Change is improvement

Inission AB (publ) | Annual Report for 2023

Contents

Notice of AGM

The Annual General Meeting will be held on Wednesday, May 8, 2024, at 17:00 CET, Värmlands Museum, Sandgrundsudden, Karlstad. Shareholders entered in the share register maintained by Euroclear Sweden on Monday, April 29, 2024, 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 Monday, April 29, 2024. The Company must receive notification of participation in the Annual General Meeting no later than Monday, April 29, 2024.

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

Page 29. Significant events

South Pole will train and guide Inission in developing and establishing working methods and processes to meet the new CSRD directive on corporate sustainability reporting.

On January 17, 2024, Inission AB, through its wholly owned subsidiary Inission Norge AS, acquired the Norwegian EMS company AXXE AS in Halden in southern Norway.

Investments of MEUR 2 are expected to increase the capacity of Inission Tallinn's mechanical plant by over 20%.

In December, the tenth winner of the Inission Innovation Award was announced during Ny Teknik's 33-listan event.

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Dividend

For the 2024 Annual General Meeting, the Board of Directors proposes a dividend of SEK 0.70 per share for 2023, corresponding to MSEK 15.5. The dividend proposed by the Board corresponds to 16% of the Group's profit after tax in 2023. Inission's dividend policy is, if liquidity permits, to distribute up to 30% of the Group's profit after tax.

Calendar

- Q1-report – 2024-05-08
- AGM – 2024-05-08
- Q2-report – 2024-08-27
- Q3-report – 2024-11-08

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 a total sales of SEK 2.2 billion with an average of 1 070 employees in 2023. 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!

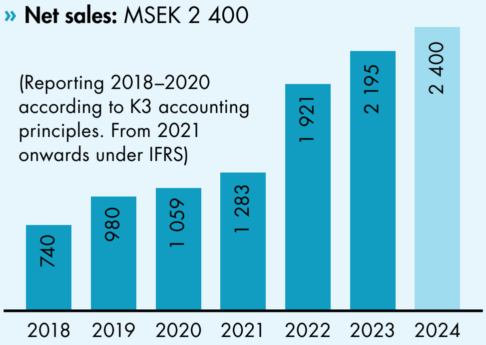
OPERATIONS

- Inission, Contract manufacturing of electronics and mechanics
- Enedo, Power electronics and systems

Financial targets and activities for growth and profitability

Financial targets for 2024

» **Net sales:** MSEK 2 400



» **EBITA margin:** >7%
» **Equity ratio:** >30%
» **Dividend:** up to 30% of the year's profits

Mid-term financial targets:

» **Sales growth:** >15% annual growth, of which 10% organic and 5% through acquisitions
» **EBITA margin:** >9%
» **Equity ratio:** >30%
» **Dividend:** up to 30% of the year's profits

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

TWO FIVE 2025

» **Doubled net sales**
» **Doubled profitability margin**
» **Top five Nordic contract manufacturers**
» **Doubled flow-oriented production**
» **Carbon neutrality**
» **Employee engagement +20%**
» **Customer satisfaction index above 5**

Inission has increased sales by 29% annually since 2015 and in 2023 net sales exceeded MSEK 2 000 for the first time. Historically, most of the growth has been acquired. Growth was 14% for the Group in 2023, of which 0.5% came from acquisitions. Since 2023, we 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.

TWO FIVE 2025

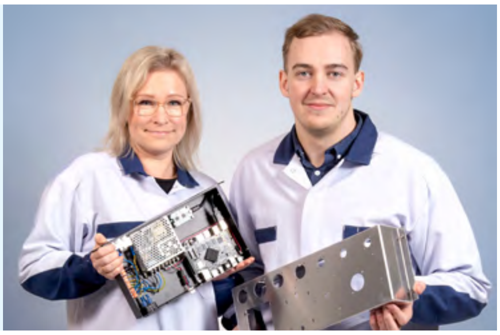
Inission's efforts have resulted in a long-term goal called "TWO FIVE 2025", which stands for doubling profitability, doubling net sales and becoming one of Northern Europe's five most profitable contract manufacturers by the end of 2025.

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. 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 708 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, the US and Tunisia, with a total of 362 employees.

Inission participated in a directed issue in Enedo Oy in the spring of 2021, which resulted in Inission becoming the largest shareholder with a holding amounting to 49.6%. This 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 the 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. A process was then underway to buy the remaining shares, corresponding to 4.2%. This was completed after the end of the period and since January 22, 2024, Inission owns 100% of Enedo. With this background, Enedo operates 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 (Inission 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).

2024 – Enedo Oy 100% acquired. AXXE AS is acquired (Halden).

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 – Divests the telecom business.

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

2021/2022 – Turnaround execution for profitability and performance.

About the 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 segments. 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, continued to create challenges in 2023, 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. The situation gradually improved and by the end of the year 2023 we reached normalization.

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.

INISSION BUSINESS ORIENTATION

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.

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.

INISSION BUSINESS AREA KEY-FIGURES

		FULL YEAR 2023	FULL YEAR 2022	FULL YEAR 2021
Net sales	(TSEK)	1 675 572	1 429 253	1 003 200
Growth	(%)	17.2%	42.5%	-5.3%
of which acquired	(%)	0.5%	9.6%	0.0%
EBITA	(TSEK)	135 983	85 079	46 550
EBITA	(%)	8.1%	6.0%	4.6%
Assets	(TSEK)	1 351 471	1 315 332	855 967
Liabilities	(TSEK)	743 042	879 531	548 539

Sales and earnings

Net sales amounted to MSEK 1675.5 compared to MSEK 1429.3 the previous year. Of the increase in sales of MSEK 246.3, 0.5% relates to acquisitions, which means that organic growth amounted to 16.6%. The EBITA result for the period was MSEK 136.0 compared to MSEK 85.1 the previous year, corresponding to an EBITA margin of 8.1% compared to 6.0% 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. 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 is becoming connected and wireless today. Electrification mainly refers to charging infrastructure, which is also a high growth area. Defense is another growing segment after the recent turmoil in the world.

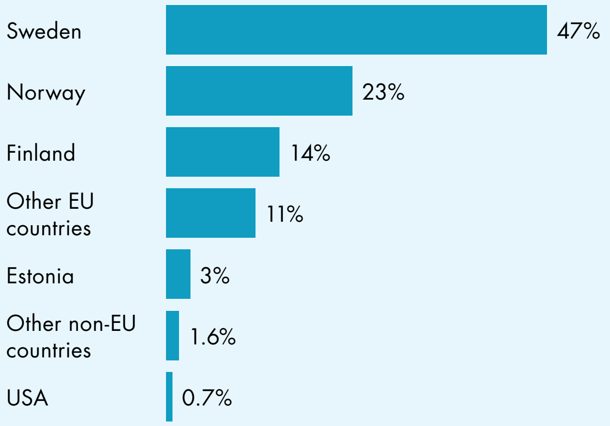
Quality

Quality for Inission is to meet customer expectations in all aspects. 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.

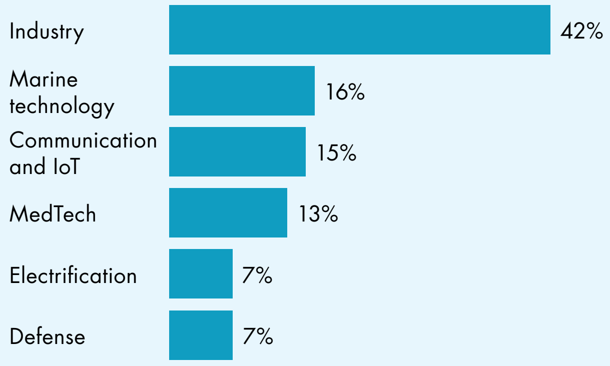
Financial targets for 2024

- Net sales: MSEK 1 900
- Profitability: 7.5% EBITA

Inission, sales by geography:



Inission, customer segments:



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

- Leading total supplier of electronic and mechanic products for over 35 years
- Net sales of MSEK 1 676
- Strong growth and sound profitability
- 708 employees
- 97% satisfied customers
- ~140 significant customers in the Nordic region
- Electronic Manufacturing Services (EMS), mechanics and technical consultants

About the 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.

ENEDO BUSINESS ORIENTATION

Enedo is a product company that develops, manufactures, and sells high-quality electronic power supplies and system solutions.

ENEDO MISSION

The most satisfied customers.

ENEDO BUSINESS AREA KEY-FIGURES

		FULL YEAR 2023	FULL YEAR 2022	FULL YEAR 2021
Net sales	(TSEK)	519 644	493 210	369 700
Growth	(%)	5.4 %	33.4%	-5.5%
of which acquired	(%)	0.0%	0.0%	0.0%
EBITA	(TSEK)	26 419	5 542	-64 758
EBITA	(%)	5.1%	1.1%	-17.5%
Assets	(TSEK)	275 324	282 050	376 597
Liabilities	(TSEK)	278 735	293 536	286 071

Sales and earnings

Net sales amounted to MSEK 519.6 compared to MSEK 493.2 the previous year. Of the increase in sales of MSEK 26.4, 0% relates to acquisitions, which means that organic growth amounted to 5.4%. The EBITA result for the period was MSEK 26.4 compared to MSEK 5.5 the previous year, corresponding to an EBITA margin of 5.1% compared to 1.1% the year before. The EBITA margin over the last 12-month period thus amounts to 5.1%. The average SEK/EUR exchange rate in 2023 is 11.4765 and the closing rate is 11.0960. In 2022, the corresponding rates were 10.6317 and 11.1283, respectively.

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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 turnaround 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. All customer segments are showing strong growth, but 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. The Covid-19 pandemic resulted in a lingering component shortage. 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 gradually improved and by the end of 2023 we reached normalization.

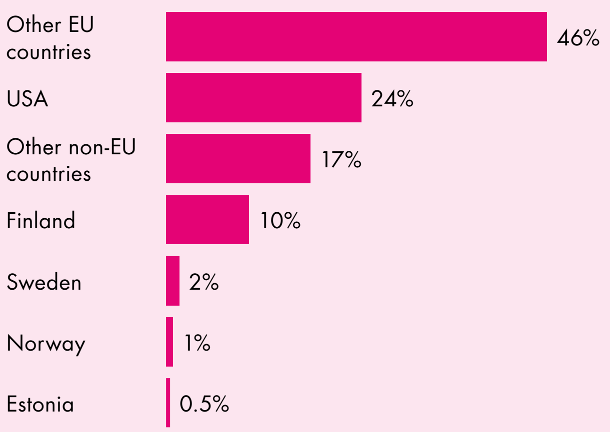
Quality

Quality for Enedo is to meet customer expectations in all aspects. 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.

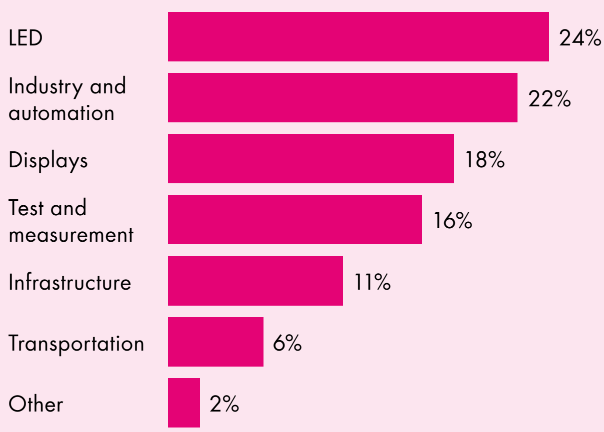
Financial targets for 2024

- Net sales: MSEK 500
- Profitability: 5% EBITA

Enedo, sales by geography:



Enedo, customer segments:

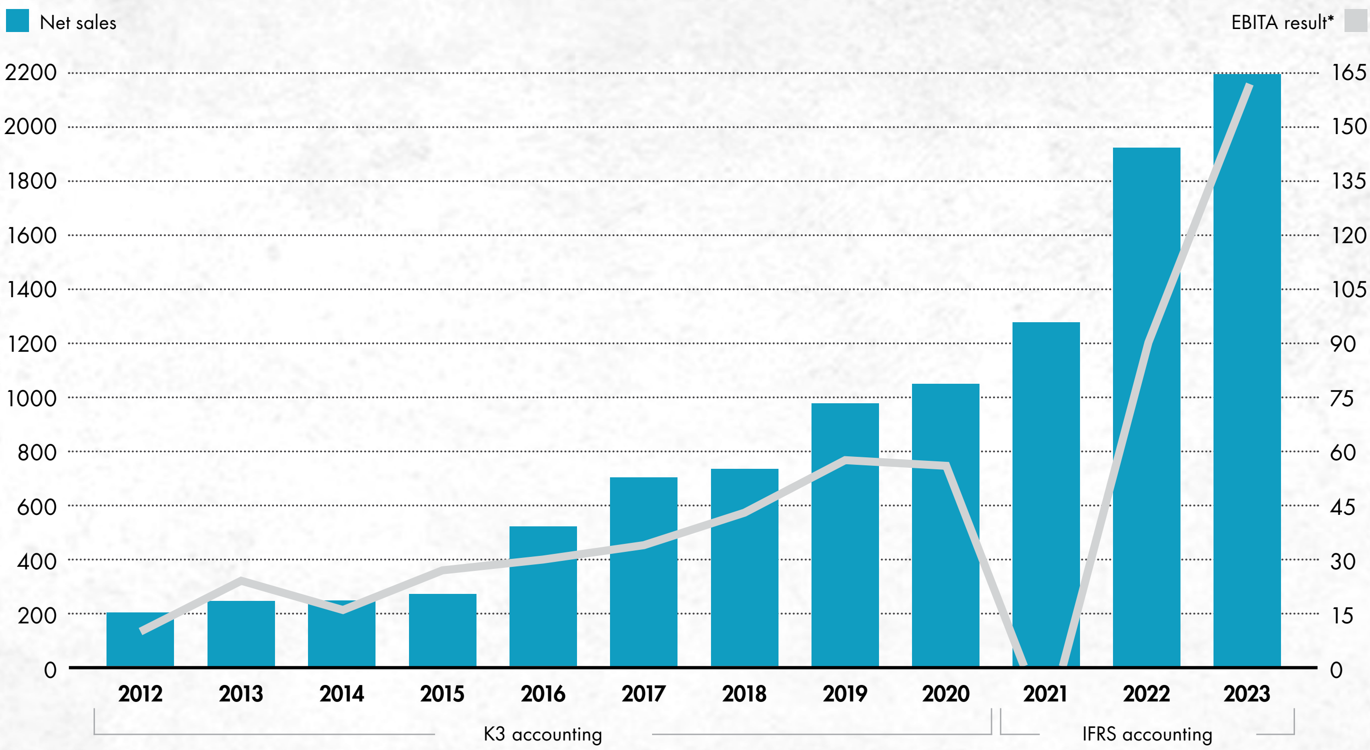


SUMMARY OF ENEDO BUSINESS AREA – POWER ELECTRONICS AND SYSTEMS

» Develops, produces, and markets power supplies and systems, focusing on high-quality tailor-made solutions
» Net sales of MSEK 520
» Benefits from megatrends, such as electrification and digitalization
» 362 employees
» Strong sales growth in Asia and America
» Well-diversified customer portfolio in several growth areas

Financial year 2023 in brief

NET SALES & EBITA RESULT* (MSEK)



TWELVE MONTHS (JANUARY 1–DECEMBER 31, 2023)

Net sales (MSEK)	**2 195**	**(1 921)**
EBITA* result (MSEK)	**162.4**	**(90.6)**
Operaing profit EBIT (MSEK)	**159.0**	**(87.5)**
Cash flow from operating activities (MSEK)	**100.9**	**(70.7)**

Equity ratio (%)	**39%**	**(27%)**
Earnings per share before dilution (SEK)	**4.47**	**(2.57)**
Earnings per share after dilution (SEK)	**4.46**	**(2.57)**

SUSTAINABILITY GOALS AND OUTCOMES 2023

Customer satisfaction (%)**

Goal 2023: 100 » Outcome Inission 97 (97), Enedo 85.7 (-)
Why: Inission's mission is to have the most satisfied customers. Satisfied customers are a prerequisite for new business and growth.
Goal 2024: 100

Health attendance (%)

Goal 2023: 97.5 » Outcome Inission 93.6 (95.1), Enedo 97.7 (-)
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.
Goal 2024: 96.5

Employee engagement (%)

Goal 2023: 75 » Outcome Inission 74 (71), Enedo 71 (-)
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.
Goal 2024: 80

Environment* (tonne CO_2/MSEK)**

Goal 2023: 1.5 » Outcome Inission 1.19 (1.73), Enedo 2.92 (-)
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.
Goal 2024: 1.0

* EBITA – operating profit adjusted for amortization of intangible assets arising from acquisitions
** Read more about Customer satisfaction on page 7
*** According to GHG Protocol, Scope 1 & 2

CEO comment

Inission consists of two business areas. 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. These two business areas are 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. There are clear synergies on the customer side and also in financing, manufacturing, and purchasing.

