 265
Depreciation and amortization of intangible and tangible fixed assets	-26 898
Total operating expenses	**-335 967**
Operating profit	**-56 085**
Financial revenue	9
Financial costs	-7 549
Financial items – net	-7 540
Income tax	722
Profit for the year	**-62 902**

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Note 43 continued.

The following assets and liabilities (excluding the effects of IFRS 3) have been added as a result of the consolidation of Enedo	2021-12-31
Fixed assets	
Other intangible assets	49 643
Tangible fixed assets	26 716
Right-of-use assets	7 692
Financial fixed assets	2 039
Deferred tax assets	15 790
Total fixed assets	**101 880**
Current assets	
nventory	95 748
Trade receivables	44 891
Current tax asset	1 085
Other receivables and prepayments and accrued income	7 279
Cash and cash equivalents	27 832
Total current assets	**176 835**
Total assets	**279 374**
Liabilities	
Provisions for pensions	10 431
Other provisions (long and short-term)	2 319
Deferred tax liabilities	600
Lease liabilities (current and non-current)	8 799
Liabilities to credit institutions (current and non-current)	88 697
Other non-current liabilities	2 562
Accounts payable	107 215
Customer advances	6 380
Current tax liabilities	3 368
Invoice discounting credit	11 558
Other current liabilities and accrued expenses and deferred revenue	33 306
Total liabilities	**275 895**

B) GOODWILL

According to previous accounting principles, goodwill has been amortized over the estimated useful life. Under IFRS, goodwill is not amortized, rather annual impairment tests are performed. As goodwill is not amortized under IFRS, the amortization of goodwill made under the previously applied accounting principles will be reversed from January 1, 2021.

In the balance sheet, the goodwill item has been affected in part by the reversal of goodwill amortization and in part by additional goodwill from the acquisition of Enedo of TSEK 116 080.

Continued on next page »

Note 43 continued.

C) BUSINESS COMBINATION

In 2021, only one business combination has been completed: the acquisition of Enedo (see a) above). The business combination has been accounted for in accordance with IFRS 3 Business Combinations. Fair value has been identified for all net assets, resulting in the identification of additional intangible assets in the form of customer relationships and brands, and an excess value related to inventories. Furthermore, a deferred tax liability related to these assets has been incurred. Customer relationships and brands are recognized in the balance sheet under Other intangible assets. For detailed information on the acquisition, see note 36 Business combinations. In the business combination, non-controlling interests are recognized for the 50.5% stake that Inission does not own. Non-controlling interests have been recognized using the full goodwill method. The fair value of non-controlling interests on the acquisition date was TSEK 166 114 and the carrying amount of non-controlling interests in Enedo on 2021-12-31 amounted to TSEK 128 018.

Customer relationships have an estimated useful life of 13 years, while brands have been assessed as having an indefinite useful life. The surplus value in inventories is dissolved over a period of 9 months. Additional amortization of customer relationships was TSEK -2 282 for 2021. The entire identified surplus value in inventories of TSEK 12 170 is released in 2021, and the dissolution has been recognized in the item Change in inventories of work in progress and finished goods. Dissolution of deferred tax liabilities related to the above items are recognized in the income tax item and amounts to TSEK 2 890.

D) SHARES IN ASSOCIATED COMPANIES/SHARE OF PROFIT FROM ASSOCIATED COMPANIES

As Inission is deemed to have control over Enedo (see a) above), the accounting entries made for investments in associates in the balance sheet and the share of profit from associates recognized in the income statement are reversed.

E) LEASE AGREEMENTS

Under the current accounting principles applied, the Group has classified leases as either operational or financial. All effects of previously recognized finance leases have been reversed from 2021-01-01, and from this date, all leases are accounted for under IFRS 16.

Pursuant to IFRS 16, all the Group's leases (except short-term leases and leases where the underlying asset is of low value) will now be recognized in the statement of financial position as lease liabilities and right-of-use assets

Right-of-use assets are recognized at an amount corresponding to the lease liability adjusted for deferred lease payments (including first increased charges). A long-term and a short-term lease liability are recognized on the liability side.

The leases classified under current accounting principles applied as financial leases and recognized in the item Machinery and other technical equipment and on the liability side in the item Liabilities to credit institutions have been reversed and are instead recognized under IFRS 16 from January 1, 2021. At the time of the transition to IFRS, this adjustment has resulted in a positive effect on retained earnings of TSEK 380.

In profit or loss, other external expenses are decreased by TSEK 24 996 and TSEK 5 076 in Oct-Dec 2021 as a result of the reversal of lease payments. Instead, depreciation (depreciation increases) (see i) below) and interest expenses attributable to the lease liability amounting to TSEK -4 088 are recognized.

