XANO

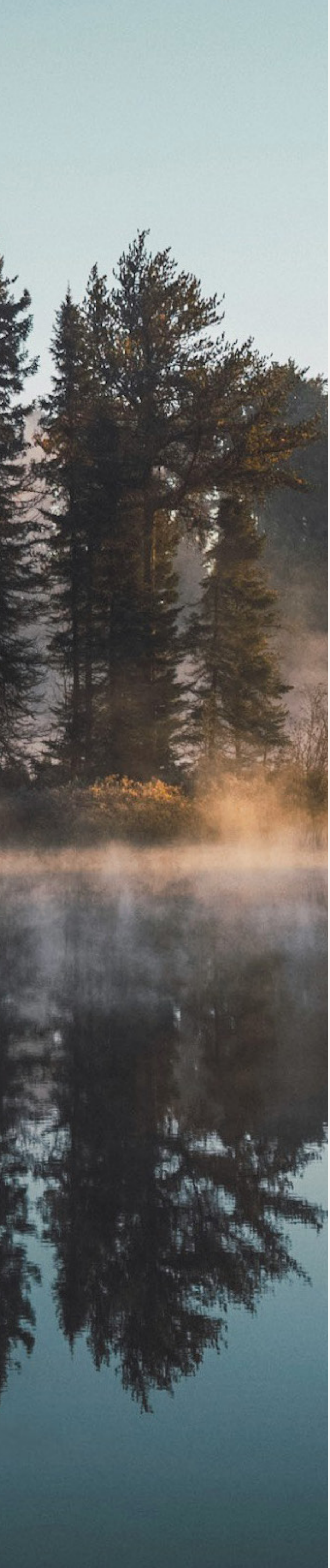
Annual Report 2024

XANO

We develop, acquire and run niche engineering companies on the basis of entrepreneurship. Our vision is to create strong units that are sustainable in the long term from companies where economies of scale are utilised optimally. We aim to be a leading player that actively facilitates the transition to a more sustainable society and enterprise.

The Group companies offer unique products and solutions with associated services. There is a strong drive for innovation and development in each of the niche engineering companies in the XANO family. Our decentralised business model promotes the assumption of responsibility and contributes to preserving entrepreneurial drive, safeguarding expertise and making it possible for each individual company to achieve success by focusing on the things they do best.

We value a high level of further development, as well as an endeavour to achieve sustainable technical innovations and constantly improve at what we do. By using our combined knowledge and experience, we are ensuring that all the companies within the XANO Group will remain at the forefront in their respective markets.



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The year in brief

» Large impact due to decreased demand from the can industry

» Demand remains sluggish in several other traditional markets

» Significant transition and restructuring efforts

» New business opportunities with strong growth potential

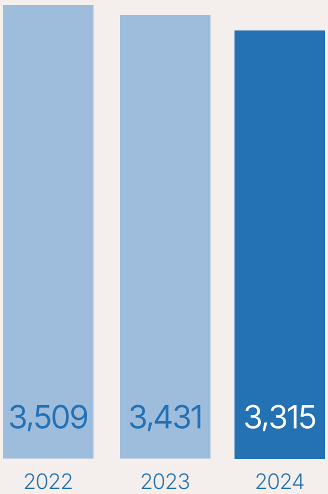
» Two acquisitions enhancing capabilities and expanding expertise

Q1 Weak order intake from the can industry, coupled with generally low activity levels in the packaging and medtech sectors. New business contributed to volume growth but had a limited impact on profit. Strong performance in defence projects. Acquisition of Graniten Engineering.

Q2 The Group's dominant customer segment continued to face a generally weak market climate, but further growth related to the defence sector. Evaluation of customer contracts in the automotive industry following long-term challenges. Acquisition of Dansk Rotations Plastic.

Net revenue
(SEK m)

3,315



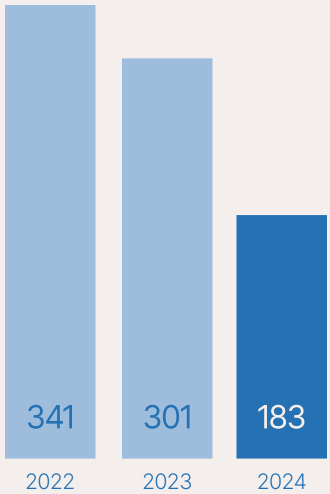
Employees
(at year-end)

1,410

(1,413)

Operating profit
(SEK m)

183



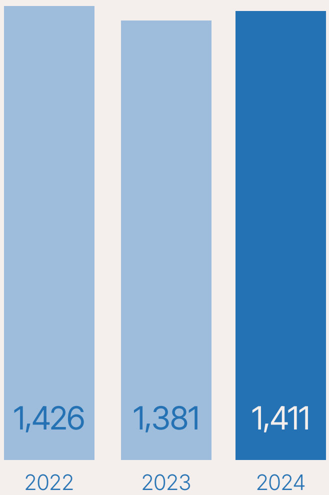
Growth
(%)

-3.4

(-2.2)

Employees
(average)

1,411



Operating margin
(%)

5.5

(8.8)

Q3

The challenges from the first half of the year persisted and, to some extent, intensified. The disruptions and lost business from sustainable energy customers had a significant impact. Strategic investments and reorganisation of activities led to lower margins.