2023 is the first full year in which we comply with IFRS as an accounting standard.

On June 15, the Board decided to carry out a directed new share issue, corresponding to approximately MSEK 92. The issue was met with great interest from both new and existing shareholders. We see this as proof that investors have confidence in us as a company.

GROWTH

The already improved availability of components at the beginning of the year was further enhanced. This, together with increased staffing at several of our factories, enabled growth during the year. 2023 was a record year where Inission and Enedo grew organically by 14%. Adjusted for the material sell-through that took place in 2022, the growth was 19%. Profitability also improved significantly with an operating profit of MSEK 159.

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, 13 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. However, we do, and we will continue to face all challenges with the same passion and innovative thinking as we have always done.

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 CO2 emissions to net 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 purchase and sales. Our development resources are gathered in a separate company, Inission Innovate, for better clarity. Our strategic cooperation with the recognized expert consultancy firm Part Development has continued throughout the year. We will be assisted by Part to develop our processes over six years. A clear commitment from Part is that half of the commission is taken in the form of Inission shares.

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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. It was therefore with satisfaction that we in January 2024 were able to complete the acquisition of AXXE, a deal we had been working on since the middle of the year, with increased intensity towards the end of the process. AXXE complements our presence in Norway in terms of geography and customers. The customer list consists of fast-growing international Norwegian companies.

The factory is equipped with state-of-the-art machinery. The management philosophy and core values are consistent with those of Inission. The deal was based on what we think was a reasonable valuation and is constructed with a large proportion of additional purchase price over three years. The current main owner and other management team members thus have a clear incentive to continue managing the Company well in the future.

We continue to look for for acquisitions also outside the Nordics, mainly in Northern Germany and Benelux.

Our ambition is to grow by around 5% annually through acquisitions. When Enedo has moved further on its transformation journey, we will also start looking for acquisitions in power electronics. Enedo was delisted from the Helsinki stock exchange during the year. The process of compulsory redemption of the remaining 4% of shares was completed in early 2024.

THE FUTURE

When we left 2023, we had almost caught up with our customer deliveries. With a normalized component supply, our customers place orders with a shorter horizon. Extra inventory built up during the period of uncertainty by some customers is now being liquidated. The economic slowdown we saw long ago in the private consumption of products and services as well as in the construction sector has now also reached our customers.

The full-scale, deeply tragic war in Ukraine has lasted over two years. Most analysts believe that the war will last 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, regionalization, and geopolitical tensions. The defense industry is sadly a winner. Furthermore, the demand for the Swedish and Finnish defense industry will increase due to our membership in NATO. Another clear impact is electrification. The cut-off of Russian oil and gas has highlighted the urgency of phasing out fossil fuels, including in heating. We aim to become compliant with the CSRD Directive in 2024.

The cost inflation we experienced last year is subsiding due to ever higher interest rates. Interest rates have probably peaked and will be reduced, most likely late in the first half of the year or early in the second. This means that the pace of private consumption and subsequently investments will increase over time. As difficult as it was a year ago to determine when the slowdown would reach our customers, it is now just as difficult to assess how hard the slowdown will be and when it will turn around again.

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 further adjust our capacity and costs where necessary.

Fredrik Berghel, Chief Executive Officer of Inission AB.
Karlstad, Sweden April 9, 2024

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. In 2022, a strategic collaboration with the recognized expert consultancy firm Part Development was initiated. 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 the 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

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 electricity grid balancing markets.

Renewable energy

Renewable electricity capacity hit new records in 2023 and biofuel demand has recovered to pre-covid levels, despite continued logistical challenges and rising prices. The Russian Federation's continued invasion of Ukraine is sending 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. However, some grant decisions have been postponed in central Europe, which has lowered demand.

Defense

The political security situation has dramatically deteriorated in Europe. This situation, combined with Finland's application being ratified during the year and Sweden being accepted as NATO member number 32 in early March 2024, will lead to an increase in exports 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. Historically, we have grown rapidly through acquisitions, but now the strategy is somewhat adjusted. Going forward, the plan is to grow about 5% per year through acquisitions and 10% organically.

Inission operates in an industry under consolidation, and we have the ambition to be a driving force in this consolidation. The picture below 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. In this way, we are strengthened by acquisitions and we create the best conditions for synergies.

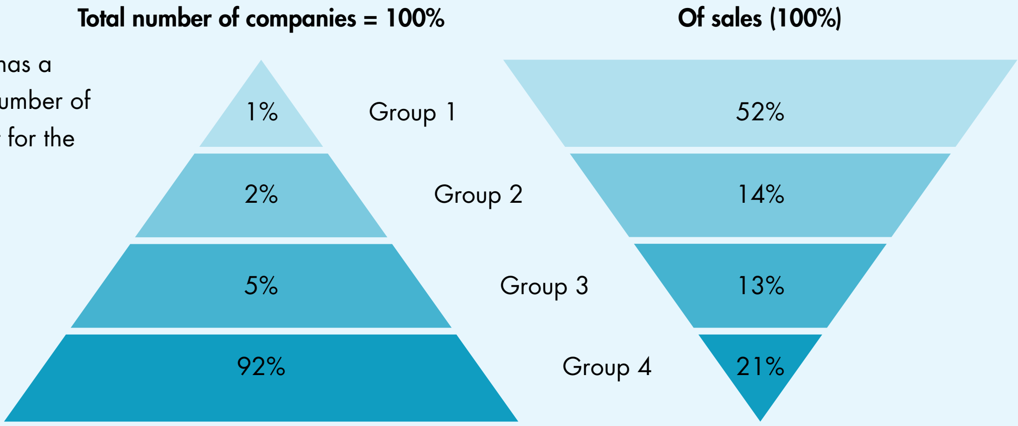
With the acquisition of Sweco Elektronik in 2019, we broadened our offer with development services, and with the acquisition of HY-Tech in 2020, we broadened our offer with contract manufacturing of sheet metal products.

We further broadened our offer with our investment in Enedo in early 2021. During the year, we delisted Enedo and acquired the last four percent of the shares through compulsory redemption. Payment of these was made in early 2024. Enedo is thus a wholly owned subsidiary of Inission.

Enedo manufactures high-quality electronic power supplies, with operations in Finland, Italy, USA and a production facility in Tunisia. Until synergies have been demonstrated, Inission's acquisition focus is on contract manufacturing.

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 at 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.

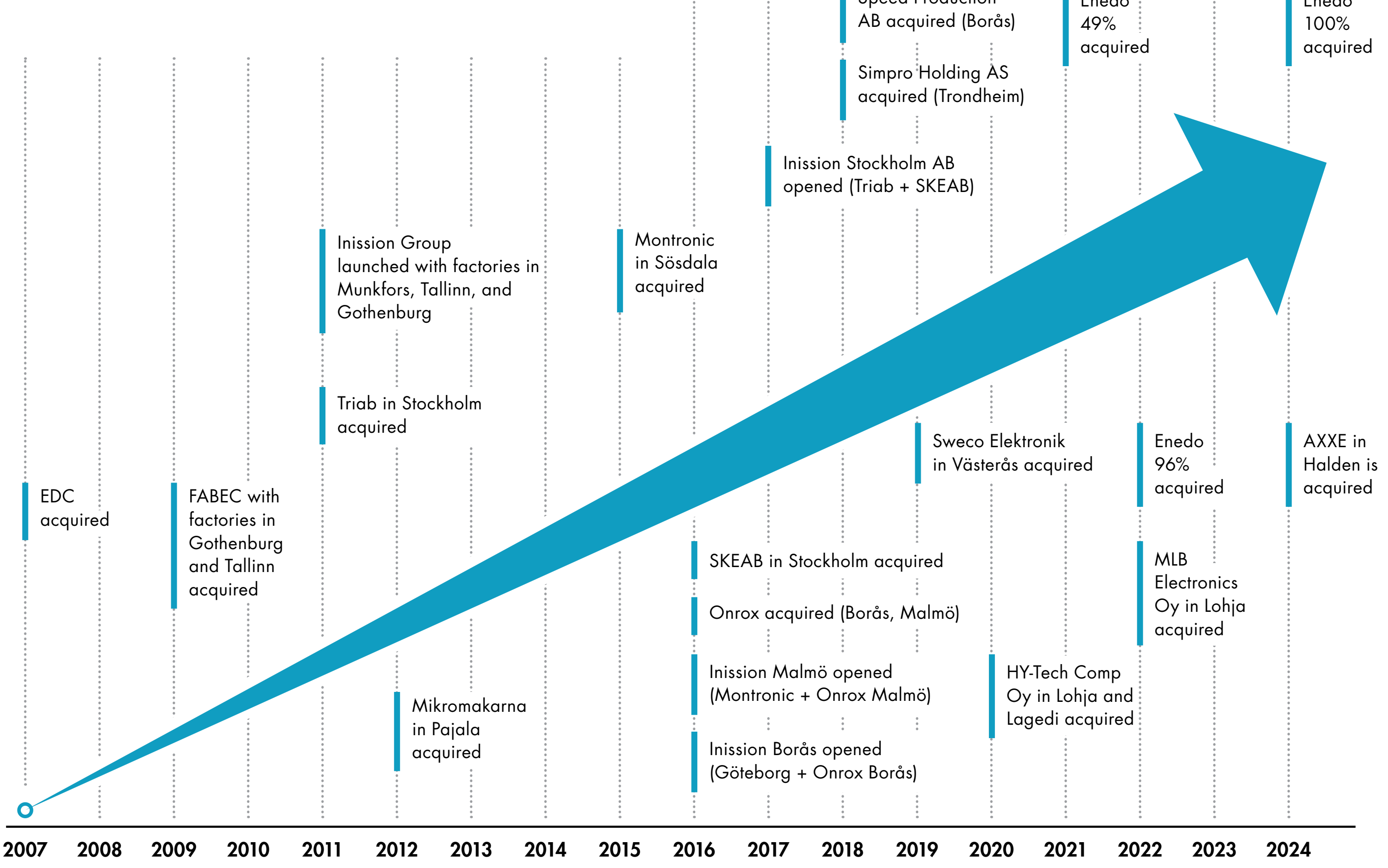
Financial history and future potential
The evaluation will assess the financial position, future potential and development opportunities.

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 above applies to Inission's EMS part. 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

Born out of Inspirit and our quest to constantly improve and develop our employees, comes the Inission Academy. Inission Academy's fundamental mission and purpose is to ensure Inission's need to develop skills to best meet current and future challenges. This is achieved by educating, training and motivating employees to become committed and successful in their work. We share experiences and challenges while getting to know people from all parts of the Group. Another positive effect is the individual's opportunity to develop and grow as a person, which increases the attractiveness during recruitment, strengthens the corporate culture and contributes to Inission's further profitability and growth. The trainings are adapted to the experience and tasks of the employees in areas such as leadership, project management, Inspirit (Lean), purchasing, production and finance. The Inission Academy is an important platform for spreading corporate culture, further developing business acumen, and increasing the level of professionalism among employees.

academy

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

Inission Academy is the Group's own training center. In 2023, we trained 121 (66) employees through 2 158 (845) hours of training.

Inspirit – business strategy

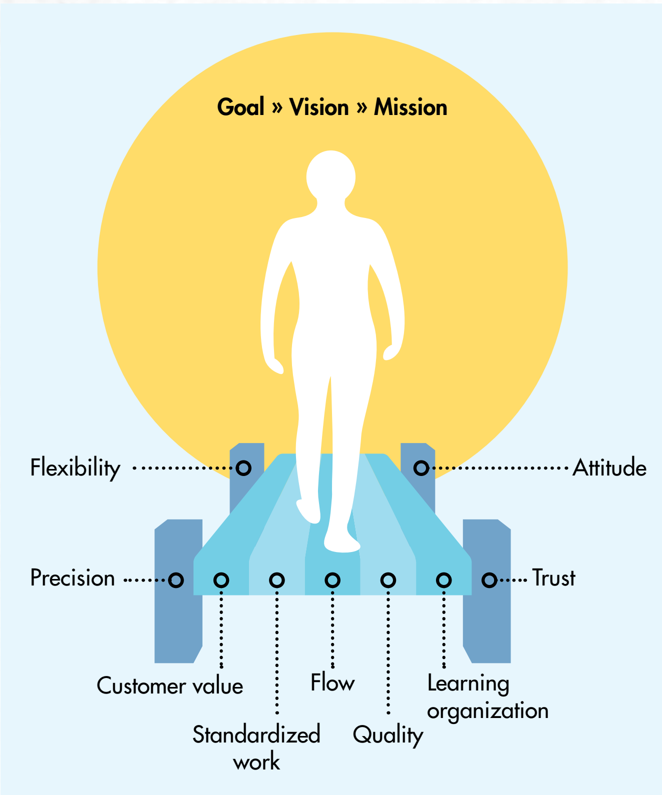
Since its inception in 2008, Inission has systematically worked to develop our understanding and application of LEAN. On this journey, we have often worked together with other companies in different networks. We have also brought in external knowledge in order to evolve.

LEAN has been more or less popular from time to time. When we visit and benchmark other companies to gain new knowledge and inspiration, we see a clear link between how good someone is and how long they have been doing it. This has made us realize how important it is to be long-term and sustainable. LEAN 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. In short, Inspirit is our definition of LEAN. Inspirit is our production system and operation strategy. The 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. At its core, Inspirit is based on our values.

To sum up, Inspirit explains our best-known route to achieving our vision and mission. We have also created a challenge, a milestone, on the way to our vision. Our challenge is "TWO FIVE 2025".

The subsidiaries in Inission are in different development phases and we have therefore created a set of clearly defined development steps. This enables our companies to work with Inspirit according to their own abilities.

In 2022, we strengthened this work by signing a long-term agreement with Part Development that will methodically support and help our companies for six years. Part has so far helped us to further develop our operations in Munkfors, Løkken and Stockholm. Next up is our electronics factory in Tallinn.



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

As of 2023-12-31, the number of A shares in the Company amounts to 2 400 012. The number of B shares is 19 735 490. The number of votes in the Company as of this date amounts to 43 735 610. 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.

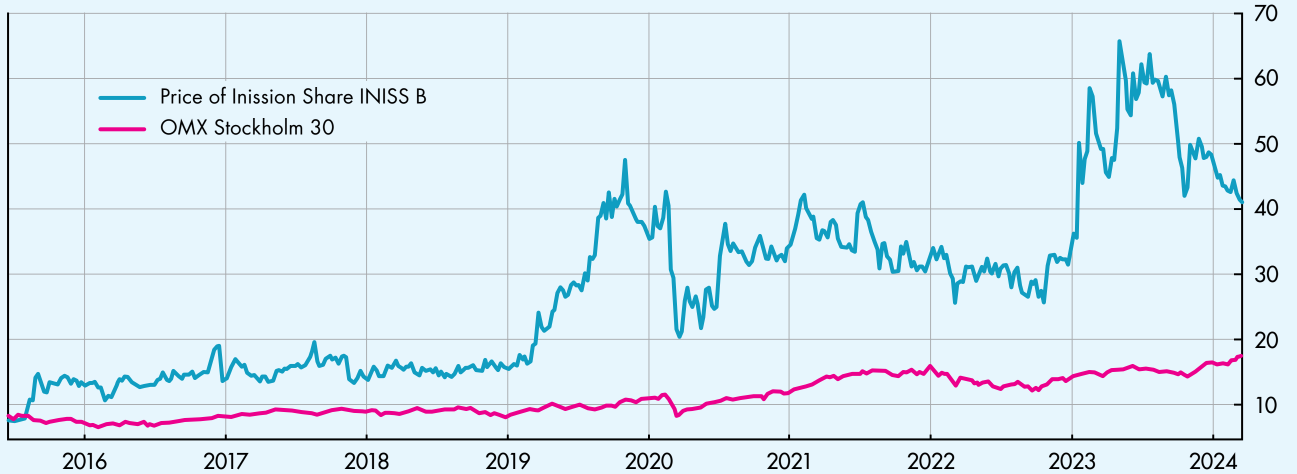
OWNERSHIP, 2023-12-31

Shareholder	A and B shares	Votes	Capital
IFF Konsult AB	5 282 988	31.83%	23.87%
FBM Consulting AB	4 763 012	19.95%	21.52%
Avanza Pension including Creades	2 176 467	4.98%	9.83%
Wingefors depå fyra AB	1 702 108	13.77%	7.69%
Handelsbanken Microcap Sverige	1 083 413	2.48%	4.89%
Joensuun Kauppa ja Kone Oy	687 337	1.57%	3.11%
Almia Consulting AB	520 000	11.89%	2.35%
CBLDN-EQ Nordic small cap fund	480 602	1.10%	2.17%
Rausanne Oy	416 754	0.95%	1.88%
Other	5 022 821	11.48%	22.69%
Total	**22 135 502**	**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 27, 2024. Inission has, since the introduction, distributed the equivalent of SEK 19.50 per share (incl. the proposed dividend).