F) FINANCIAL INSTRUMENTS

Under the currently applied accounting principles, only derivative instruments with a net negative value are recognized in the balance sheet. Upon transition to IFRS, derivative instruments are recognized at fair value on a gross basis, meaning an asset and a liability are recorded on a gross basis in each period. The change in the fair value of derivative instruments is recognized as other operating revenue and other operating expenses in profit or loss. Inission holds derivative instruments in the form of forward foreign exchange contracts. On transition to IFRS, the fair value of all derivative instruments is negative, therefore the adjustment consists of a reclassification between other current liabilities and the item Derivative instruments. As of 2021-12-31 a liability of TSEK 184 and a receivable of TSEK 315 is added. In the income statement for 2021, a positive effect in other operating income of TSEK 464 and in other operating expenses of TSEK -333 is added.

G) DEFERRED TAX

Deferred tax adjustments mainly comprise the effects on deferred tax arising from the translation of business combinations and deferred tax attributable to right-of-use assets and lease liabilities, as well as derivative instruments. Furthermore, deferred tax related to the acquisition of Enedo is added. See a) above

Continued on next page »

Note 43 continued.

H) TRANSLATION DIFFERENCES

Amounts moved in the Statement of comprehensive income and reclassified from "Retained earnings" to "Reserves" in the balance sheet relate to translation differences attributable to foreign subsidiaries which, under previously applied accounting principles, were recognized directly against retained earnings. In addition, there is an adjustment for translation differences due to IFRS corrections of mainly goodwill, other additional intangible assets and leases as well as translation differences related to the translation of the previously unconsolidated Finnish subsidiary Enedo. According to previous accounting principles applied, translation differences were recognized in equity instead of in other comprehensive income.

I) ADJUSTMENTS TO DEPRECIATION IN THE INCOME STATEMENT

The table below shows all adjustments made to the depreciation item:

Specification of depreciation adjustments	Notes	2021
Additional depreciation customer relationships	c)	-2 282
Additional depreciation right-of-use assets	e)	-26 736
Depreciations Enedo	a)	-26 898
Reversal of financial lease depreciation	e)	4 080
Total impact on depreciation and amortization of tangible and intangible fixed assets		**-51 836**

J) RECLASSIFICATIONS

Balance sheet

The following balance sheet items have been reclassified: "Cash/bank" is now referred to as "Cash and cash equivalents." According to IFRS, provisions should not be reported under a separate heading called "Provisions", but under one of the headings "Non-current liabilities" or "Current liabilities", depending on the nature of the provision. Deferred tax liabilities have therefore been reclassified to "Non-current liabilities".

Statement of comprehensive income

Compared to previous accounting principles, there are additional items recognized in Other comprehensive income. Inission has decided to present the report as a report entitled "Statement of comprehensive income". Furthermore, a reclassification of TSEK 5 323 has been made relating to the revaluation of other non-current securities holdings, which according to currently applied accounting principles, are recognized in net financial items, but for which changes in fair value are reported as Other operating revenue/Other operating expenses.

Note 44 – Parent Company accounting principles

The most crucial accounting principles applied in preparing this Annual Report are set out below. Unless otherwise stated, these principles have been applied consistently for all of the years presented.

The Annual Report for the Parent Company has been prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. In cases where the Parent Company applies accounting principles other than the Group's accounting principles, as described in note 2 of the Consolidated Accounts, these are stated below.

The Annual Report has been prepared under the cost model

Preparing reports in accordance with RFR 2 requires the use of some important estimates for accounting purposes. Furthermore, management is required to make certain assessments when applying the Parent Company's accounting principles. The areas involving a high degree of assessment, complexity, or such areas where assumptions and estimates are significant to the Annual Report are disclosed in note 5 of the Consolidated Accounts.

The Parent Company is exposed through its activities to a wide range of financial risks: market risks (currency risk and interest rate risk), credit risk, and liquidity risk. The Parent Company's overall risk management policy is focused on the unpredictability of the financial markets and seeks to minimize potential adverse effects on the Group's financial performance. For more information on financial risks, please refer to note 3 of the Consolidated Accounts.

The Parent Company applies different accounting principles than the Group in the cases listed below:

FORMS OF PRESENTATION

The income statement and balance sheet follow the format of the Swedish Annual Accounts Act. The statement of changes in equity follows the Group's format but must contain the columns specified in the Swedish Annual Accounts Act. Furthermore, there are differences in designations, compared with the consolidated accounts, particularly in respect of financial income and expenses and equity.

SHAREHOLDER AND GROUP CONTRIBUTIONS

Group contributions provided by the Parent Company to subsidiaries and Group contributions received by the Parent Company from subsidiaries are accounted for as appropriations. Shareholder contribution provided is recognized in the Parent Company as an increase in the carrying amount of the investment and in the recipient company as an increase in equity.

FINANCIAL INSTRUMENTS

IFRS 9 is not applied in the Parent Company. Instead, the Parent Company applies the items specified in RFR 2 (IFRS 9 Financial instruments, pp. 3–10).

Financial instruments are valued at cost. In subsequent periods, financial assets acquired to be held in the short term will be recognized in accordance with the lowest value principle at the lower of cost and market value. Derivative instruments with a negative fair value are recognized at this value.

When calculating the net realizable value of receivables recognized as current assets, the impairment testing and loss allowance principles of IFRS 9 shall be applied. For a claim that is carried at amortized cost at Group level, this means that the loss reserve recognized in the Group in accordance with IFRS 9 shall also be recognized in the Parent Company.

LEASED ASSETS

The Parent Company has chosen not to apply IFRS 16 Leases but has instead chosen to apply RFR 2 (IFRS 16 Leases, pp. 2–12). This decision means that no right-of-use asset and lease liability are recognized in the balance sheet, and instead, the lease payments are recognized as an expense on a straight-line basis over the lease term.

SHARES IN SUBSIDIARIES

Shares in subsidiaries are measured at cost, less any impairment losses.

OTHER TYPES OF REVENUE

Interest revenue in the Parent Company relates, in addition to interest received from third parties, to imputed interest from subsidiaries on financial claims.

Note 45 – Net sales

The Parent Company's revenue consists mainly of management fee. The Parent Company has recognized the following amounts in the income statement attributable to revenue. For information on other operating revenue, see note 48.

REVENUE (TSEK)	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Sale of goods	1 027	1 670
Management fee	24 196	20 258
Other sales	1 468	826
Other operating revenue	-3 064	1 789
Total revenue	**23 627**	**24 543**

NET SALES BY GEOGRAPHIC MARKET (TSEK)	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Sweden	16 085	13 915
Finland	4 193	2 700
Estonia	1 899	2 480
Other EU countries	0	31
Norway	4 514	3 628
USA	0	0
Other non-EU countries	0	0
Total	**26 691**	**22 754**

Of the Parent Company's net sales, TSEK 26 531, 99% (TSEK 21 901, 96%) were sales to other Group companies.

Note 46 – Auditors' remuneration

AUDITORS (TSEK)	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
PwC		
Audit assignment ÖhrlingsPricewaterhouseCoopers AB	150	174
Other services ÖhrlingsPricewaterhouseCoopers AB	889	192
Total	**1 039**	**366**

Note 47 – Employee benefits

EMPLOYEE BENEFITS	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Salaries and other benefits	8 395	6 718
Social security costs	2 678	2 564
Pension costs for defined contribution plans	2 424	1 890
Total employee benefits	**13 497**	**11 172**

SALARIES, OTHER BENEFITS AND SOCIAL COSTS	2022-01-01 » 2022-12-31		2021-01-01 » 2021-12-31	
	Salaries and other benefits (of which bonuses)	Social costs (of which pension costs)	Salaries and other benefits (of which bonuses)	Social costs (of which pension costs)
Board members, CEOs, and other senior executives	7 265 (0)	4 089 (1 806)	5 590 (0)	3 245 (1 489)
Other employees	1 130 (0)	1 013 (618)	1 128 (0)	1 209 (401)
Parent Company total	**8 395 (0)**	**5 102 (2 424)**	**6 718 (0)**	**4 454 (1 890)**

AVERAGE NUMBER OF EMPLOYEES WITH GEOGRAPHICAL DISTRIBUTION BY COUNTRY	2022-01-01 » 2022-12-31		2021-01-01 » 2021-12-31	
	Number at balance sheet date	Of which men	Number at balance sheet date	Of which men
Sweden	9	8	7	7
Parent Company total	**9**	**8**	**7**	**7**

GENDER BALANCE IN THE PARENT COMPANY FOR BOARD MEMBERS AND OTHER SENIOR EXECUTIVES	2022-01-01 » 2022-12-31		2021-01-01 » 2021-12-31	
	Number at balance sheet date	Of which men	Number at balance sheet date	Of which men
Board members	6	3	6	4
CEO and other senior executives	5	5	6	6
Parent Company total	**6**	**3**	**6**	**4**

For information on the remuneration of senior executives, please see note 8 of the Consolidated Accounts.

Note 48 – Other operating revenue

OTHER OPERATING REVENUE	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Exchange differences	0	1 325
Changes in the positive value of derivative instruments at fair value through profit or loss	1 434	464
Total	**1 434**	**1 789**

Note 49 – Other operating expenses

OTHER OPERATING EXPENSES	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Exchange differences	4 498	0
Changes in the negative value of derivative instruments at fair value through profit or loss	3 006	333
Total	**7 504**	**333**

Note 50 – Interest revenue and similar items and interest expense and similar items

INTEREST REVENUE	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Interest revenue	5 575	1 889
Of which related to Group companies	3 016	1 889
Total interest revenue	**5 575**	**1 889**

INTEREST EXPENSE	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Interest expense	-2 872	-1 701
Of which related to Group companies	-1 356	0
Total interest expense and similar items	**-2 872**	**-1 701**
Total financial items – net	**2 703**	**188**

Not 51 – Exchange differences – net

Exchange differences have been recognized in the income statement as follows:

EXCHANGE DIFFERENCES	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Other operating revenue (note 48)	-4 498	1 325
Other operating expenses (note 49)	0	0
Financial items – net (note 50)	0	0
Total	**-4 498**	**1 325**