Subscription warrants

At the Annual General Meeting on May 4, 2023, a decision was made to establish a warrant program with a term of three years. The subscription period expires at the end of July 2026. In total, the warrant program entitled the participants to subscribe for 222 000 shares, of which 19 700 shares were subscribed for, corresponding to a dilution of 0.1%. The subscription price amounted to SEK 74.90. In 2024, 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

After the delisting of Inission's subsidiary Enedo was completed in 2023, the redemption procedure of the minority owners' shares, representing 4.2% of the company, has been decided in Inission's favor. The redemption price was set at EUR 0.26 per share, with the total redemption price of EUR 772 022.22 (2 777 408 shares x EUR 0.26/share = EUR 722 126.08 + interest 2 777 408 shares x EUR 0.017965/share). The price was the same as the one given in the public mandatory offer. The shares were paid on January 22, 2024, and Inission AB thus owns 100% of Enedo Oy.

Share issue of approximately MSEK 92

On June 15, the Board decided to carry out a directed share issue of 1 614 035 B shares, corresponding to approximately MSEK 92 before deduction of costs related to the issue. The subscription price per new B share was set at SEK 57 per share based on an accelerated book building procedure led by ABG Sundal Collier AB. A number of Swedish and international institutional investors, including Creades through endowment insurance, eQ Nordic Small Cap Fund, Fondbolaget Fondita Ab, Handelsbanken Fonder, Joh. Berenberg, Gossler & Co. KG (authorized as portfolio manager of certain investment funds) and Swedbank Robur, participated in the Directed Share Issue.

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 about 5% of revenue in 2023. 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.

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

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. We monitor on an ongoing basis and sell obsolete material back to the customer following agreements.

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

"We at Inission are firmly committed to integrating sustainability initiatives into all aspects of our business. By minimizing our impact on the environment and society, we strive to promote long-term sustainability and responsible business practices."

/Fredrik Berghel, CEO Inission AB

Inission has operations in Sweden, Norway, Finland, Estonia, Italy, USA, and Tunisia, with approximately 1 100 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.

Inission's commitment to sustainability is integrated throughout our business operations and extends across the entire organization. As a leading provider of customized manufacturing services and products in advanced industrial electronics and mechanics, our services cover the entire product life cycle, from development and design to industrialization, volume production, and aftermarket support. The Enedo business area strives to be a leader in power electronics and systems and to do so in a way that is sustainable and responsible. 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.

We have taken an important step during the year by establishing collaboration with the organization South Pole. Together, we follow the guidelines and ensure the quality of the GHG (Greenhouse Gas Protocol) and parts of the CSRD (Corporate Sustainability Reporting Directive) to reduce our impact on the environment, increase our sustainability efforts, and respond to the new EU directives. Over the past year, we have carefully analyzed our existing processes and identified several sustainability areas where we can improve our efforts, which will be a work in progress during 2024.

Our main goal is to ensure that our policies are consistent and that we as an organization achieve carbon neutrality (Scope 1 and 2) on a consolidated level by 2025. We are determined to take responsibility for our environmental

Continued on next page »

impact and work towards a more sustainable future. Through our collaboration with South Pole and other partners, we look forward to making significant progress in our sustainability journey. To compensate for the small emissions we had during the year, we have also engaged in a climate project in India that aims to create jobs while reducing emissions. Certificates can be found under sustainability. Thus, our Group-wide climate impact has an outcome for 2023 of 1.49 tonnes CO_2/MSEK. We strive to be a leading player in the field of sustainability and take our responsibility towards the environment, society, and economy seriously. By including all three aspects in our operations, actively addressing social issues, streamlining processes, and acting ethically in our facilities, we strengthen our commitment to sustainable development. We regularly engage with our key suppliers to ensure they share our sustainability values and comply with our Code of Conduct. Our purchasing categories, which include components, electromechanical products, mechanics, PCBs, cabling, and indirect materials, are carefully reviewed to ensure they meet our sustainability criteria. Inission is an active part of society, and we see a clear trend in which interest in sustainability issues is increasing among all stakeholders. We have a long history of high ambitions in sustainability, and we are well-equipped to continue to be leaders in this field. We simply believe that driving and strengthening our commitment to sustainability is of utmost importance.

SUSTAINABILITY GOALS AND OUTCOMES 2023

Customer satisfaction* (%)
Goal 2023: 100 » Outcome Inission 97 (97), Enedo 85.7 (-)
Why: Inission's mission is to have the most satisfied customers. Satisfied customers are a prerequisite for new business and growth.
Goal 2024: 100

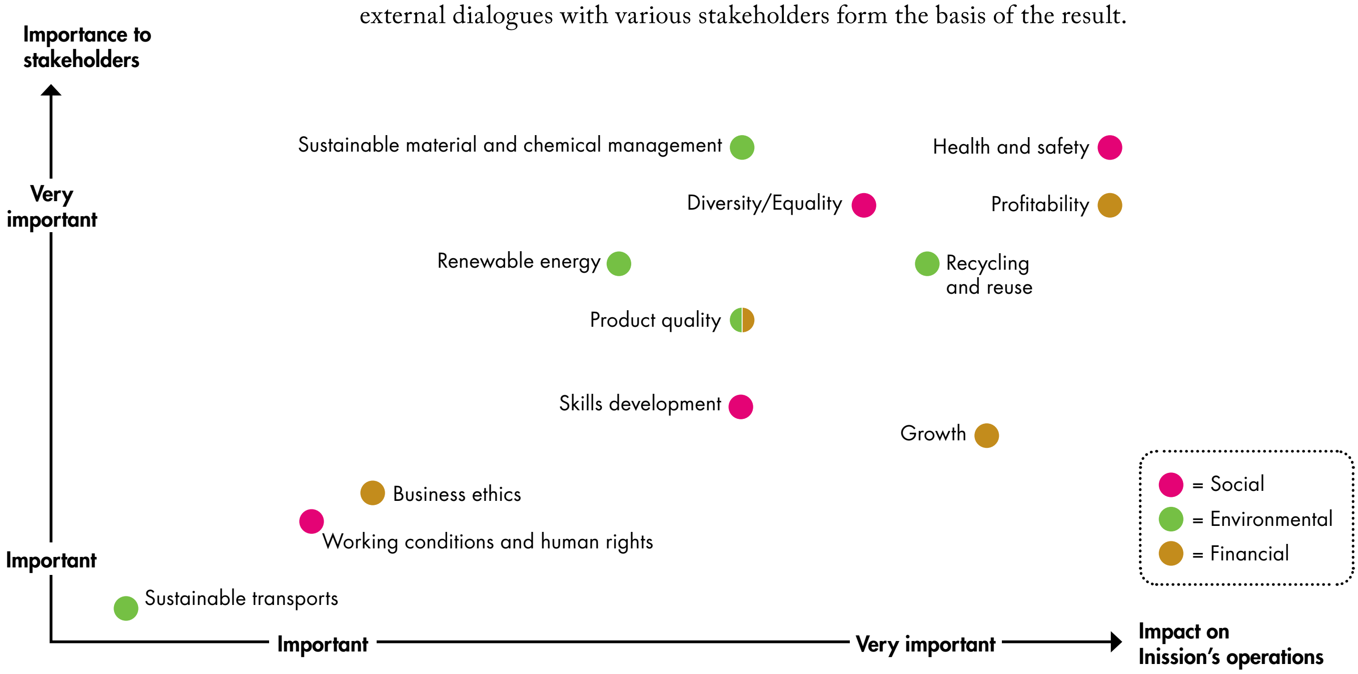
Health attendance (%)
Goal 2023: 97.5 » Outcome Inission 93.6 (95.1), Enedo 97.7 (-)
Why: A high health attendance indicates a sound working environment that does not negatively affect the health of our employees. Inission has set a high goal for our employees to thrive at work.
Goal 2024: 96.5

Employee engagement (%)
Goal 2023: 75 » Outcome Inission 74 (71), Enedo 71 (-)
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.
Goal 2024: 80

Environment (tonne CO_2/MSEK)**
Goal 2023: 1.5 » Outcome Inission 1.19 (1.73), Enedo 2.92 (-)
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.
Goal 2024: 1.0

MATERIALITY ANALYSIS

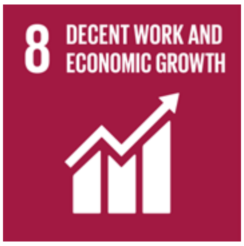
As part of this work, Inission has carried out a materiality analysis where internal and external dialogues with various stakeholders form the basis of the result.



* Read more about Customer satisfaction on page 7
** According to GHG Protocol, Scope 1 & 2

Global goals

Inission contributes to the UN Agenda 2030 and the Sustainable Development Goals. Based on the materiality analysis, four of the global goals have been linked to Inission's sustainability work. Here, Inission also has an opportunity to contribute to achieving the goals from a global perspective.



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 company, 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

At Inission, we strive to maintain and improve social conditions and human rights in all our activities. Our values form the basis of our work and guide us in making the right decisions. We continuously work on our core values, and to increase the understanding of these values, we provide our Code of Conduct for download on our website www.inission.com.

The most significant social sustainability risks we address include freedom of association, discrimination, working conditions, and conflict minerals issues.

We ensure that all our production units have an employee handbook and related policies that regulate gender equality, working conditions, dissemination of information and consultation with employees, trade union rights, harassment, and health and safety. Incident reporting is done according to standardized procedures and followed up with actions to ensure safety in our factories.

We conduct employee surveys and performance reviews annually to promote employee engagement and well-being. According to our latest employee survey, the Group-wide score was 74% in 2023.

We have invested in training courses for our employees on GHG Scope 1, 2 and 3 emissions. These courses aim to raise awareness of different emission categories and help us identify and reduce our direct and indirect carbon emissions.

We regularly review our major suppliers to ensure they respect human rights and comply with our Code of Conduct.

We consider our employees to be our most important resource and invest in their potential through the Inission Academy. Read more on page 17. We offer a range of training courses in different areas such as leadership, LEAN, project management and product costing. Through Inission Academy and our collaboration with Chefsakademin regarding leadership, we also strive to be an attractive employer and ensure access to the skills needed for our operations. Within the framework of Inission Acadamy, we have in 2023 trained 121 (66) employees through 2 158 (845) training hours.

To promote the training and development of the future workforce, we offer internships and thesis research for students from various educational levels.

Environmental sustainability

Inission is committed to systematically and continuously reduce its environmental impact in accordance with our Environmental Policy. Our biggest environmental impact is carbon dioxide emissions. We set targets and carefully measure and monitor these parameters to steadily reduce our impact.

Inission's goal is for all production facilities to be certified according to ISO 14001. We conduct our work with relevant environmental permits and licenses and use ISO 14001 as a comprehensive tool for continuous improvement. The system includes both internal and external controls.

We apply the precautionary principle by avoiding materials and methods that may pose potential environmental and health risks when other options are available.

Based on the new sustainability directive CSRD, Inission has established a structure and trained key personnel to meet the new directives. In 2023, we began the work of establishing processes and working methods to measure and monitor GHG Scope 3.

One of our main priorities is to reduce greenhouse gas emissions and promote more sustainable operations. To achieve this, we have implemented several important measures.

Each unit within our organization has developed and presented their individual reduction plan to reduce emissions and promote sustainable business practices under Scope 1 and 2. These plans are tailored to address specific challenges and opportunities in each area of operation.

Through these initiatives and actions, we aim to become a leader in sustainability and positively contribute to our environment and society.

Financial sustainability

Inission is firmly rooted in the principle of financial sustainability, which is a fundamental pillar of our Company's mission and success.

For us, 100% customer satisfaction is not just a goal but a fundamental value that we strive to achieve in every business interaction. We understand that sustainability involves more than maintaining environmental and social standards; it also means ensuring sound and fair economic practices that benefit all stakeholders.

One of the most significant risks in financial sustainability is corruption. Inission remains committed to its principle of not tolerating any form of corruption, bribery, extortion, kickbacks, or other attempts to gain undue advantages. We recognize that corruption not only undermines business integrity but also erodes trust in the institutions and societies in which we operate.

Our sustainability strategy also includes clearly communicating our expectations and requirements regarding business ethics and integrity to all our employees and business partners. By integrating these principles into our business processes and decisions, we promote a sustainable economic environment that allows businesses to flourish responsibly and ethically.

We have conducted a comprehensive GAP analysis within the framework of the CSRD to ensure that our sustainability work has a clearer strategy for our continued work going forward. This analysis has contributed to identifying areas for improvement and effectively planning for future initiatives.

At Inission, we are firmly committed to being a leader in financial sustainability and doing our best to ensure fair, transparent, and sustainable business practices in all our operations. By adhering to our values and acting with integrity and responsibility, we promote a world where businesses and communities can grow and prosper together.

Activities in 2024

Moving into 2024, we at Inission are committing to deepening our sustainability efforts and striving towards a more responsible business. One of our central objectives is to conduct a comprehensive Scope 3 calculation to map and understand our total impact and the key sustainability aspects that affect and are affected by our operations.

By conducting Scope 3 calculations, we will carefully analyze and quantify the indirect emissions arising from our value chain, including suppliers, distribution, and use of our products and services. This will give us a more comprehensive understanding of our total climate impact and allow us to identify areas where we can make significant improvements. In parallel, we will also conduct a double materiality analysis to identify and prioritize the most significant and material sustainability issues for our organization and stakeholders. This analysis will guide us in focusing our resources and efforts on areas where we can make the greatest impact and where improvement is most needed.

Our emission reduction plans will also include Scope 3 in 2024. By identifying specific targets and actions in each area, we will work actively to reduce our climate impact and promote more sustainable operations.