Note 52 – Tax on profit for the year

CURRENT TAX	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Current tax on profit for the year	-67	5
Adjustments for previous years	0	0
Total current tax	**-67**	**5**

DEFERRED TAX	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Increase/Decrease of deferred tax assets	324	-37
Increase/Decrease of deferred tax liabilities	0	0
Total deferred tax	**324**	**-37**
Total income tax	**257**	**-32**

The income tax on the Group's profit before tax differs from the theoretical amount that would have emerged had the Swedish tax rate been applied to the profits of the consolidated companies as follows:

RECOGNIZED TAX	2022-01-01 » 2022-12-31	2021-01-01 » 2021-12-31
Profit before tax	**44 506**	**-574**
Income tax calculated according to the tax rate in Sweden (2022: 20.6%, 2021: 20.6%)	-9 168	-118
Tax impact of:		
Non-deductible expenses	-92	66
Non-taxable revenue	9 517	0
Other	0	20
Total recognized tax	**257**	**-32**

Note 53 – Shares in subsidiaries

The Parent Company holds shares in the following subsidiaries:

				BOOK VALUE		
Name	**Corp. ID No.**	**Residence and country of registration and operation**	**Number of shares**	**2022-12-31**	**2021-12-31**	**2021-01-01**
Inission Munkfors AB	556259-9299	Munkfors, Sweden	14 080	2 077	2 077	2 077
Inission Stockholm AB	556257-2551	Stockholm, Sweden	8 000	9 052	9 052	9 052
Inission Tallinn OÜ	11 716 730	Tallinn, Estonia	1	15 367	15 367	27
Inission Onrox Group AB	556040-7487	Malmö, Sweden	22 000	0	40 000	40 000
Inission Malmö AB	556244-7082	Malmö, Sweden	20 000	2 400	2 400	0
Inission Norge AS (Simpro Holding AS)	957 154 727	Løkken, Norway	484 115	44 790	44 790	44 790
Inission Västerås AB	556301-1765	Västerås, Sweden	2 000	22 232	22 232	22 232
Inission Lohja Oy	1954467-3	Lohja, Finland	3 759 574	34 569	34 569	34 569
Enedo Plc	0195681-3	Vantaa, Finland	68 523 193	173 787	69 619	0

	2022-12-31	**2021-12-31**	**2021-01-01**
Opening acquisition value	240 106	152 747	129 461
Acquisition	104 169	87 357	34 569
Divestment	-40 000	0	-11 283
Shareholder contributions provided	0	0	0
Closing accumulated acquisition value	**304 275**	**240 104**	**152 747**
Closing carrying amount	**304 275**	**240 104**	**152 747**

In 2022, the Parent Company received dividends from subsidiaries of TSEK 50 000 (TSEK 0).

Note 54 – Receivables from Group companies

OTHER RECEIVABLES	**2022-12-31**	**2021-12-31**	**2021-01-01**
Opening accumulated acquisition values	13 772	44 411	41 191
Additional receivables	104 972	70	14 821
Repayments, outgoing receivables	-7 407	-30 709	-11 600
Total	**111 337**	**13 772**	**44 411**

Note 55 – Prepayments and accrued income

PREPAYMENTS AND ACCRUED INCOME	**2022-12-31**	**2021-12-31**	**2021-01-01**
Prepayments	1 908	1 630	1 166
Accrued income	0	659	0
Total	**1 908**	**2 289**	**1 166**

Note 56 – Cash and bank

Cash and cash equivalents in the cash flow statement include the following:

CASH AND CASH EQUIVALENTS	2022-12-31	2021-12-31	2021-01-01
Bank deposits	0	0	0
Total	**0**	**0**	**0**

For information on overdraft facilities, see note 58.

Note 57 – Share capital

See note 26 to the Consolidated Accounts for information on the Parent Company's share capital.

Note 58 – Borrowings

LONG-TERM SECURED LOANS	2022-12-31	2021-12-31	2021-01-01
Liabilities to credit institutions (bank loans)	15 580	17 386	0
Total secured loans	**15 580**	**17 386**	**0**

LONG-TERM UNSECURED LOANS	2022-12-31	2021-12-31	2021-01-01
Shareholder loans	9 380	12 000	31 800
Total unsecured loans	**9 380**	**12 000**	**31 800**

SHORT-TERM SECURED LOANS	2022-12-31	2021-12-31	2021-01-01
Liabilities to credit institutions (bank loans)	0	0	0
Total short-term secured loans	**0**	**0**	**0**

SHORT-TERM UNSECURED LOANS	2022-12-31	2021-12-31	2021-01-01
Overdraft facility	16 433	63 795	3 263
Total short-term unsecured loans	**16 433**	**63 795**	**3 263**
Total borrowings	**41 393**	**93 181**	**35 063**

Continued on next page »

Note 58 continued.

Liabilities to credit institutions mature until 2025 and carry an average interest rate of 1.95% plus reference rate per annum (2021: 1.95% plus reference rate per annum). The shareholder loans have no maturity date and carry a fixed interest rate of 7.0% per annum (2021: 6.0% per annum). Interest is paid annually.

The Parent Company's borrowings are in SEK and EUR. See the table below:

BORROWINGS BY CURRENCY (TSEK)	2022-12-31	2021-12-31	2021-01-01
SEK (shareholder loans)	9 380	12 000	31 800
EUR (liabilities to credit institutions)	15 580	17 386	0

Liabilities to credit institutions are subject to certain covenants.
For information on covenants, see note 27.

Short-term borrowings

Liabilities to credit institutions and overdraft facilities classified as short-term refer to the part of the loan that does not have an unconditional right to defer payment of the liability for at least 12 months after the end of the reporting period. Liabilities to credit institutions have been secured by floating charges. For further information, see note 33.

For most of the Group's borrowings, the carrying amount corresponds to their fair value since the interest on these borrowings is on par with current market rates or because of the short-term nature of the borrowings.

Overdraft facility

The Group has an approved overdraft facility in SEK of TSEK 100 000. Of the overdraft facility granted, TSEK 32 408 has been utilized as of December 31, 2022 (TSEK 42 305 as of 2021-12-31, TSEK 0 as of 2021-01-01). Apart from the overdraft facility, there are no unutilized credit facilities within the Group.

Note 59 – Other non-current liabilities

OTHER NON-CURRENT LIABILITIES	2022-12-31	2021-12-31	2021-01-01
Shareholder loans	9 380	12 000	31 800
VAT and tax deferral	5 754	0	0
Total	**15 134**	**12 000**	**31 800**

For information on conditions linked to the shareholder loan, see note 58 Borrowings.

Note 60 – Other current liabilities

OTHER CURRENT LIABILITIES	2022-12-31	2021-12-31	2021-01-01
VAT	-121	57	118
Employee-related liability	437	504	412
Contingent consideration	7 869	0	0
Other	1 441	0	0
Total	**9 626**	**561**	**530**

Note 61 – Accruals and deferred income

ACCRUALS AND DEFERRED INCOME	2022-12-31	2021-12-31	2021-01-01
Accrued salaries	250	250	285
Holiday allowances	1 170	1 321	1 244
Social security costs	367	415	486
Other items	1 196	1 896	1 071
Total	**2 983**	**3 882**	**3 086**

Note 62 – Transactions with related parties

See note 34 to the Consolidated Accounts for information on transactions with related parties.

Note 63 – Changes in liabilities related to financing activities

	2021-01-01	Cash inflow	Cash outflow	2021-12-31
Liabilities to credit institutions	0	17 386	0	17 386
Shareholder loans	31 800	0	-19 800	12 000
Overdraft facility	3 263	60 532	0	63 795
Total	**35 063**	**77 918**	**-19 800**	**93 181**

	2022-01-01	Cash inflow	Cash outflow	2022-12-31
Liabilities to credit institutions	17 386	0	-1 806	15 579
Non-current liabilities to Group companies	0	69 500	0	69 500
Shareholder loans	12 000	9 380	-12 000	9 380
Overdraft facility	63 795	0	-47 362	16 433
Total	**93 181**	**78 880**	**-61 168**	**110 892**

Change in overdraft facility is reported on a net basis.

Note 64 – Events after the reporting period

For events after the end of the financial year, see note 42 for the Group.

Note 65 – Proposal for distribution of profits

At the disposal of the Annual General Meeting are the following earnings (TSEK):

PROPOSAL FOR DISTRIBUTION OF PROFITS	2022-12-31
Retained earnings brought forward from the previous year	25 962
Share premium fund	195 270
Profit for the year	48 563
Total	**269 795**

The Board proposes that the earnings be distributed as follows:

PROPOSAL FOR DISTRIBUTION OF PROFITS	2022-12-31
To be carried forward	269 795
Total	**269 795**

Note 66 – Collateral provided for own liabilities

COLLATERAL PROVIDED	2022-12-31	2021-12-31	2021-01-01
Shares in subsidiary B	304 275	240 104	152 747
Total	**304 275**	**240 104**	**152 747**

Contingent liability

A general joint and several guarantee for all liabilities to credit institutions, overdraft facilities, factoring credits, and lease liabilities exists for all Group companies. A guarantee has also been provided to the subsidiary Enedo Plc of MEUR 5.0 (MEUR 5.0).

Note 67 – Effects of the Parent Company's transition to RFR 2 Accounting for Legal Entities

This is Inission AB's (the Parent Company's) first Annual Report prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. The accounting principles set out in note 2 have been applied in preparing the financial statement of Inission AB on December 31, 2022, and for the comparative information presented on December 31, 2021, as well as in preparing the opening statement of financial position (opening balance sheet) on January 1, 2021 (the Parent Company's date of transition to RFR 2). When the opening balance sheet on January 1, 2021, and the balance sheets on December 31, 2021, were prepared under RFR 2, amounts reported in previous Annual and Interim Reports were adjusted under BFNAR 2012:1 Annual Report and Consolidated Accounts (K3). Inission AB has not applied any exemptions in the transition to RFR 2.