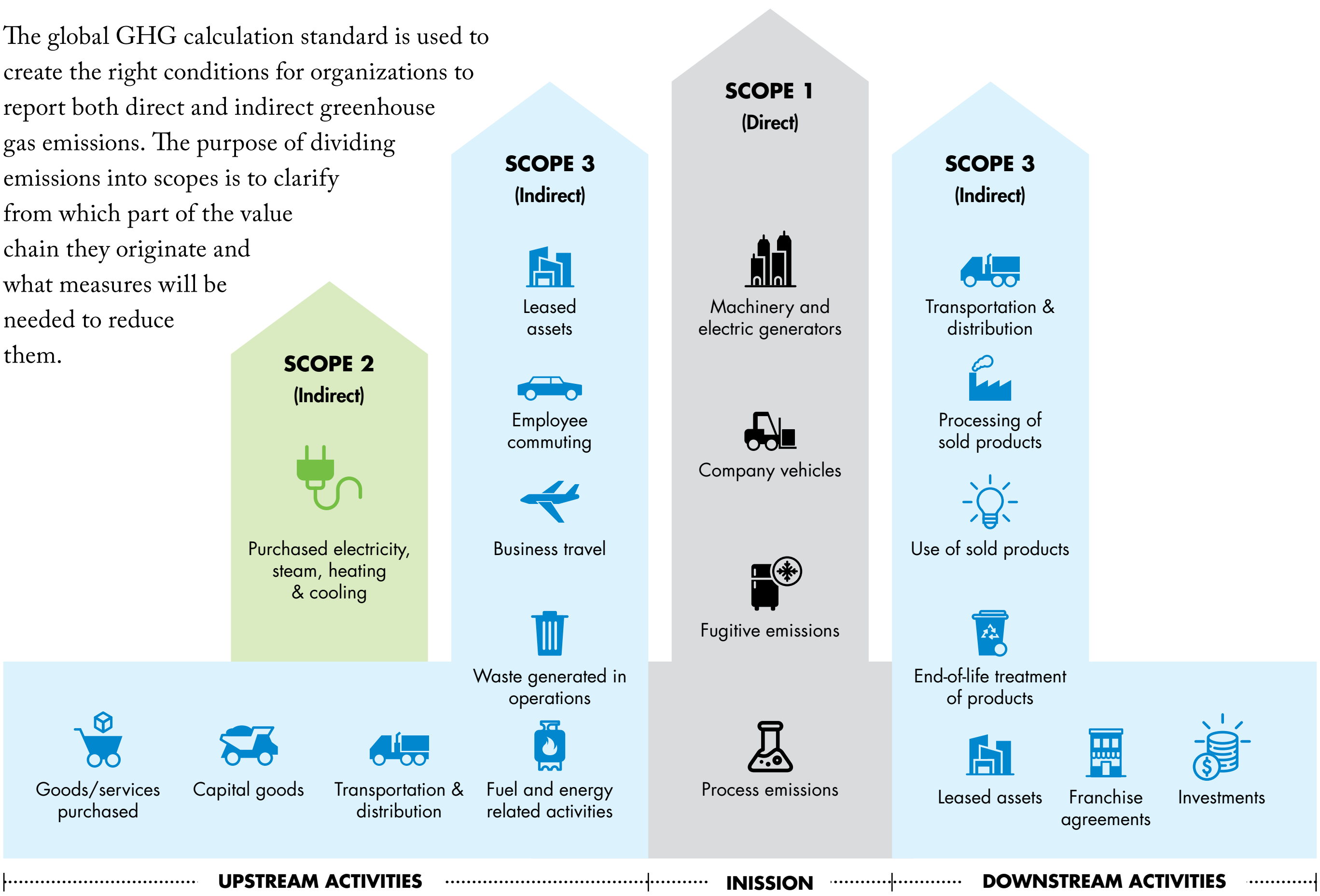
To ensure our sustainability efforts are well-integrated and effective, we will start the implementation of processes aligning with CSRD. By complying with these guidelines and regulations, we will be able to improve our reporting and ensure that we meet international sustainability reporting standards.

Finally, we will integrate the newly acquired company AXXE into our overall sustainability work.

By implementing these actions and initiatives in 2024, we demonstrate our commitment to continuously improve and advance our sustainability agenda and contribute to a more sustainable future for our Company, our stakeholders, and society at large.

GHG calculations within Scope 1, 2 and 3

The global GHG calculation standard is used to create the right conditions for organizations to report both direct and indirect greenhouse gas emissions. The purpose of dividing emissions into scopes is to clarify from which part of the value chain they originate and what measures will be needed to reduce them.



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

At Inission, we firmly believe that clear policies and guidelines are the cornerstone of a responsible and sustainable business. Our policies are not just documents on paper; they are living expressions of our values and commitments to our stakeholders and society at large.

Code of Conduct
Our Code of Conduct is our ethical compass, guiding us in making the right decisions and acting responsibly towards our stakeholders, employees and society.

Whistleblower policy
Our whistleblower policy is a central part of our corporate culture and creates a safe environment where employees and stakeholders can report irregularities and potential misconduct without fear of retaliation.

Quality and environmental policy
We strive to improve our operations continuously by maintaining the highest possible quality and environmental impact standards. Our quality and environmental policy is the basis for our work in these areas.

Personnel policy
Our personnel policy is designed to promote a positive work environment and ensures that all employees are treated fairly and respectfully, regardless of background or position.

Equal opportunities policy
We are firmly committed to promoting equality and diversity in all aspects of our business and society at large. Our equal opportunities policy is integral to our commitment to creating an inclusive workplace.

GDPR[1]
We care about protecting personal data and follow strict guidelines under the General Data Protection Regulation (GDPR) to ensure the integrity and confidentiality of all our stakeholders.

Drug policy
Our drug policy aims to create a safe and healthy work environment by preventing and managing drug use in the workplace.

Procurement manual
Our procurement manual regulates our purchasing processes and ensures that we work with suppliers who share our values and comply with our standards of ethics and sustainability.

Conflict minerals[2], RoHS[3] and Reach[4]
We take seriously our responsibility to avoid conflict minerals and comply with the Restriction of Hazardous Substances (RoHS) Directive and Registration, Evaluation, Authorization, and Restriction of Chemicals (REACH) legislation. By following these guidelines, we contribute to a safer and more sustainable world.

In summary, our policies are not just rules to follow but guiding principles that strengthen our Company's moral compass and contribute to more sustainable and responsible operations.

1) GDPR (General Data Protection Regulation)

2) Conflict minerals (Minerals that are extracted from Democratic Republic of Congo and nine neighbouring 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, Authorization, 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 2023 on pages 21–26 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 9, 2024
Öhrlings PricewaterhouseCoopers AB

Martin Johansson,
Authorized auditor

Directors´ 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 2023. 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

According to IFRS, Enedo is 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 as of April 1, 2021. As of October 2022, the shareholding in Enedo is not reported as a non-controlling interest, as the shareholding exceeds 90%. The remaining 4.15% shares in Enedo have been acquired by Inission through a compulsory redemption and since January 22, 2024, Inission owns 100%.

In January 2022, MLB Electronic's Oy was acquired. In 2023, no acquisition was made.

Net sales for 2023 amounted to MSEK 2 195 (1 921). This means that excluding acquired companies, the organic growth for the year amounts to 14%. Other operating revenue has decreased to MSEK 7.3 (21.3). The proportion of materials during the year has decreased to 59.8% (61.7%). Other external costs amounted to MSEK 157.6 (162.9). Personnel costs amounted to MSEK 445.2 (380.6), mainly driven by the increase in sales. Depreciation for the year amounted to MSEK 84.5 (82.4). Operating profit increased to MSEK 159.0 (87.5). Profit after financial items came to MSEK 115.8 (63.3). Earnings per share after tax amount to SEK 4.46 (2.57).

In the balance sheet, goodwill has decreased and now amounts to MSEK 177.9 (178.5). Other intangible assets amount to MSEK 98.2 (101.6). The total value of tangible fixed assets amounts to MSEK 81.3 (87.0). Right-of-use assets have increased and amount to MSEK 249.9 (224.5), 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 3.9 (4.2).

Continued on next page »

Inventory amounts to MSEK 620.5 (642.2), which is a decrease from the previous year related to better access to components and improved planning processes. Other current assets amount to MSEK 310.8 (318.8). Total assets decreased to MSEK 1 567.2 (1 579.8). Total equity amounts to MSEK 605.0 (424.3) with an equity ratio of 39% (27%). Non-current liabilities have decreased to MSEK 318.9 (430.0). The change is mainly due to the deferral of tax and VAT according to special rules linked to the pandemic amounting to MSEK 118.8 being reclassified to current liabilities. Of the deferrals, MSEK 37 was amortized in 2023, and after the period in January 2024, the remaining MSEK 82 was amortized. Current liabilities have decreased to MSEK 643.2 (725.5). The change is mainly attributable to a decrease in accounts payable and liabilities to credit institutions.

Significant events

JANUARY

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 B shares to key persons in a leading position.

On January 19, a live-streamed Capital Markets Day was held where Inission's strategic direction, business and financial development and targets were presented.

FEBRUARY

On February 16, 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.

APRIL

On April 14, Inission announced that Mikael Flodell is leaving the role as CFO of Inission AB. Karin Skoglund assumed the role of acting CFO.

On April 20, Inission Involve was launched. About a hundred participants attended the conference. By using a web-based tool, the round table discussions were compiled into an AI-generated report. The themes of the conference was collaborations, efficient flows, and sustainable productions.

Continued on next page »

Inission innovation award.
From left: Funki's CEO Maria Svahn, Inission's Marketing Director Fredric Grahn and Funki's CTO Josefine Hölling.

On April 27, Inission announced that ABG Sundal Collier had been appointed as liquidity provider for Inission's shares listed on Nasdaq First North Growth Market. The purpose is to improve the liquidity of the share and reduce the spread. ABGSC's assignment commenced on April 28, 2023.

MAY

On May 8, Inission announced that Inission Borås AB is merged with Inission Syd AB to facilitate the companies' daily work. Operations will continue to be conducted at the two production facilities in Borås and Malmö.

On May 30, Inission announced that trading of Enedo shares had ended on the Helsinki Stock Exchange.

JUNE

On June 8, Inission announced that Inission Västerås AB had changed its name to Inission Innovate AB. This is to clarify the offer in electronics development. Since January 2023, the Company's development services are available in both Västerås and Malmö. The plan is to continue growing near Inission's existing factories.

On June 15, Inission carried out a directed new share issue of 1 614 035 B shares, corresponding to approximately MSEK 92. A number of Swedish and international institutional investors participated in the directed new share issue. The capital raised provides Inission opportunities to continue executing its acquisition agenda and enhances financial flexibility, thus aligning with ambitions and established financial targets.

On June 26, Inission held an Extraordinary General Meeting. The meeting voted according to the Board's proposal on the redemption of shares and directed new issue.

On June 29, Inission Tallinn announced a significant investment in developing the Lagedi mechanical plant. The investment of MEUR 2 will increase the plant's capacity by more than 20%.

JULY

On July 6, Inission announced that John Granlund has been appointed as the new CFO of the Company as of September 12. John comes most recently from the role of CFO at SEGULA Technologies in Gothenburg.

AUGUST

On August 1, Inission announced that Olle Hulteberg leaves his operational role as Inission's Marketing Director, but continues his involvement in Inission as Chairman of the Board and one of the majority owners. As Olle's replacement, Fredric Grahn took over as the new Sales & Marketing Director. Fredric has been part of Inission since 2015 and has since held several different sales leadership roles within the Company.

On August 10, Inission announced that Enedo's CEO, Mikael Fryklund, had been promoted to a new position as COO of Inission AB. The new CEO of Enedo is Kalle Huittinen, former Regional Division Manager at ABB Large Motors & Generators Europe.

SEPTEMBER

On September 26, Inission announced the new collaboration with South Pole. South Pole will train and guide us in developing and establishing working methods and processes to meet the new CSRD directive on corporate sustainability reporting. Based on the new directive, they will carry out quality-assured and complete GHG calculations within scope 1, 2 and 3.

On September 28, Inission announced that Mathias Larsson took office as the new CEO of Inission Munkfors. Mattias was most recently CEO at Anva Polytech AB.

Continued on next page »

Top left: The new collaboration with Southpole. From left: Mikael Grafström South Pole, Stefan Larsson Inission and Marie Gustafsson South Pole.

Bottom left: Inission Tallinn invested MEUR 2 in production equipment. In the picture: the company's CEO Nadežda Dementjeva.

On the right: In January 2024, Inission acquired the Norwegian EMS company AXXE AS. From left: Øystein Back, CEO AXXE AS; Fredrik Berghel, CEO Inission AB; and Erik Dragset, CEO Inission Løkken AS.

NOVEMBER

On November 6, Inission announced that the Company's operations in Malmö are expanding their production section by approximately 50%. This is to become both more competitive and further increase capacity. The project is expected to be completed in the second quarter of next year.

On November 20, Ari Kemppainen was welcomed as the new CEO of Inission Stockholm AB. Ari has many years of experience from senior positions in global companies operating in power electronics and other business areas. Meanwhile, Inission Stockholm's former CEO, Christian Löfgren, moved on to a business development role at Inission's headquarters.

On November 28, Inission announced that Finnish MLB Electronics Oy, a subsidiary of Inission AB, has moved its operations to Inission Lohja's premises and merged into one legal entity.

DECEMBER

On December 4, the news was published that Inission enters into a strategic collaboration with Dynamic Precision regarding their component database. This is to further improve Inission's development offer.

On December 6, the tenth winner of the Inission Innovation Award was announced during Ny Teknik's 33-listan event. Among the participants were some of Sweden's most promising start-ups, tech profiles, venture capitalists and journalists. The winner of services from Inission worth MSEK 1 was Funki Instruments.

On December 8, Inission Munkfors announced that it has invested in advanced conformal coating capabilities to meet the needs of customers who want enhanced durability and longevity of their printed circuit board assemblies (PCBAs).

After the end of the financial year

JANUARY 2024

On January 17, Inission AB, through its wholly owned subsidiary Inission Norge AS, acquired the Norwegian EMS company AXXE AS. The company, with 46 staff members, has its operations in Halden and thus Inission has expanded its geographical presence in southern Norway. The price for 50.1% of the shares amounted to MNOK 27. The agreed contingent consideration for the remaining 49.9% of the shares is equivalent to an EV of 6xEBITDA based on AXXE's average results from 2024 to 2026.

On January 22, Inission AB informed that the Company now owns 100% of the shares in Enedo Oy. This after the redemption procedure of the minority owners' shares, corresponding to 4.2% of the company, was decided in Inission's favor.

FEBRUARY 2024

On February 28, Inission presented new financial targets for 2024: Net sales MSEK 2 400, adjusted EBITA margin >7%, equity ratio >30%, and dividends up to 30% of the result for the year. Mid-term financial targets are unchanged from the previous year.

For more information:
www.inission.com

Future developments

When we left 2023, we had almost caught up with our customer deliveries. With a normalized component supply, our customers place orders with a shorter horizon. Extra inventory built up during the period of uncertainty by some customers is now being liquidated. The economic slowdown we saw long ago in the private consumption of products and services as well as in the construction sector has now also reached our customers.

The full-scale, deeply tragic war in Ukraine has lasted over two years. Most analysts believe that the war will last 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, regionalization, and geopolitical tensions. The defense industry is sadly a winner. Furthermore, the demand for the Swedish and Finnish defense industry will increase due to our membership in NATO. Another clear impact is electrification. The cut-off of Russian oil and gas has highlighted the urgency of phasing out fossil fuels, including in heating.

The cost inflation we experienced last year is subsiding due to ever higher interest rates. Interest rates have probably peaked and will be reduced, most likely late in the first half of the year or early in the second. This means that the pace of private consumption and subsequently investments will increase over time. As difficult as it was a year ago to determine when the slowdown would reach our customers, it is now just as difficult to assess how hard the slowdown will be and when it will turn around again.

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 further adjust our capacity and costs where necessary.

MULTI-YEAR OVERVIEW

Group performance and position	2023	2022	2021	2020	2019	2018
Net sales (TSEK)	2 195 216	1 921 173	1 283 172	1 059 040	979 972	739 763
Profit after financial items (TSEK)	115 801	63 292	-37 122	38 049	47 963	37 017
Balance sheet total (TSEK)	1 567 156	1 579 789	1 231 905	522 592	476 653	481 760
Equity ratio (%)	39	27%	32%	52%	30%	23%
Average number of employees	1 070	936	853	515	448	369
Earnings per share before dilution (SEK)	4.47	2.57	-2.34	5.19	7.61	6.13
Earnings per share after dilution (SEK)	4.46	2.57	-2.34	5.15	7.55	6.09

Parent Company performance and position	2023	2022	2021	2020	2019	2018
Net sales (TSEK)	30 704	26 691	22 754	21 999	19 694	20 519
Profit after financial items (TSEK)	-6 631	44 506	-574	82	-5 195	7 406
Balance sheet total (TSEK)	443 531	418 013	259 350	198 913	172 012	182 067
Equity ratio (%)	86%	65%	60%	78%	32%	37%
Average number of employees	9	9	7	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 Syd AB, and Inission Innovate AB.

Foreign operating subsidiaries

Inission Tallinn OÜ, Inission Norge AS, Inission Lohja 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 the companies 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

For the 2024 Annual General Meeting, the Board of Directors proposes a dividend of SEK 0.70 per share for 2023, corresponding to MSEK 15.5. The dividend proposed by the Board corresponds to 16% of the Group's profit after tax in 2023. Inission's dividend policy is, if liquidity permits, to distribute up to 30% of the Group's profit after tax.