RECONCILIATION BETWEEN PREVIOUSLY APPLIED ACCOUNTING PRINCIPLES (K3) AND RFR 2

The table below shows the reconciliation between the previously applied accounting principles in K3 and RFR 2 for each equity period:

		2021-12-31		
Reconciliation of equity in the Parent Company	**Notes**	**According to previous accounting principles**	**Total effect of transition to RFR 2 excl. reclassifications**	**According to RFR 2**
Shares in Group companies		170 488	69 616	240 104
Shares in associated companies		69 616	-69 616	0
Other fixed assets		507	0	507
Deferred tax assets		0	38	38
Derivative instruments (current)		0	315	315
Other current receivables		18 386	0	18 386
Cash and bank		0	0	0
Total assets		**258 997**	**353**	**259 350**
				0
Equity and liabilities				0
Restricted equity		755	0	755
Premium fund and retained earnings		156 183	0	156 183
Profit for the year		-310	104	-206
Total equity		**156 628**	**104**	**156 732**
Tax-free reserves		**1 855**	**0**	**1 855**
Non-current liabilities		25 226	0	25 226
Deferred tax liabilities		0	65	65
Derivative instruments		0	184	184
Other current liabilities		75 287	0	75 287
Total liabilities		100 513	249	100 762
Total equity and liabilities		**258 996**	**353**	**259 349**

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Note 67 continued.

The explanation for effects arising from the Parent Company's transition to RFR 2 in 2021 is as follows:

- The Parent Company has opted to apply IFRS 9 Financial instruments, therefore all derivative instruments are recognized at fair value. All derivative instruments are held by the Parent Company, hence the description of the effects of financial instruments in the Group's description of the transition to IFRS in this note (see note 43, Financial instruments above).
- The holding in Enedo was previously classified as investments in associates. Upon transition to RFR 2, the holding is instead classified as holdings in subsidiaries. For further details, see note 43, Effect of consolidation of Enedo from April 1, 2021, above.

The effect on profit or loss comprises a positive effect on other operating revenue of TSEK 464 and an increase of other operating expenses of TSEK -333 due to the change in the value of the derivatives and an effect on the deferred tax of TSEK -27 on the change in value. In the Parent Company, there is no effect of the transition to RFR 2 in the opening balance sheet, as all derivative instruments at that time had a negative value.

Attestation

Karlstad, Sweden, April 4, 2023
INISSION AB (PUBL) corp. ID No. 556747-1890

Olle Hulteberg
Chairman of the Board

Hans Linnarsson
Board member

Margareta Alestig Johnson
Board member

Karin Skoglund
Board member

Mia Bökmark
Board member

Fredrik Berghel
Chief Executive Officer

Our audit report has been submitted on April 4, 2023
Öhrlings PricewaterhouseCoopers AB

Martin Johansson
Authorized auditor

Audit report

To the General Meeting of Inission AB (publ), corp. ID No. 556747-1890

Report on the Annual Report and Consolidated Accounts

Statements

We have audited the Annual Report and Consolidated Accounts of Inission AB (publ) for the year 2022. The Company's Annual Report and Consolidated Accounts are included on pages 29–110 of this document. In our opinion, the Annual Report has been prepared under the Swedish Annual Accounts Act and presents a true and fair view, in all material respects, of the financial position of the Parent Company as of December 31, 2022, and of its financial performance and cash flow for the year in accordance with the Swedish Annual Accounts Act. The Consolidated Accounts have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of December 31, 2022, and of its financial performance and cash flows for the year in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Swedish Annual Accounts Act. The statutory administration report is consistent with the other parts of the Annual Report and Consolidated Accounts. We, therefore, recommend that the General Meeting adopts the statement of comprehensive income and the balance sheet of the Group as well as the income statement and the balance sheet of the Parent Company.

Basis for statements

We have conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's responsibility section. We are independent of the Parent Company and the Group under good auditing practice in Sweden and have otherwise fulfilled our professional, ethical responsibilities under these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Information other than the Annual Report and Consolidated Accounts

This document also contains information other than the Annual Report and Consolidated Accounts, which can be found on pages 1–20 and 113–115. The Board of Directors and the CEO are responsible for this other information. Our opinion on the Annual Report and Consolidated Accounts does not cover this information, and we do not express any form of assurance conclusion regarding this other information. In connection with our audit of the Annual Report and Consolidated Accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the Annual Report and Consolidated Accounts. In this review, we also consider the knowledge we have otherwise acquired during the audit and assess whether the information generally appears to contain material misstatements. If we, based on the work performed concerning this information, conclude that there is a material misstatement in this other information, we are obliged to report this. We have nothing to report in that regard.