DIVIDEND POLICY

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

PROPOSAL FOR DISTRIBUTION OF PROFITS

Parent Company

At the disposal of the AGM are the following earnings (TSEK):

Retained earnings from previous years	74 936
Share premium fund	291 481
Net result for the year	14 449
Total	380 866

The Board proposes that the earnings be distributed as follows:

Dividends to shareholders	15 495
To be carried forward	365 371
Total	380 866

Group

The Group's equity attributable to the Parent Company's shareholders amounts to TSEK 603 097. 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 five members, all elected at the 2023 Annual General Meeting, and held 15 minuted meetings. The Board and CEO work according to established rules of procedure. Regarding remuneration in 2023 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:

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 four 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	JAN-DEC 2023	JAN-DEC 2022
Net sales	6	2 195 216	1 921 173
Change in inventories of work in progress and finished goods incl. capitalized work for own account		5 402	68 857
Other operating revenue	9	7 300	21 252
Operating revenue		**2 207 918**	**2 011 282**
Raw materials and consumables		-1 318 117	-1 254 829
Other external costs	7	-157 553	-162 876
Personnel costs	8	-445 151	-380 638
Amortization and depreciation of intangible assets and tangible fixed assets	15,16, 18	-84 543	-82 351
Other operating expenses	10	-43 563	-43 126
Total operating expenses		**-2 048 926**	**-1 923 820**
Operating profit		**158 992**	**87 462**
Financial revenue	11	2 292	4 318
Financial costs	11	-45 483	-28 488
Financial items – net		**-43 192**	**-24 170**
Profit before tax		**115 801**	**63 292**
Income tax	12	-20 038	-13 712
Net result for the period	1	**95 763**	**49 580**
Profit for the period attributable to:			
Parent Company shareholders		95 110	56 154
Non-controlling interest		654	-6 574

Continued on next page »

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

	NOTE	JAN-DEC 2023	JAN-DEC 2022
Other comprehensive income:			
Items that may be reclassified to profit or loss:			
Translation differences for the year		-8 268	14 814
Items not to be reclassified to profit or loss:			
Remeasurement of the net defined benefit liability		0	858
Income tax relating to the above item		0	0
Other comprehensive income for the year		**-8 268**	**15 672**
Parent Company shareholders		-8 922	12 157
Non-controlling interest		654	3 515
Total other comprehensive income for the year		**-8 268**	**15 672**
Total comprehensive income for the year		**87 496**	**65 252**
Total comprehensive income for the year attributable to:			
Parent Company shareholders		86 842	68 311
Non-controlling interest		654	-3 059
Total		**87 496**	**65 252**
Earnings per share, based on the profit attributable to Parent Company shareholders during the period:			
Earnings per share before dilution	40	4.47	2.57
Earnings per share after dilution	40	4.46	2.57
Weighted average number of shares before dilution		21 287 698	19 305 170
Weighted average number of shares after dilution		21 342 763	19 328 990
Number of shares at the end of the period		22 135 502	20 263 042

Consolidated balance sheet in summary (TSEK)

ASSETS	NOTE	2023-12-31	2022-12-31
Fixed assets			
Intangible assets			
Goodwill		177 851	178 532
Other intangible assets		98 218	101 583
Licenses etc.		4 690	4 250
Total intangible assets	16	**280 759**	**284 365**
Tangible fixed assets			
Machinery and other technical equipment		67 905	79 839
Equipment, tools, and installations		6 228	4 566
Improvement costs to third-party property		7 127	2 552
Total tangible fixed assets	15	**81 260**	**86 957**
Right-of-use assets	18	249 901	224 532
Financial fixed assets			
Other non-current securities	2, 17, 20	1 078	1 090
Other non-current receivables	2, 17, 20	2 835	3 105
Total financial fixed assets		**3 913**	**4 195**
Deferred tax assets	28	20 055	18 732
Total fixed assets		**635 889**	**618 782**
Current assets			
Inventory	19	620 494	642 235
Trade receivables	20, 21	263 907	288 295
Derivative instruments	20, 22	322	0
Current tax receivables		0	0
Other receivables	20, 23	1 550	4 341
Prepaid expenses and accrued income	20, 24	2 764	11 533
Cash and cash equivalents	20, 25	42 230	14 603
Total current assets		**931 267**	**961 007**
» TOTAL ASSETS		**1 567 156**	**1 579 789**

Continued on next page »

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

EQUITY AND LIABILITIES	NOTE	2023-12-31	2022-12-31
Equity	26		
Share capital		923	845
Other contributed capital		291 481	195 271
Reserves		8 807	14 618
Retained earnings incl. profit for the period		301 886	212 313
Total equity attributable to Parent Company shareholder		**603 097**	**423 048**
Non-controlling interest		1 921	1 267
Total equity		**605 018**	**424 315**
Non-current liabilities			
Liabilities to credit institutions	20, 27	84 972	75 944
Lease liabilities	18	205 222	187 611
Other non-current liabilities	20, 27, 30	0	135 230
Deferred tax liabilities	28	22 126	23 514
Provision for pensions	29	5 500	6 863
Other provisions	38	1 087	821
Total non-current liabilities		**318 906**	**429 983**
Current liabilities			
Liabilities to credit institutions	20, 27	34 631	95 648
Derivative instruments	20, 22	16	1 440
Customer advances		53 442	32 300
Accounts payable	20	253 516	344 252
Lease liabilities	18	38 371	31 925
Overdraft facility (Limit 100 000)	20, 27	4 989	32 408
Invoice discounting credit	20, 27	64 676	69 484
Current tax liabilities		8 184	16 243
Other current liabilities	20, 31	103 757	34 385
Other provisions	38	2 622	2 415
Accruals and deferred income	20, 32	79 030	64 991
Total current liabilities		**643 234**	**725 490**
» TOTAL EQUITY AND LIABILITIES		**1 567 156**	**1 579 789**

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 2022-01-01		**755**	**125 126**	**3 320**	**139 897**	**269 098**	**128 856**	**397 954**
Net result for the period					56 155	56 155	-6 574	49 581
Other comprehensive income				11 298	858	12 156	3 515	15 671
Total comprehensive income for the period		**0**	**0**	**11 298**	**57 013**	**68 311**	**-3 059**	**65 252**
Shareholder transactions								
New share issue		0	225			225		225
Transaction costs related to share issues					541	541		541
Dividend					-5 432	-5 432		-5 432
Transactions with non-controlling interest / new share issue		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**	**85 638**	**-124 529**	**-38 891**
Closing balance at 2022-12-31		**845**	**195 271**	**14 618**	**212 313**	**423 047**	**1 268**	**424 315**

	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 2023-01-01		**845**	**195 271**	**14 618**	**212 313**	**423 048**	**1 267**	**424 315**
Net result for the period					95 110	95 110	654	95 764
Other comprehensive income				-5 811	-2 457	-8 268	0	-8 268
Total comprehensive income for the period		**0**	**0**	**-5 811**	**92 653**	**86 842**	**654**	**87 496**
Shareholder transactions								
New share issue	26	78	96 210			96 288		96 287
Changed holding of employee share options					423	423		423
Transaction costs for buy-outs of non-controlling interest					-3 502	-3 502		-3 502
Total shareholder transactions		**78**	**96 210**	**0**	**-3 080**	**93 209**	**0**	**93 208**
Closing balance at 2023-12-31		**923**	**291 482**	**8 807**	**301 886**	**603 098**	**1 921**	**605 018**

Consolidated statement of cash flows in summary (TSEK)

	NOTE	JAN-DEC 2023	JAN-DEC 2022
Operating activities			
Profit after financial items		115 801	63 292
Depreciation of assets	37	84 543	82 351
Income tax paid		-29 104	-3 184
Other non-cash items	37	-1 267	2 666
Cash flow from operating activities before changes in working capital		**169 973**	**145 125**
Cash flow from changes in working capital			
Increase/decrease of inventories		10 789	-195 310
Increase/decrease operating receivables		29 200	-39 517
Increase/decrease operating liabilities		-109 068	160 396
Total change in working capital		**-69 079**	**-74 431**
Cash flow from operating activities		**100 894**	**70 694**
Cash flow from investing activities			
Acquisitions of subsidiaries, net of cash acquired	36	0	-18 569
Acquisitions of tangible and intangible fixed assets	2, 15, 16	-44 997	-25 077
Sales of tangible and intangible fixed assets	2, 15, 16	448	0
Divestment/reduction of financial fixed assets		0	-800
Cash flow from investing activities		**-44 549**	**-44 446**
Cash flow from financing activities			
New share issue, net of transaction costs	26	96 289	225
Raised loans	35	0	47 425
Repayment of loans	35	-50 775	-29 045
Amortization of lease liabilities	35	-36 313	-34 753
Dividends paid		0	-5 432
Transactions with non-controlling interest	26, 39	0	-18 821
Transaction costs non-controlling interest		-3 502	-7 323
Increase/decrease in current financial liabilities	35	-34 345	7 221
Cash flow from investing activities		**-28 647**	**-40 503**
Cash flow for the year		**27 698**	**-14 255**
Cash at the beginning of the year		14 603	27 832
Cash flow for the year		27 698	-14 255
Exchange difference in cash		-71	1 026
Cash at the end of the year		**42 230**	**14 603**
Cash flow information			
Interest paid		-45 483	-28 488
Interest received		2 292	4 319

Parent Company income statement in summary (TSEK)

	NOTE	JAN-DEC 2023	JAN-DEC 2022
Net sales	43	30 704	26 691
Other operating revenue	46	2 864	1 434
Total		**33 568**	**28 125**
Other external costs	44	-20 094	-13 576
Personnel costs	45	-20 098	-15 241
Other operating expenses	47	-15 532	-7 504
Total operating expenses		**-55 724**	**-36 322**
Operating profit		**-22 156**	**-8 197**
Profit from shares in Group companies	51	14 000	50 000
Interest revenue and similar revenue	48	8 440	5 575
Interest expense and similar costs	48	-6 914	-2 872
Total income from financial items		**15 526**	**52 703**
Profit before tax		**-6 631**	**44 506**
Appropriations			
Changes in amortization fund		1 855	0
Group contributions received		19 475	3 800
Tax on profit for the year	50	-250	257
Profit for the period		**14 449**	**48 563**

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	2023-12-31	2022-12-31
Fixed assets			
Financial fixed assets			
Shares in Group companies	51	307 777	304 275
Receivables from Group companies	52	64 635	62 737
Other non-current receivables		3	3
Total financial fixed assets		**372 415**	**367 015**
Deferred tax assets		3	297
Total fixed assets		**372 418**	**367 311**
Current assets			
Current receivables			
Trade receivables	52	69 030	48 600
Derivative instruments	22	0	0
Other current receivables		606	194
Prepayments and accrued income	53	1 431	1 908
Total current receivables		**71 067**	**50 702**
Cash and bank	54	**47**	**0**
Total current assets		**71 114**	**50 702**
» TOTAL ASSETS		**443 531**	**418 014**

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

EQUITY AND LIABILITIES	NOTE	2023-12-31	2022-12-31
Equity			
Restricted equity			
Share capital	55	923	845
Total restricted equity		**923**	**845**
Unrestricted equity			
Share premium fund		291 481	195 270
Retained earnings incl. profit for the period		89 385	74 525
Total unrestricted equity		**380 866**	**269 795**
Total equity		**381 789**	**270 639**
Tax-free reserves		0	1 855
		0	**1 855**
Non-current liabilities			
Liabilities to credit institutions	56	9 986	15 580
Liabilities to Group companies		0	69 500
Deferred tax liabilities		0	0
Other non-current liabilities	56, 57	0	15 134
Total non-current liabilities		**9 986**	**100 214**
Current liabilities			
Overdraft facility	56	7 265	16 433
Accounts payable		2 951	4 147
Liabilities to Group companies		27 457	10 677
Derivative instruments	22	16	1 440
Other current liabilities	58	8 951	9 625
Accruals and deferred income	59	5 116	2 983
Total current liabilities		**51 756**	**45 305**
» TOTAL EQUITY AND LIABILITIES		**443 531**	**418 013**

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 2022-01-01		**755**	**125 125**	**31 058**	**-206**	**156 732**
Disposition of the previous year's profit				-206	206	0
Profit for 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	55	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**
Opening balance at 2023-01-01		**845**	**195 270**	**25 961**	**48 563**	**270 640**
Disposition of the previous year's profit				48 563	-48 563	0
Profit for year and total comprehensive income					14 447	14 447
Shareholder transactions						
Payment of employee share options				423		423
Transactions with non-controlling interest / New share issue	55	78	96 211			96 288
Other				-9		-9
Total shareholder transactions		**78**	**96 211**	**414**	**14 447**	**111 149**
Closing balance at 2023-12-31		**923**	**291 481**	**74 938**	**14 447**	**381 789**

Parent Company statement of cash flows in summary (TSEK)

	NOTE	JAN-DEC 2023	JAN-DEC 2022
Operating activities			
Operating profit after financial items	37	-6 631	44 506
Depreciation of assets		0	0
Income tax paid		-250	109
Dividend received		-14 000	0
Other non-cash items	37	-893	224
Cash flow from operating activities before changes in working capital		**-21 774**	**44 839**
Change in operating receivables		-22 656	-32 109
Change in current operating payables		-9 865	21 831
Cash flow from operating activities		**-54 295**	**34 561**
Cash flow from investing activities			
Investments in subsidiaries		-3 503	-34 150
Cash flow from investing activities		**-3 503**	**-34 150**
Cash flow from financing activities			
New share issue	26	96 289	0
Loans granted (Group companies)		0	-18 433
Raised loans	34	0	84 634
Repayment of loans	34	-29 699	-13 806
Increase/decrease in current financial liabilities		-9 168	-47 362
Group contribution received/paid		0	0
Dividends paid		423	-5 444
Cash flow from financing activities		**57 845**	**-411**
Cash flow for the year		**47**	**0**
Cash at the beginning of the year		0	0
Cash at the end of the year		**47**	**0**

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 Annual Accounts and Consolidated Accounts for publication on 2024-04-09. The consolidated statement of comprehensive income and balance sheet and the Parent Company's income statement and balance sheet will be subject to approval by the Annual General Meeting on May 8, 2024.

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. 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[1] 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 in its interim report for the legal entity, the Parent Company applies all IFRS and statements adopted by the EU as far as possible within the framework of the Swedish Annual Accounts Act and the Swedish Insurance Act and regarding the relationship between accounting and taxation.

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[1] IFRS (International Financial Reporting Standards)

Note 2 continued.

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 made from parent companies to subsidiaries and group contributions received by parent companies from subsidiaries are reported 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

For the financial year 2023 and later, amendments to IAS 1 Presentation of Financial Statements, IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and IAS 12 Income Taxes have been added. We make the assessment that they have no material effect on the consolidated income statement and balance sheet.

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 variable returns from its holding in the company and is able to influence the return through the influence it exercises in the company. Subsidiaries are included in the Consolidated Accounts from the day on which the controlling interest is transferred to the Group. They are excluded from the Consolidated Accounts from the date on which the controlling interest 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 October 2022, the ownership in Enedo was increased after a public offer to 95.8% of the ownership. After the period, Inission acquired the remaining 4% of Enedo's shares on January 22, 2024. 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 information reported to the CEO, as a basis for allocating resources and assessing the Group's performance, relates to Inission and Enedo.

Note 2 continued.

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 financial statements, 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. Exchange rate gains and losses that arise in conjunction with payments of such transactions or in conjunction with translation of monetary assets and liabilities denominated in foreign currency at the exchange rate on the balance sheet date 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 transac tion; 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 the acquisition of a foreign operation are treated as assets and liabilities of that operation and translated at the exchange rate on the balance sheet date.

BUSINESS COMBINATIONS

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 the non-controlling interest in the acquiree is recognized at fair value or at its proportionate share of the carrying amount of the acquiree's identifiable net 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 gains and losses are recognized in profit or loss.

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 recognized 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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Note 2 continued.

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, associated companies and joint ventures are not recognized if the parent entity is able to control the timing of the reversal of the temporary difference and it is considered probable that the temporary difference will not reverse 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 commencement 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 liabilities 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.

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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 reported in subsequent periods at acquisition cost less accumulated amortization and depreciation.

The amortization period for customer relationships is 13 years. The brand is 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 expenses are recognized 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 possible to complete the product for use or sale,
- the intention of the Company is to complete the product and use it or sell it,
- conditions are established for the use or sale of the product,
- it can be shown how the product will generate probable future economic benefits;

Continued on next page »

Note 2 continued.

- adequate technical, financial and other resources are available to complete the development and use or sell the product, 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 staff 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 costs 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 value is the higher of the fair value of the asset less cost to sell and value in use of the asset. 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 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 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 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.

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 contingent considerations 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 income or Other operating expenses in profit or loss. Financial liabilities at fair value through profit or loss consist entirely of derivative instruments and contingent considerations.

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 been transferred, and the Group has transferred substantially 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.

Continued on next page »

Note 2 continued.

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 there is 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 recognized at cost or net realizable value, whichever is lowest. 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.

Continued on next page »

Note 2 continued.

Borrowings are derecognized when the obligations are settled, canceled, or otherwise terminated. The difference between the carrying amount of a 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 2023, 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.

Continued on next page »

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.

Diluted earnings per share

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 drawn up 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 warrants 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 warrants granted. The fair value of warrants granted is calculated using the Black & Scholes valuation model. The warrants 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 management

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 financing, 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.

Continued on next page »

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 also has foreign subsidiaries in Italy, the USA and Tunisia. 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 2.5%. The Group currently hedges interest rate risk on future cash flows in Italy.

Furthermore, the Group has had borrowings in the form of shareholder loans in SEK without maturity that carried a fixed interest rate of 7.0% (7.0%). They were fully amortized in September 2023.

Of the Group's total borrowings, 100% (97%) 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. In the balance sheet, this liability is included in the item Invoice discounting credit. For information on pledged trade receivables, see note 33.

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 Group's ongoing evaluation of different financing solutions limits the risk. The Group's borrowings consist of liabilities to credit institutions (Nordea), shareholder loans, overdraft facilities, and invoice discounting credits.

Continued on next page »

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 Inission's financial assets measured at fair value and the level in the fair value hierarchy at which they are recognized:

FINANCIAL ASSETS 2023-12-31 (TSEK)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Derivatives (currency and interest rate hedges)	0	322	0	**322**
Other non-current securities	0	0	1 078	**1 078**
Total	**0**	**322**	**1 078**	**1 400**

FINANCIAL ASSETS 2022-12-31 (TSEK)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Derivatives (currency and interest rate hedges)	0	0	0	**0**
Other non-current securities	0	0	1 090	**1 090**
Total	**0**	**0**	**1 090**	**1 090**

The following table shows Inission's financial assets measured at fair value and the level in the fair value hierarchy at which they are recognized:

FINANCIAL ASSETS 2023-12-31 (TSEK)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Derivatives (currency and interest rate hedges)	0	16	0	**16**
Contingent consideration	0	0	6 658	**6 658**
Total	**0**	**16**	**6 658**	**6 674**

FINANCIAL ASSETS 2022-12-31 (TSEK)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Derivatives (currency and interest rate hedges)	0	1 440	0	**1 440**
Contingent consideration	0	0	6 677	**6 677**
Total	**0**	**1 440**	**6 677**	**8 117**

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Note 3 continued.

The following tables show the reconciliation of the opening and closing carrying amounts of the contingent considerations and other non-current securities and other non-current receivables valued at level three.

FINANCIAL LIABILITIES, LEVEL 3 (TSEK)	CONTINGENT CONSIDERATION
Carrying amount 2022-12-31	**7 869**
Additional amount	0
Change recognized in the income statement	-1 211
Amounts paid	0
Carrying amount 2023-12-31	**6 658**

Level 3 fair value measurement inputs and the valuation process

Contingent consideration: 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.

FINANCIAL ASSETS, LEVEL 3 (TSEK)	OTHER NON-CURRENT HOLDINGS OF SECURITIES (UNLISTED SHARES)
Carrying amount 2022-12-31	**1 090**
Additional amount	791
Change recognized in the income statement	-803
Amounts paid	0
Carrying amount 2023-12-31	**1 078**

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

Contingent consideration: 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 capital structure objectives are to ensure the Group's ability to continue as a going concern so that it can continue to generate returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to keep the cost of capital low.

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:

(TSEK)	2023-12-31	2022-12-31
Total borrowings	119 603	171 592
Less: cash and cash equivalents	-42 230	-14 603
Net debt	**77 373**	**156 989**
Total equity	**682 391**	**581 304**
Debt-to-equity ratio %	**11%**	**27%**

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 and brands
The Group tests goodwill and brands 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 interest in Enedo Plc at the date of acquisition (April 1, 2021), even though the Group's holding was 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. As of 2023-12-31, the Group holds 95.8% of the shares in Enedo.

Deferred tax asset
Deferred tax assets relating to deficit deductions or other future tax deductions are reported to the extent that it is probable that the deduction can be settled against surpluses in future taxation.

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 708 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, the US, and Tunisia, with a total of 362 employees.

2023-01-01 » 2023-12-31 (TSEK)	ENEDO	INISSION	ELIMINATIONS	TOTAL
Revenue per segment	519 644	1 675 572	0	2 195 216
Revenue from other segments	0	0	0	0
Revenue from external customers	**519 644**	**1 675 572**	**0**	**2 195 216**
Operating profit	**26 419**	**132 573**	**0**	**158 992**

2022-01-01 » 2022-12-31 (TSEK)	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**

SEGMENT ASSETS AND LIABILITIES 2023-12-31 (TSEK)	ENEDO	INISSION	ELIMINATIONS	TOTAL
Assets	275 324	1 351 471	-59 639	1 567 156
Liabilities	-278 735	-743 042	59 639	-962 138
Total	**-3 411**	**608 429**	**0**	**605 018**

SEGMENT ASSETS AND LIABILITIES 2022-12-31 (TSEK)	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**

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Note 6 continued.

Inission AB uses operating profit as a measure of operating segment performance. Interest income 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.

Revenue from external customers by country (TSEK):

2023-01-01 » 2023-12-31	ENEDO	INISSION	ELIMINATIONS	TOTAL
Sweden	8 564	786 100	0	794 664
Finland	52 183	231 617	0	283 800
Estonia	2 481	58 524	0	61 005
Other EU countries	238 800	181 083	0	419 884
Norway	4 541	379 587	0	384 128
USA	122 849	11 788	0	134 637
Other non-EU countries	90 227	26 872	0	117 099
Total	**519 644**	**1 675 572**	**0**	**2 195 216**

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**

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

	2023-12-31	2022-12-31
Sweden	9 846	10 970
Finland	12 728	7 812
Estonia	23 593	29 167
Other EU countries	7 668	9 259
Norway	11 751	13 490
USA	0	0
Other non-EU countries	15 674	16 259
Total	**81 260**	**86 957**

Note 7 – Auditors' remuneration

AUDITORS (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Audit assignment ÖhrlingsPricewaterhouseCoopers AB	1 423	955
Audit assignment KPMG	1 758	1 833
Other services ÖhrlingsPricewaterhouseCoopers AB	1 331	1 098
Other services KPMG	79	107
Total	**4 591**	**3 992**

Note 8 – Employee benefits, etc.

EMPLOYEE BENEFITS (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Salaries and other benefits	336 008	290 033
Social security costs	56 860	53 564
Pension costs:		
Defined contribution plans	45 307	39 623
Defined benefit plans	1 015	3 405
Total	**439 190**	**386 626**

SALARIES AND OTHER BENEFITS (TSEK)	2023-01-01 » 2023-12-31		2022-01-01 » 2022-12-31	
	Salaries and other benefits	Of which bonuses	Salaries and other benefits	Of which bonuses
Board, CEO, and other executives	9 589	341	7 265	0
Other employees	296 085	274	282 768	0
Group total	**305 674**	**446**	**290 033**	**0**

SOCIAL COSTS (TSEK)	2023-01-01 » 2023-12-31		2022-01-01 » 2022-12-31	
	Social costs	Of which pension costs	Social costs	Of which pension costs
Board, CEO, and other executives	4 524	2 060	4 089	1 806
Other employees	88 406	43 242	95 560	15 023
Group total	**93 439**	**45 302**	**99 649**	**16 829**

AVERAGE NUMBER OF EMPLOYEES WITH GEOGRAPHICAL DISTRIBUTION BY COUNTRY	2023-01-01 » 2023-12-31		2022-01-01 » 2022-12-31	
	Average number of employees	Of which men	Average number of employees	Of which men
Sweden	299	181	251	157
Norway	105	51	74	43
Finland	162	115	79	26
Estonia	174	94	230	148
Italy	54	49	59	0
USA	1	1	2	0
Tunisia	275	210	241	0
Group total	**1 070**	**701**	**936**	**374**

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Note 8 continued.

GENDER BALANCE IN THE GROUP (INCL. SUBSIDIARIES) FOR BOARD MEMBERS AND OTHER SENIOR EXECUTIVES	2023-01-01 » 2023-12-31		2022-01-01 » 2022-12-31	
	Number at balance sheet date	Of which men	Number at balance sheet date	Of which men
Board members	5	3	5	2
CEO and other senior executives	5	5	5	5
Group total	**10**	**8**	**10**	**7**

REMUNERATION AND OTHER BENEFITS 2023-01-01 » 2023-12-31 (TSEK)	Basic salary/ Director's fees	Variable remuneration	Other benefits	Pensions-kostnad	Share-based payments	Total
Chairman of the Board – Olle Hulteberg	117				0	117
Board member – Karin Skoglund	60					60
Board member – Margareta Alestig Johnson	145					145
Board member – Mia Bökmark	135					135
Board member – Hans Linnarson	148					148
Board member – Henrik Molenius	75					75
Chief Executive Officer	1 545			260	12	1817
Other senior executives (4)	4 945	341		1 800	6	7 092
Total	**7 170**	**341**	**0**	**2 060**	**18**	**9 589**

REMUNERATION AND OTHER BENEFITS 2022-01-01 » 2022-12-31 (TSEK)	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)	4 200	142		1 415	45	5 802
Total	**5 662**	**142**	**0**	**1 415**	**45**	**7 265**

Guidelines

Fees are paid to the Chairman and Board members following the resolution of the Annual General Meeting, 2023-05-04. 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 5 persons who, together with the Chief Executive Officer, 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 follows an age-based contribution scale,

Continued on next page »

Note 8 continued.

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
Senior executives hold the following number of warrants on each balance sheet date	23 300	18 200
Total	**23 300**	**18 200**

SHARE-BASED PAYMENTS

Warrant scheme 2023
In 2023, the employees were offered to acquire warrants enabling them to purchase shares in Inission from June 23, 2026, to July 15, 2026. The exercise price per warrant amounted to SEK 74.90. The warrants were acquired at fair value on the acquisition date (SEK 23.95). 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 2022
In 2022, the employees were offered to acquire warrants enabling them to purchase shares in Inission from June 24, 2025, to July 15, 2025. 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%.

SUMMARY OF OUTSTANDING WARRANTS	2023-01-01 » 2023-12-31		2022-01-01 » 2022-12-31	
	Average exercise price in SEK per warrant	Number of warrants	Average exercise price in SEK per warrant	Number of warrants
At 1 January		**47 640**		**0**
Granted		19 700		47 640
Repurchased		-4 200		0
At 31 December		**63 140**		**47 640**

Note 9 – Other operating revenue

OTHER OPERATING REVENUE (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Grants	2 155	2 207
Changes in the positive value of derivative instruments at fair value through profit or loss	2 864	1 455
Capital gain on disposal of fixed assets	121	106
Exchange gains	-2 451	15 619
Rental income	987	685
Changes in the positive value of other long-term securities holdings recognized at fair value through profit or loss	3 624	1 181
Other	0	0
Total	**7 300**	**21 252**

Note 10 – Other operating expenses

OTHER OPERATING EXPENSES (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Changes in the negative value of derivative instruments at fair value through profit or loss	0	-3 006
Changes in the negative value of other long-term securities holdings recognized at fair value through profit or loss	0	0
Exchange losses	-18 916	-29 257
Other operating expenses	-24 647	-10 864
Total	**-43 563**	**-43 127**

Note 11 – Financial revenue and financial costs

FINANCIAL REVENUE (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Interest revenue	2 292	4 318
Exchange differences borrowings	0	0
Annulment of debt	0	0
Other financial revenue	0	0
Total financial revenue	**2 292**	**4 318**
FINANCIAL COSTS (TSEK)		
Interest expenses, liabilities to credit institutions	-36 248	-21 396
Interest expenses, shareholder loans	-492	-164
Interest expenses on lease liabilities	-8 031	-4 236
Exchange differences	0	0
Other financial costs	-712	-2 692
Total financial costs	**-45 483**	**-28 488**
Financial items – net	**-43 192**	**-24 170**

Note 12 – Income tax

CURRENT TAX (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Current tax on profit for the year	-21 045	-16 214
Adjustments for previous years	0	9
Total current tax	**-21 045**	**-16 205**

DEFERRED TAX (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Increase/Decrease of deferred tax assets	1 052	2 493
Increase/Decrease of deferred tax liabilities	-45	0
Total deferred tax	**1 007**	**2 493**
Total income tax	**-20 038**	**-13 712**

Reconciliation between theoretical tax expense and reported tax

INCOME TAX (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Profit before tax	115 801	63 292
Income tax calculated at the Swedish tax rate	-23 045	-13 038
Tax impact of:		
Non-taxable revenue	3 515	2 889
Non-deductible revenue	-66	0
Non-deductible expenses	-1 529	-649
IFRS adjustments	0	0
Tax attributable to prior years	43	0
Foreign tax rate difference	-210	-610
Unrecognized tax losses	3	-2 977
Previously unrecognized tax losses used during the year	256	385
Impact of change in tax rate	0	0
Other	995	287
Income tax	**-20 038**	**-13 712**

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)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Other operating revenue (note 9)	-2 451	15 619
Other operating expenses (note 10)	-18 916	-29 257
Total	**-21 367**	**-13 638**

Note 14 – Investments in subsidiaries

NAME	COUNTRY OF REGISTRATION AND OPERATION	PROPORTION OF ORDINARY SHARES OWNED BY THE GROUP (%) 2023-12-31	PROPORTION OF ORDINARY SHARES OWNED BY THE GROUP (%) 2022-12-31
Inission Munkfors AB	Sweden	100%	100%
Inission Stockholm AB	Sweden	100%	100%
Inission Tallinn OÜ	Estonia	100%	100%
Inission Syd AB	Sweden	100%	100%
Inission Norge AS	Norway	98.09%	98.09%
Inission Innovate AB	Sweden	100%	100%
Inission Lohja Oy	Finland	100%	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	Italiy	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%

In 2023, Inission Västerås AB changed its name to Inission Innovate AB, Inission Borås AB and Inission Malmö AB merged and adopted the name Inission Syd AB, and MLB Electronics Oy merged with Inission Lohja Oy.

Note 15 – Tangible fixed assets

Financial year 2022 (TSEK)	Machinery and other technical equipment	Equipment, tools and installations	Improvement costs to third-party property	Total
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**
At 2022-12-31 (TSEK)				
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**

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Note 15 continued.

Financial year 2023 (TSEK)	Machinery and other technical equipment	Equipment, tools and installations	Improvement costs to third-party property	Total
Opening carrying amount	79 840	4 566	2 552	86 958
Acquisitions in the year	9 080	4 914	5 580	19 576
Disposals and retirements	-843	0	0	-843
Acquired through business combinations	0	0	0	0
Exchange differences	-755	-137	-37	-929
Depreciation for the year	-19 417	-3 115	-9 69	-23 501
Closing carrying amount	**67 906**	**6 228**	**7 127**	**81 261**
At 2023-12-31 (TSEK)				
Acquisition value	270 708	31 594	13 363	315 666
Accumulated depreciation	-202 804	-25 367	-6 236	-234 406
Carrying amount	**67 906**	**6 228**	**7 127**	**81 261**

Note 16 – Intangible assets

Financial year 2022 (TSEK)	Goodwill	Licenses, etc.	Capitalized development expenditure	Other intangible assets	Customer relations, technology, brand	Total
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**
At 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**
Financial year 2023 (TSEK)						
Opening carrying amount	178 532	4 250	0	49 558	52 025	284 365
Acquisitions in the year	0	3 392	0	18 208	0	21 600
Disposals and retirements	0	0	0	0	0	0
Acquired through business combinations	0	0	0	0	0	0
Exchange differences	-681	-41	0	-142	318	-546
Depreciation for the year	0	-2 911	0	-17 951	-3 798	-24 661
Closing carrying amount	**177 851**	**4 690**	**0**	**49 673**	**48 545**	**280 758**
At 2023-12-31						
Acquisition value	184 210	12 199	972	71 537	57 784	326 702
Accumulated depreciation	-6 359	-7 509	-972	-21 865	-9 240	-45 944
Carrying amount	**177 851**	**4 690**	**0**	**46 973**	**48 545**	**280 758**

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Note 16 continued.