Responsibilities of the Board of Directors and the CEO

The Board of Directors and the Chief Executive Officer are responsible for preparing the Annual Report and Consolidated Accounts and ensuring that they give a true and fair view in accordance with the Swedish Annual Accounts Act. The Board and the CEO are also responsible for the internal control they deem necessary to prepare an Annual Report and Consolidated Accounts that do not contain material misstatements, whether due to irregularities or mistakes. In preparing the Annual Report and Consolidated Accounts, the Board of Directors and the CEO are responsible for assessing the Company's and the Group's ability to continue as a going concern. They disclose, when applicable, conditions that may affect the ability to continue operations and to use the assumption of continued operations. However, the going concern assumption is not applied if the Board of Directors and the CEO intend to liquidate the Company, cease operations, or have no realistic alternative but to do so.

Auditor's responsibility

Our goals are to obtain reasonable assurance about whether the Annual Report and Consolidated Accounts are free from material misstatements caused by irregularities or mistakes and to provide an audit report that includes our opinions. Reasonable assurance is a high degree of assurance, but is no guarantee that an audit performed in accordance with ISA and good auditing practice in Sweden will always detect a material misstatement if one exists. Misstatements may arise from irregularities or mistakes and are considered material if, individually or

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in combination, they could reasonably be expected to influence the financial decisions of users on the basis of the Annual Report and Consolidated Accounts. You will find a further description of our responsibility for the audit of the Annual Report and Consolidated Accounts on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar

This description is part of the audit report.

Report on other requirements in accordance with laws and other statutes

Statements

In addition to our audit of the Annual Report and Consolidated Accounts, we audited the administration of the Board of Directors and the CEO of Inission AB (publ) in 2022 and the proposed appropriation of the Company's profit or loss. We recommend to the Annual General Meeting that the profit be appropriated as proposed in the statutory administration report and that the Board members and the CEO be discharged from liability for the financial year.

Basis for statements

We have performed the audit following generally accepted auditing standards in Sweden. Our responsibility according to this is described in more detail in the section Auditor's responsibility. We are independent of the Parent Company and the Group in accordance with good auditing practices in Sweden and have otherwise fulfilled our ethical responsibilities under these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the CEO

The Board of Directors is responsible for the proposed appropriation of the Company's profit or loss. When proposing a dividend, this includes an assessment of whether it is justified given the requirements of the nature, scope, and risks imposed by the Company's and the Group's operations on the size of the Parent Company's and the Group's equity, consolidation needs, liquidity, and general position. The Board is responsible for the Company's organization and the management of the Company's affairs. This includes, among other things, continuously assessing the financial situation of the Company and the Group, and ensuring that the Company's organization is designed so that the accounting, asset management, and the Company's financial matters are otherwise controlled in a satisfactory manner. The CEO shall handle the day-to-day management under the Board's guidelines and instructions and shall, among other things, take the measures necessary to ensure that the Company's accounts are kept lawfully and that the assets are managed satisfactorily.

Auditor's responsibility

Our goal for the audit of the administration, and thus our opinion on discharge from liability, is to obtain audit evidence to assess with a reasonable degree of certainty whether any Board member or the CEO in any significant respect has:

- undertaken any action or committed any negligence that may give rise to liability to the Company
- in any other way acted in violation of the Swedish Companies Act, the Swedish Annual Accounts Act, or the Articles of Association.

Our goal regarding the audit of the proposal for dispositions of the Company's profit or loss, and thus our statement on this, is to assess with a reasonable degree of certainty whether the proposal is compatible with the Swedish Companies Act. Reasonable certainty is a high level of certainty. However, it does not guarantee that an audit conducted following generally accepted auditing standards in Sweden will always detect actions or omissions that may give rise to liability to the Company or that a proposal for the appropriation of the Company's profits or losses is not following the Swedish Companies Act (aktiebolagslagen). You will find a further description of our responsibility for the audit of the administration on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar This description is part of the audit report.

Karlstad, April 4, 2023
Öhrlings PricewaterhouseCoopers AB

Martin Johansson,
Authorized auditor

Corporate governance

Inission's Board consists of six members, all appointed until the end of the next Annual General Meeting. The next meeting will be held on May 4, 2023. On May 5, 2022, the Board adopted the rules of procedure and instructions for the Chief Executive Officer. The Board's rules of procedure specify, among other things, the matters to be dealt with and the rules for conducting Board meetings.

The Company's Board of Directors

OLLE HULTEBERG | CHAIRMAN OF THE BOARD

Has been part of Inission's Board since 2008. Olle is also the Chairman of the Board of Enedo Oyj. Not independent in relation to the Company's senior management and larger shareholders. Marketing Manager and Operational Manager for Inission. Master of Science in Mechanical Engineering from Chalmers University of Technology. Born in 1962.
Other assignments: Board member and owner of IFF Konsult AB.
Current holding of shares in Inission: 5 282 988, of which 960 000 are A shares.