Impairment testing of goodwill and brands

Inission monitors goodwill divided into the operating segments Inission and Enedo. Goodwill is monitored on 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.

(TSEK)	2023-12-31	2022-12-31
Inission	52 038	52 352
Enedo	125 814	126 180
Total	**177 851**	**178 532**

The total item for brands is allocated to the Enedo operating segment. The carrying value amounts to TSEK 14 425 (14 467). 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.

Key assumptions used for value-in-use calculations:	Business area	2023-12-31	2022-12-31
Discount rate before tax*	Inission	12.0%	11.6%
Long-term growth rate**	Inission	2.0%	2.0%
Discount rate before tax*	Enedo	11.5%	11.1%
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 (2023-12-31), 2.0 (2022-12-31) percentage points higher.
- the estimated growth rate to extrapolate cash flows beyond the ten-year period would have been 2.0 in 2023-12-31 (2.0 in 2022-12-31) 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)	2023-12-31	2022-12-31
Other non-current securities holdings	0	0
Unlisted shares	1 078	1 090
Other non-current receivables	0	0
Total	**1 078**	**1 090**

UNLISTED SHARES (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Opening carrying amount	**1 090**	**354**
Acquisitions in the year	0	777
Disposal	0	0
Impairment	0	0
Acquired through business combinations	0	0
Fair value change	0	0
Exchange differences	-12	-41
Closing carrying amount	**1 078**	**1 090**

OTHER NON-CURRENT RECEIVABLES (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Opening carrying amount	**3 105**	**2 751**
Acquisitions in the year	0	363
Disposal	0	0
Acquired through business combinations	0	0
Reclassifications	0	0
Fair value change	0	0
Exchange differences	-270	-9
Closing carrying amount	**2 835**	**3 105**

Note 18 – Leases

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

RIGHT-OF-USE ASSET (TSEK)	2023-12-31	2022-12-31
Premises	181 701	182 469
Machinery	65 168	40 081
Vehicles	3 032	1 982
Total	**249 901**	**224 532**

LEASE LIABILITIES (TSEK)	2023-12-31	2022-12-31
Non-current	205 222	187 611
Current	38 371	31 925
Total	**243 593**	**219 536**

The following amounts related to leases are recognized in the income statement:

DEPRECIATION OF RIGHT-OF-USE ASSETS (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Premises	22 294	25 470
Machinery	12 712	10 371
Vehicles	1 238	435
Total	**36 244**	**36 276**

OTHER (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Interest expenses (included in financial costs)	8 728	4 659
Total	**8 728**	**4 659**

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 -41 747 (TSEK -37 864).

Note 19 – Inventory

INVENTORY (TSEK)	2023-12-31	2022-12-31
Raw materials and consumables	501 146	526 901
Products in process	56 002	48 518
Finished goods and merchandise	62 564	65 166
Advance payments to suppliers (incl. in raw materials)	783	1 652
Total	**620 494**	**642 235**

The value of the Group's inventory as of 2023-12-31 is TSEK 620 494 (2022-12-31 TSEK 642 235). The cost of goods is included in the item "raw materials and consumables" in the statement of comprehensive income and amounts to TSEK 1 318 (TSEK 1 255).

Note 20 – Financial instruments per category

2022-12-31 (TSEK)	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Total
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 (TSEK)			
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**

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Note 20 continued.

2023-12-31 (TSEK)	Financial assets at fair value through profit or loss	Financial assets at amortized cost	Total
Assets in balance sheet:			
Other non-current securities holdings	1 078		1 078
Derivative instruments	322		322
Trade receivables		263 907	263 907
Other non-current and current receivables		2 835	2 835
Accrued income		853	853
Cash and cash equivalents		42 230	42 230
Total	**1 400**	**309 825**	**311 225**

2023-12-31 (TSEK)			
Liabilities in balance sheet:			
Liabilities to credit institutions (non-current and current)		119 603	119 603
Shareholder loans		0	0
Contingent consideration (included in item Non-current and current liabilities)	6 658		6 658
Derivative instruments	16		16
Accounts payable		253 516	253 516
Overdraft facility		4 989	4 989
Invoice discounting credit		64 676	64 676
Other current liabilities (part of item)		72 212	72 212
Accrued expenses		9 553	9 553
Total	**6 674**	**524 549**	**531 223**

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)	2023-12-31	2022-12-31
Trade receivables	263 907	288 295
Minus: provision for expected credit losses	0	0
Trade receivables – net	**263 907**	**288 295**

The carrying amount of trade receivables includes receivables covered by factoring agreement amounting to TSEK 187 301 on 2023-12-31 (TSEK 182 288 on 2022-12-31). 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)	2023-12-31	2022-12-31
Forward foreign exchange contracts	322	0
Total	**322**	**0**

CURRENT LIABILITIES (TSEK)	2023-12-31	2022-12-31
Forward foreign exchange contracts	16	1 440
Total	**16**	**1 440**

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 (TSEK)	2023-12-31	2022-12-31
VAT	1 550	3 946
Other	0	395
Total	**1 550**	**4 341**

Note 24 – Prepayments and accrued income

PREPAYMENTS AND ACCRUED INCOME	2023-12-31	2022-12-31
Prepayments	1 626	10 139
Rent	485	0
Insurance	221	0
Accrued income	432	1 394
Total	**2 764**	**11 533**

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	2023-12-31	2022-12-31
Cash and bank balances	42 230	14 603
Total	**42 230**	**14 603**

Note 26 – Share capital

	NUMBER OF SHARES	SHARE CAPITAL
At 2022-12-31	**20 263 042**	**845**
New share issue	63 528	3
New share issue	194 897	8
New share issue	1 614 035	67
At 2023-12-31	**22 135 502**	**923**

The share capital as of 2023-12-31 consists of 22 135 502 ordinary shares with a quota value of SEK 0.0417 (2022-12-31: SEK 0.0417). All shares issued by the Parent Company are fully paid up.

Note 27 – Borrowings

LONG-TERM SECURED LOANS (TSEK)	2023-12-31	2022-12-31
Liabilities to credit institutions (bank loans)	84 972	75 944
Total secured loans	**84 972**	**75 944**
LONG-TERM UNSECURED LOANS (TSEK)		
Shareholder loans	0	9 380
Total unsecured loans	**0**	**9 380**
SHORT-TERM SECURED LOANS (TSEK)		
Liabilities to credit institutions (bank loans)	34 631	95 648
Invoice discounting credit	64 676	69 484
Total short-term secured loans	**99 307**	**165 131**
SHORT-TERM UNSECURED LOANS (TSEK)		
Overdraft facility	4 989	32 408
Total short-term unsecured loans	**4 989**	**32 408**
Total borrowings	**189 268**	**282 864**

Liabilities to credit institutions mature until 2027 and carry an interest rate of 2.5 % plus reference rate per annum (1.95% plus reference rate per annum). The shareholder loans amortized on 2023-09-30 amount to 0. They carried a fixed interest rate of 7.0% per annum (2022: 7.0% per annum). Interest was paid annually. The Group's borrowings are in SEK, EUR, USD, DKK, and NOK. See table on next page.

Continued on next page »

Note 27 continued.

BORROWINGS BY CURRENCY (TSEK)	2023-12-31	2022-12-31
SEK	27 341	28 456
EUR	154 422	196 027
NOK	7 505	50 733
DKK	0	3 008
USD	0	4 639
Total	**189 268**	**282 864**

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 (3.0). The Group meets all covenants in 2023 and 2022.

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 granted overdraft facility, TSEK 4 989 has been utilized as of December 31, 2023 (32 408).

Invoice discounting credit

The Group has a granted invoice discounting credit in SEK of TSEK 225 600 (288 069), which was renegotiated in 2023. Of the granted invoice discounting credit, TSEK 64 676 has been utilized as of December 31, 2023 (69 484).

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 (TSEK):

Deferred tax liabilities (TSEK)	Tax-free reserves	Identifiable intangible at fair value	Intangible assets measured at fair value	Other	Right-of-use asset	Derivative instruments	Total
At 2022-01-01	**10 770**	**10 176**	**600**	**0**	**0**	**65**	**21 611**
Increase through business combinations	0	0	0	0	0	0	0
Reported in the statement of comprehensive income	1 511	-632	-28	256	0	-65	1 042
Exchange differences	0	861	0	0	0	0	861
At 2022-12-31	**12 281**	**10 405**	**572**	**256**	**0**	**0**	**23 514**
Increase through business combinations	0	0	0	0	0	0	0
Reported in the statement of comprehensive income	46	-682	0	0	0	0	-636
Reported in the balance sheet	0	-564	-566	425	0	0	-705
Exchange differences	0	-18	-6	-23	0	0	-47
At 2023-12-31	**12 327**	**9 141**	**0**	**658**	**0**	**0**	**22 126**

Deferred tax liabilities (TSEK)	Tax loss carryforwards	Tangible fixed assets	Inventory	Receivables	Other	Lease liability	Derivative instruments	Total
At 2022-01-01	**15 790**	**329**	**330**	**425**	**-67**	**421**	**38**	**17 266**
Increase through business combinations	0	0	0	0	0	0	0	0
Reported in the statement of comprehensive income	1 883	-329	-330	-102	-256	340	259	1 465
Exchange differences	0	0	0	0	0	0	0	0
At 2022-12-31	**17 673**	**0**	**0**	**323**	**-323**	**761**	**297**	**18 731**
Increase through business combinations	0	0	0	0	0	0	0	0
Reported in the statement of comprehensive income	0	0	0	0	0	648	-294	354
Exchange differences	970	0	0	0	0	0	0	970
At 2023-12-31	**18 643**	**0**	**0**	**323**	**-323**	**1 409**	**3**	**20 055**

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 TSEK 513 as of 2023-12-31 (2022-12-31: 513).

Deferred tax on unused tax loss carryforwards for which no deferred tax has been recognized amounts to TSEK 139 as of 2023-12-31 (2022-12-31: 139). 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 (TSEK)	**Present value of obligations**
At 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
At 2022-12-31	**6 863**

At 2023-01-01	0
Current year service costs	-981
Past service costs	0
Interest expense/(revenue)	206
Total presented in statement of comprehensive income	**-775**
Revaluations:	
(Profit)/loss resulting from changed financial assumptions	-192
(Profit)/loss resulting from changed demographic assumptions	0
Total reported in other comprehensive income	**-192**
Contributions:	
By the employer	7 051
From employees covered by the plan	0
From payments under the plan	-952
Acquired through business combinations	0
At 2023-12-31	**6 099**

Continued on next page »

Note 29 continued.

The key actuarial assumptions were as follows:

	2023-12-31	2022-12-31
Discount rate	3.99%	3.17%
Inflation	2.30%	2.10%
Salary increase	3.23%	3.07%

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	
	2023-12-31	2022-12-31	2023-12-31	2022-12-31	2023-12-31	2022-12-31
Discount rate	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%
Inflation	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%

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 2024, contributions to the defined benefit pension plan in Italy are expected to amount to TSEK 1 076 (488). The maturity analysis of expected undiscounted payments for defined benefit pension plans is shown below:

At 2022-12-31 (TSEK)	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Defined benefit pension plans in Italy	488	1 032	1 187	488	3 207
Total	**488**	**1 032**	**1 187**	**488**	**3 207**

At 2023-12-31 (TSEK)	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years	Total
Defined benefit pension plans in Italy	1 076	388	1 087	0	2 563
Total	**1 076**	**388**	**1 087**	**0**	**2 563**

Note 30 – Other non-current liabilities

OTHER NON-CURRENT LIABILITIES (TSEK)	2023-12-31	2022-12-31
Contingent consideration	0	6 293
Shareholder loans	0	9 380
Tax and VAT deferrals	0	118 834
Other non-current liabilities	0	723
Total	**0**	**135 230**

For information on conditions linked to the shareholder loans, see note 34.

Note 31 – Other current liabilities

OTHER CURRENT LIABILITIES (TSEK)	2023-12-31	2022-12-31
VAT and employee-related taxes and charges	8 666	26 466
Personnel-related payroll liabilities	6 008	0
Contingent consideration	15 996	7 869
Tax and VAT deferrals	72 212	0
Other	875	50
Total	**103 757**	**34 385**

Note 32 – Accruals and deferred income

ACCRUALS AND DEFERRED INCOME (TSEK)	2023-12-31	2022-12-31
Accrued salaries	13 941	7 352
Holiday allowances	33 051	28 757
Social security costs	12 064	8 525
Accrued interest and deferral fee	9 553	0
Rent	474	0
Other items	9 948	20 357
Total	**79 030**	**64 992**

Note 33 – Collateral provided and contingent liabilities

COLLATERAL PROVIDED (TSEK)	2023-12-31	2022-12-31
Pledged trade receivables	187 301	182 288
Floating charges (also at the disposal of Inission AB)	349 279	437 719
Shares in subsidiaries	307 777	304 275
Total	**844 357**	**924 282**

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. Outstanding liabilities to shareholders have been amortized as of 2023-09-30, and thereafter amount to 0 (9 380) as of 2023-12-31. Interest expense attributable to the shareholder loans amounts to 492 (164) in 2023.

RECEIVABLES AND LIABILITIES AT THE END OF THE YEAR ARISING FROM SALE AND PURCHASE OF GOODS AND SERVICES (TSEK)	2023-12-31	2022-12-31
Liabilities to related parties:		
Shareholder loans	0	9 380
Interest on shareholder loans	492	164
Total	**492**	**9 544**

Note 35 – Changes in liabilities related to financing activities

(TSEK)	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**

(TSEK)	2023-01-01	Cash inflow	Cash outflow	Non-cash flow items	2023-12-31
Lease liability	219 536	0	-33 018	57 075	243 593
Liabilities to credit institutions	171 592	0	-51 989	0	119 603
Shareholder loans	9 380	0	-9 380	0	0
Overdraft facility	32 408	0	-27 419	0	4 989
Invoice factoring	69 484	0	-4 808	0	64 676
Total	**502 400**	**0**	**-126 614**	**57 075**	**432 861**

Changes in overdraft facility and invoice factoring are reported on a net basis. Non-cash items mainly include additional lease liabilities and liabilities arising from acquisitions in 2022.

Note 36 – Business combinations

BUSINESS COMBINATIONS AFTER THE FINANCIAL YEAR 2023-01-01 » 2023-12-31 (TSEK)

On January 31, 2024, Inission AB, through its wholly-owned subsidiary Inission Norge AS, agreed to acquire all shares in the company AXXE AS, of which 50.1% was paid directly. According to the agreement, the price for 50.1% of the shares in AXXE amounts to MNOK 27, corresponding to EV = 5xEBITDA average for the years 2021 to 2023. The variable and below projected purchase price for the remaining 49.9% of the shares is set at the equivalent of EV = 6xEBITDA based on AXXE's average earnings from 2024 to 2026. The payment of the shares at closing was financed by a bank loan. The following table summarizes the purchase price paid for AXXE AS and the fair value of acquired assets and assumed liabilities recognized at the acquisition date.

Purchase price paid (TNOK)	
Cash and cash equivalents	26 966
Contingent consideration	45 595
Total purchase price paid	**72 561**

Recognized amounts of identifiable assets acquired and liabilities assumed	
Cash and cash equivalents	23 029
Tangible fixed assets	10 184
Inventory	60 454
Trade and other receivables	25 784
Deferred tax liabilities	0
Accounts payable and other liabilities	-86 478
Total identifiable net assets	**32 973**

Goodwill	**39 588**

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Note 36 continued.

Goodwill

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

Variable purchase price

This acquisition includes a variable purchase price related to AXXE AS's average revenue in the years 2024 and 2026 and the company's development of financial net debt.

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

	2023-12-31	2022-12-31
Depreciation	84 543	82 351
Other	-1 268	2 666
Total	**83 275**	**85 017**

Note 38 – Provisions

Provisions consist entirely of provisions for guarantees.

	2023-12-31	2022-12-31
Carrying amount at the beginning of the financial year	3 236	2 319
Additional provision	428	1 393
Utilized provision	0	-476
Exchange differences	45	0
Carrying amount at the end of the financial year	**3 709**	**3 236**

Note 39 – Non-controlling interest

In 2023, there are only non-controlling interests in Norway 1.91% and Tunisia 0.28%. There were no transactions with these during the year. See the Consolidated statement of changes in equity.

Note 40 – 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	2023-12-31	2022-12-31
Earnings per share before dilution	4.47	2.57
Earnings per share after dilution	4.46	2.57
Performance metrics used in the calculation of earnings per share		
Earnings attributable to the Parent Company's shareholders, TSEK	95 110	56 154
Calculation of the weighted average number of shares		
Weighted average number of ordinary shares in calculating earnings per share before dilution	21 287 698	19 305 170
Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share after dilution	21 342 763	19 328 990
Number of ordinary shares at the end of the period	22 135 502	20 263 042

Note 41 – Events after the reporting period

2024-01-17 – AXXE AS is acquired

On January 17, Inission AB, through its wholly owned subsidiary Inission Norge AS, acquired the Norwegian EMS company AXXE AS. The company, with 46 staff members, has its operations in Halden and thus Inission has expanded its geographical presence in southern Norway. The price for 50.1% of the shares amounted to MNOK 27. The agreed contingent consideration for the remaining 49.9% of the shares is equivalent to an EV of 6xEBITDA based on AXXE's average results from 2024 to 2026.

2024-01-22 – Inission owns 100% of Enedo Oy

On January 22, Inission AB informed that the Company now owns 100% of the shares in Enedo Oy. This after the redemption procedure of the minority shareholders' shares, corresponding to 4.2% of the company, was decided in Inission's favor.

2024-02-28 – Inission presents financial targets

On February 28, Inission AB presented updated financial targets for 2024: Net sales MSEK 2 400, adjusted EBITA margin >7%, equity ratio >30%, and dividends up to 30% of the result for the year. Mid-term financial targets were unchanged from the previous year.

Note 42 – Parent Company accounting principles

The most crucial accounting principles applied in preparing this Annual Report are set out below. These principles have been applied consistently for all the years presented, unless otherwise specified.

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 made from parent companies to subsidiaries and group contributions received by parent companies from subsidiaries are reported 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 Parent Company does not apply IFRS 9. The Parent Company instead applies the items specified in RFR 2 (IFRS 9 Financial instruments, p. 3–10).

Financial instruments are measured on the basis of 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 43 – 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.

NET SALES (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Sale of goods	342	1 144
Management fee	30 362	25 547
Total net sales	**30 704**	**26 691**

NET SALES BY GEOGRAPHIC MARKET (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Sweden	15 239	16 085
Finland	8 134	4 193
Estonia	2 017	1 899
Norway	5 314	4 514
Total	**30 704**	**26 691**

Of the Parent Company's net sales, TSEK 30 362, 99% (TSEK 26 691, 96%) were sales to other Group companies.

Note 44 – Auditors' remuneration

AUDITORS (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
PwC		
Audit assignment Öhrlings PricewaterhouseCoopers AB	516	150
Other services Öhrlings PricewaterhouseCoopers AB	1 084	889
Total	**1 600**	**1 039**

Note 45 – Employee benefits

EMPLOYEE BENEFITS (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Salaries and other benefits	10 031	8 395
Social security costs	3 195	2 678
Pension costs for defined contribution plans	2 298	2 424
Total employee benefits	**15 524**	**13 497**

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Note 45 continued.

SALARIES, OTHER BENEFITS AND SOCIAL COSTS (TSEK)	2023-01-01 » 2023-12-31		2022-01-01 » 2022-12-31	
	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	7 791 (0)	4 524 (2 062)	7 265 (0)	4 089 (1 806)
Other employees	2 240 (0)	969 (236)	1 130 (0)	1 013 (618)
Parent Company total	**15 523 (0)**	**5 493 (2 298)**	**8 395 (0)**	**5 102 (2 424)**

AVERAGE NUMBER OF EMPLOYEES WITH GEOGRAPHICAL DISTRIBUTION BY COUNTRY	2023-01-01 » 2023-12-31		2022-01-01 » 2022-12-31	
	Number at balance sheet date	Of which men	Number at balance sheet date	Of which men
Sweden	9	7	9	8
Parent Company total	**9**	**7**	**9**	**8**

GENDER BALANCE IN THE PARENT COMPANY FOR BOARD MEMBERS AND OTHER SENIOR EXECUTIVES	2023-01-01 » 2023-12-31		2022-01-01 » 2022-12-31	
	Number at balance sheet date	Of which men	Number at balance sheet date	Of which men
Board members	5	3	6	3
CEO and other senior executives	5	5	5	5
Parent Company total	**10**	**8**	**11**	**8**

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

Note 46 – Other operating revenue

OTHER OPERATING REVENUE (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Exchange differences	0	0
Changes in the positive value of derivative instruments at fair value through profit or loss	2 864	1 434
Total	**2 864**	**1 434**

Note 47 – Other operating expenses

OTHER OPERATING EXPENSES (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Exchange differences	15 532	4 498
Changes in the negative value of derivative instruments at fair value through profit or loss	0	3 006
Total	**15 532**	**7 504**

Note 48 – Interest revenue and similar items and interest expense and similar items

INTEREST REVENUE (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Interest revenue	8 440	5 575
Of which related to Group companies	7 809	3 016
Total interest revenue	**8 440**	**5 575**

INTEREST EXPENSE (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Interest expense	-6 914	-2 872
Of which related to Group companies	-3 064	-1 356
Total interest expense and similar items	**-6 914**	**-2 872**
Total financial items – net	**1 525**	**2 703**

Note 49 – Exchange differences – net

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

EXCHANGE DIFFERENCES (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Other operating revenue (note 48)	0	0
Other operating expenses (note 49)	-15 532	-4 498
Financial items – net (note 50)	0	0
Total	**-15 532**	**-4 498**

Note 50 – Tax on profit for the year

CURRENT TAX (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Current tax on profit for the year	0	-67
Adjustments for previous years	43	0
Total current tax	43	**-67**

DEFERRED TAX (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Increase/Decrease of deferred tax assets	-293	324
Increase/Decrease of deferred tax liabilities	0	0
Total deferred tax	-293	**324**
Total income tax	-250	**257**

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 (TSEK)	2023-01-01 » 2023-12-31	2022-01-01 » 2022-12-31
Profit before tax	**14 698**	**44 506**
Income tax calculated according to the tax rate in Sweden 2023 20.6% (2022 20.6%)	-3 028	-9 168
Tax impact of:		
Non-deductible expenses	-112	-92
Non-taxable revenue	2 884	9 517
Previously unrecognised tax losses used during the year	256	0
Other	0	0
Total recognized tax	**0**	**257**

Note 51 – 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**	**2023-12-31**	**2022-12-31**
Inission Munkfors AB	556259-9299	Munkfors, Sweden	14 080	2 077	2 077
Inission Stockholm AB	556257-2551	Stockholm, Sweden	8 000	9 052	9 052
Inission Tallinn OÜ	11 716 730	Tallinn, Estonia	1	15 367	15 367
Inission Syd AB	556244-7082	Malmö, Sweden	20 000	2 400	2 400
Inission Norge AS	957 154 727	Løkken, Norway	484 115	44 790	44 790
Inission Innovate AB	556301-1765	Västerås, Sweden	2 000	22 232	22 232
Inission Lohja Oy	1954467-3	Lohja, Finland	3 759 574	34 569	34 569
Enedo Plc	0195681-3	Vantaa, Finland	68 523 193	177 290	173 787

	2023-12-31	**2022-12-31**
Opening acquisition value	304 275	240 106
Acquisition	3 502	104 169
Divestment	0	-40 000
Shareholder contributions provided	0	0
Closing accumulated acquisition value	**307 777**	**304 275**
Closing carrying amount	**307 777**	**304 275**

In 2023, the Parent Company received dividends from subsidiaries of TSEK 14 000 (TSEK 50 000).

Note 52 – Receivables from Group companies

OTHER RECEIVABLES (TSEK)	**2023-12-31**	**2022-12-31**
Opening accumulated acquisition values	111 337	13 772
Additional receivables	59 814	104 972
Repayments, outgoing receivables	-37 487	-7 407
Total	**133 664**	**111 337**

Note 53 – Prepayments and accrued income

PREPAYMENTS AND ACCRUED INCOME (TSEK)	**2023-12-31**	**2022-12-31**
Prepayments	1 384	1 908
Rent	47	0
Total	**1 431**	**1 908**

Note 54 – Cash and bank

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

CASH AND CASH EQUIVALENTS (TSEK)	2023-12-31	2022-12-31
Bank deposits	47	0
Total	**47**	**0**

For information on overdraft facilities, see note 58.

Note 55 – Share capital

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

Note 56 – Borrowings

LONG-TERM SECURED LOANS (TSEK)	2023-12-31	2022-12-31
Liabilities to credit institutions (bank loans)	9 986	15 580
Total secured loans	**9 986**	**15 580**

LONG-TERM UNSECURED LOANS (TSEK)	2023-12-31	2022-12-31
Shareholder loans	0	9 380
Total unsecured loans	**0**	**9 380**

SHORT-TERM SECURED LOANS (TSEK)	2023-12-31	2022-12-31
Liabilities to credit institutions (bank loans)	0	0
Total short-term secured loans	**0**	**0**

SHORT-TERM UNSECURED LOANS (TSEK)	2023-12-31	2022-12-31
Overdraft facility	7 265	16 433
Total short-term unsecured loans	7 265	**16 433**
Total borrowings	**17 251**	**41 393**

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Note 56 continued.

Liabilities to credit institutions mature until 2025-03-31 and carry an average interest rate of 2.5% plus Euribor (3 months) per annum (2022: 1.95% plus reference rate per annum). The shareholder loans amortized on 2023-09-30 amount to 0. They carried a fixed interest rate of 7.0% per annum (2022: 7.0% per annum). Interest was paid annually.

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

BORROWINGS BY CURRENCY (TSEK)	2023-12-31	2022-12-31
SEK (shareholder loans)	0	9 380
EUR (liabilities to credit institutions)	9 986	15 580

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 Parent Company'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 Parent Company has an approved overdraft facility in SEK of TSEK 100 000. Of the granted overdraft facility, TSEK 4 989 has been utilized as of December 31, 2023 (TSEK 32 408 as of 2022-12-31). Apart from the overdraft facility, there are no unutilized credit facilities within the Group.

Note 57 – Other non-current liabilities

OTHER NON-CURRENT LIABILITIES (TSEK)	2023-12-31	2022-12-31
Shareholder loans	0	9 380
VAT and tax deferral	0	5 754
Total	**0**	**15 134**

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

Note 58 – Other current liabilities

OTHER CURRENT LIABILITIES (TSEK)	2023-12-31	2022-12-31
VAT	-220	-121
Employee-related liability	605	437
Contingent consideration	8 566	7 869
Other	0	1 441
Total	**8 951**	**9 626**

Note 59 – Accruals and deferred income

ACCRUALS AND DEFERRED INCOME (TSEK)	2023-12-31	2022-12-31
Accrued salaries	1 902	250
Holiday allowances	1 156	1 170
Social security costs	961	367
Other items	1 097	1 196
Total	**5 116**	**2 983**

Note 60 – Transactions with related parties

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

Note 61 – Changes in liabilities related to financing activities

(TSEK)	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
Current liabilities to Group companies	0	10 200	0	10 200
Shareholder loans	12 000	9 380	-12 000	9 380
Overdraft facility	63 795	0	-47 362	16 433
Total	**93 181**	**89 080**	**-61 168**	**121 092**

(TSEK)	2023-01-01	Cash inflow	Cash outflow	2023-12-31
Liabilities to credit institutions	15 579	0	-5 594	9 986
Non-current liabilities to Group companies	69 500		-69 500	0
Current liabilities to Group companies	10 200	17 000	0	27 200
Shareholder loans	9 380	0	-9 380	0
Overdraft facility	16 433	0	-9 168	7 265
Total	**121 092**	**17 000**	**-93 642**	**44 451**

Change in overdraft facility is reported on a net basis.

Note 62 – Events after the reporting period

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

Note 63 – Proposal for distribution of profits

At the disposal of the Annual General Meeting are the following earnings:

PROPOSAL FOR DISTRIBUTION OF PROFITS (TSEK)	2023-12-31
Retained earnings brought forward from the previous year	74 936
Share premium fund	291 481
Profit for the year	14 449
Total	**380 866**

The Board proposes that the earnings be distributed as follows:

PROPOSAL FOR DISTRIBUTION OF PROFITS (TSEK)	2023-12-31
Dividends to shareholders	15 495
To be carried forward	365 371
Total	**380 866**

Note 64 – Collateral provided for own liabilities

COLLATERAL PROVIDED (TSEK)	2023-12-31	2022-12-31
Shares in subsidiary B	307 777	304 275
Total	**307 777**	**304 275**

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).

Attestation

The Board and the Chief Executive Officer certify that the Consolidated Accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and give a true and fair view of the Group's financial position and results. The Annual Report has been prepared in accordance with good accounting practice and provides a fair view of the Parent Company's position and results. The statutory administration report for the Group and the Parent Company gives a true and fair view of the performance of the Group's and the Parent Company's operations, financial position, and profit or loss, and describes the significant risks and uncertainties facing the Parent Company and the Group companies.

Karlstad, Sweden, April 9, 2024
INISSION AB (PUBL) corp. ID No.556747-1890

Olle Hulteberg
Chairman of the Board

Margareta Alestig Johnson
Board member, Vice Chair

Hans Linnarsson
Board member

Henrik Molenius
Board member

Mia Bökmark
Board member

Fredrik Berghel
Chief Executive Officer

Our audit report has been submitted on April 9, 2024
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 2023. The Company's Annual Report and Consolidated Accounts are included on pages 28–97 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, 2023, 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, 2023, 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 1–27 and 98–100. 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 in combination, they could reasonably

Continued on next page »

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 2023 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 9, 2024
Öhrlings PricewaterhouseCoopers AB

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Martin Johansson,
Authorized auditor

Corporate governance

Inission's Board consists of five members, all appointed until the end of the next Annual General Meeting. The next meeting will be held on May 8, 2024. On May 4, 2023, 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 Oy. Not independent in relation to the Company's senior management and larger shareholders. Master of Science in Mechanical Engineering from Chalmers University of Technology. Born in 1962.
Other assignments: Board member and owner of IFF Konsult AB, Chairman of Smartare Elektroniksystem.
Current holding of shares in Inission: 5 282 988, of which 960 000 are A shares.

Margareta Alestig | Board member, Vice Chair

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.

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. Chair of Gunnars Båtturer och Charter AB.
Current holding of shares in Inission: 500 B 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 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.

Henrik Molenius | Board member

Has been part of Inission's Board since 2023. Independent in relation to the Company's senior management and larger shareholders. MBA from Karlstad University and a Global Executive MBA from Copenhagen Business School. Born in 1965.
Other assignments: Henrik runs two own companies and is a Board member of, among others, J-O Johansson i Varberg AB, Ljungträ AB, Boda Såg i Dalarna AB, Booforsen Fastighets AB, Kontorsbolaget i Karlskoga AB, Strivo AB and Sparbanksstiftelsen Sörmland.
Current holding of shares in Inission: 1 000 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 Oy, CEO and Board member of FBM Consulting AB.
Current holding of shares in Inission: 4 763 012, of which 440 012 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: 38 954 B shares

John Granlund | CFO (since 2023)

Born in 1969. Graduate with an Executive MBA from the Gothenburg School of Economics.
John comes most recently from the role of CFO at SEGULA Technologies in Gothenburg.
Other assignments (board positions): None.
Current holding of shares in Inission: 15 000 B shares.

Fredric Grahn | Sales & Marketing Director (since 2023)

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 AB.
Other assignments: None.
Current holding of shares in Inission: 4 000 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. Stefan 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: 5 248 B shares.

Inission AB (publ) Annual Report for 2023. 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 00:05 CET on April 10, 2024.

Inission AB (Reg. No. 556747-1890), Lantvärnsgatan 4, 652 21 Karlstad, Sweden. Reports are archived at:

www.inission.com/investor-relations