FREDRIK BERGHEL | BOARD MEMBER

Has been part of Inission's Board since 2008. Not independent in relation to the Company's senior management and larger shareholders. CEO and operational management for Inission. Master of Science in Mechanical Engineering from Chalmers University of Technology. Born in 1967.
Other assignments: Board member of Enedo Oyj, CEO and Board member of FBM Consulting AB.
Current holding of shares in Inission: 4 863 012, of which 540 012 are A shares.

HANS LINNARSON | BOARD MEMBER

Has been part of Inission's Board since 2017. Independent in relation to the Company's senior management and larger shareholders. Electrical engineer and bachelor of science. Hans has held several CEO positions in Swedish international industrial companies for over 30 years. Among other things, he has been President and Group CEO of Husqvarna AB. Born in 1952. Other assignments: Chairman of the Board of Nibe Industrier AB, ELLWEE AB, HP Tronic AB, and NP Nilsson AB; Board member of Zinkteknik AB, Nordiska Plast AB, and Eolusvind AB. Current holding of shares in Inission: 1 012 B shares.

KARIN SKOGLUND | BOARD MEMBER

Has been part of Inission's Board since 2015. Independent in relation to the Company's senior management and larger shareholders. MBA from Karlstad University. Born in 1959.
Other assignments: Board member of Boo Egendom AB, StyrelseAkademien Värmland, and Asynjor Värmland.
Current holding of shares in Inission: 5 300 B shares.

MIA BÖKMARK | BOARD MEMBER

Has been part of Inission's Board since 2022. Independent in relation to the Company's senior management and larger shareholders. MSc in Engineering at KTH and MBA at Gothenburg School of Business. Born in 1967.
Other assignments: Vice President for R&D and Product Management at Seco Tools AB, a part of Sandvik AB. Board advisor for Hellbergs Dörrar i Mellerud AB. Chairman of Gunnars Båtturer och Charter AB.
Current shareholding in Inission: 500 B shares.

MARGARETA ALESTIG JOHNSON | BOARD MEMBER

Has been part of Inission's Board since 2021. Independent in relation to the Company's senior management and larger shareholders. MBA from Örebro University. Born in 1961.
Other assignments: Chairman of Erik Thun AB. Board member and Chairman of the Audit Committee in Wallenius Wilhelmsen ASA, Board member of Brännehylte Lagersystem AB, Svenska Fribrevsbolaget AB, and Tjörns Sparbank.
Current holding of shares in Inission: 1 326 B shares.

The Company's Group Management

FREDRIK BERGHEL | CEO (SINCE 2021)

Born in 1967. Master of Science in Mechanical Engineering from Chalmers University of Technology.
Other assignments: Board member of Enedo Oyj, CEO and Board member of FBM Consulting AB.
Current holding of shares in Inission: 4 863 012, of which 540 012 are A shares.

HÅKAN RÅÅD | VICE PRESIDENT (SINCE 2020) & HEAD OF SUPPLY CHAIN MANAGEMENT (SINCE 2022)

Born in 1967. Master of Science in Mechanical Engineering from The Institute of Technology at Linköping University.
Other assignments: CEO and Chairman of Go Infinite, logistik- och verksamhetsutveckling AB.
Current holding of shares in Inission: 28 954 B shares.

OLLE HULTEBERG | MARKETING MANAGER (SINCE 2008)

Born in 1962. Master of Science in Mechanical Engineering from Chalmers University of Technology.
Other assignments: Board member and owner of IFF Konsult AB.
Current holding of shares in Inission: 5 282 988, of which 960 000 are A shares.

MIKAEL FLODELL | HEAD OF FINANCE & HR (SINCE 2021)

Born in 1966. Degree in Business Economics from Karlstad University, majoring in analytical problem solving, and an MBA degree from Heriott-Watt University, Edinburgh, majoring in strategic planning and implementation.
Other assignments: CEO and owner of Flodell Management & Consulting AB.
Current holding of shares in Inission: 111 806 B shares.

FREDRIC GRAHN | SALES DIRECTOR (SINCE 2021)

Born in 1986. Secondary technical school. Has broad expertise in marketing and sales and comes most recently from the role of Sales Manager at Inission Stockholm.
Other assignments: None.
Current holding of shares in Inission: 1 830 B shares.

STEFAN LARSSON | HEAD OF PRODUCTION DEVELOPMENT (SINCE 2022)

Born in 1982. Qualified vocational training and Gävle University. Extensive experience in Lean, production development, and quality from many different companies and industries. Has also run his own consulting company in Lean. Comes most recently from the role as Quality Manager in the business area Ground Combat at Saab Dynamics.
Other assignments (board positions): None.
Current holding of shares in Inission: 2 242 B shares.

Inission AB (publ) Annual Report for 2022. Text and graphic design: Inission AB (publ)

For more information, please contact Fredrik Berghel, Chief Executive Officer, +46 732 02 22 10, fredrik.berghel@inission.com
The information was submitted, through the care of the above contact person, for publication at 8:00 CET on April 5, 2023
Inission AB (Reg. No. 556747-1890), Lantvärnsgatan 4, 652 21 Karlstad, Sweden. Reports are archived at:

www.inission.com/investor-relations