Q4

Slightly more favourable market developments, coupled with the increasing impact of implemented adjustment measures. Simultaneously, restructuring activities and provisions for anticipated bad debts had a notable impact on earnings.

Strategic shifts

Changing conditions in established segments have required significant restructuring measures in several of our businesses. At the same time, we have been exploring new niches and acquiring complementary units to offset the declining trends in our traditional markets. While we have successfully secured a significant amount of new business, the aggressive investments and short-term adjustments made have negatively impacted profitability.

Group performance during the year
Several of our traditionally strong sectors continued to be affected by low levels of activity and investment. In the packaging sector, the tendency to delay ongoing projects and postpone decisions on new ones continued, with the can industry being particularly affected. Demand from our customers in this niche dropped significantly, which had a strong negative impact on our margins. Business in new areas of activity contributed to volumes but did not generate sufficient profitability to compensate for the poorer performance caused by the decline in more established niches.

One area where we have seen strong growth in recent years is the defence sector, where projects increased during the year and also included more of our companies. Demand from our food and pet food customers was stable. The business potential in the pharmaceutical and medtech industries have now stabilised, but decision-making processes are often lengthy. Automotive-related production volumes decreased slightly. This was partly due to strategic decisions made during the period where, after taking into account the specific challenges of the sector, collaborations with customers were evaluated and in some cases terminated.

Overall, market developments towards the end of the year were perceived as slightly more favourable in relative terms. The implemented adjustment measures also had a progressively larger impact. While this was not enough for us to reach our full-year profitability targets, it gives us a positive start to 2025.

Our businesses continue to work on adjustments in line with their plans. At the same time, we are continuing our aggressive transformation through investments in new business niches and in new markets, as well as through acquisitions. In 2024, we were fortunate to welcome two more companies to the Group, Graniten Engineering and Dansk Rotations Plastic (DRP).

Developments in our business units
The companies in the Industrial Products business unit, with a high share of proprietary products, had stable development and showed good profitability. However, one of the business unit's Norwegian operations faced major challenges related to production in the automotive sector. These industry-specific concerns, combined with low productivity and quality shortage costs, prompted far-reaching restructuring measures. Following a period of declining demand from the European agricultural sector, the Group's Dutch unit has also been subject to significant adjustment measures. On the other hand, newly acquired DRP contributed a strong result, and at the end of the year, the company also won a major new project involving several of its sister companies. The business unit also experienced a positive trend in enquiries and order intake, including a clear upturn in the Norwegian boat business, towards the end of the year. We see that the order book has an increasing proportion of proprietary products, which indicates stronger margins going forward. Product development continues at a rapid pace, driven by sustainability principles and more circular flows.

In the Industrial Solutions business unit, the decline in the can industry led to a notable decrease in volumes. The loss of revenue, combined with the costs of adapting to new conditions, had a significant impact on profitability. Our project-related operations had few major undertakings in general during the year. Instead, the turnover was distributed over a larger number of smaller projects, which consumed comparatively more resources. In contract manufacturing, growth was hampered mainly by the cautious attitude of established customer segments in China. However, through proactive initiatives, several of the business unit's companies managed to maintain good margins despite generally challenging market conditions. In the field of sustainable energy, the business unit has had great success in the past, but this year several customers experienced productivity problems and liquidity concerns due to operational disruptions and difficulties in scaling up production as planned. Large future order volumes have been cancelled but confidence in the sector itself remains. We are exploring new business niches, while the ongoing shift in focus from construction to maintenance is generating growth for our aftermarket services. The development of new geographical markets continues.

The market trend for the Precision Technology business unit's traditionally strong industries, such as medtech and automotive, was sluggish throughout the year. In contrast, we saw strong growth in the defence sector, with a steady increase in the number of contracts. Overall, the business unit's companies' turnover and profitability were only marginally lower than in the previous year. Strategic sales efforts have generated leads for future activities, with several promising inquiries and projects currently in progress. The adaptation of organisations continues through cost savings and improvement of internal processes. Activities are also coordinated to achieve further optimisation.

“The high level of commitment shown by our subsidiaries drives us to constantly take new steps towards our common goals. ”

Three priorities for 2025

1 Increasing efficiency and optimising resources to improve margins.

2 Becoming established in new segments and new geographical markets.

3 Activities to continue the transition towards more sustainable business.

Acquisitions
In March, we acquired Graniten Engineering, based in Uddevalla, Sweden. Graniten develops and manufactures high-tech solutions for packaging processes. Its customers are mainly in Europe and are leading pharmaceutical, medtech and healthcare companies. Graniten's technical expertise enables the business unit's companies to expand in new areas, including packaging and food. Networking in pharmaceuticals, medtech, and other sectors presents additional growth opportunities for both Graniten and its new sister companies.

In April, we acquired Dansk Rotations Plastic (DRP) with operations in Kalvehave, Denmark. DRP has been developing and manufacturing rotational moulded products in polymeric materials for over 50 years. Its customer base is primarily in Denmark and includes leading companies in environmental technology, the chemical industry, lighting, and furniture manufacturing. DRP complements Cipax by providing expertise, production capacity and access to new markets, and also creates new business opportunities for both Cipax's and DRP's own product ranges in industry, marine and environmental technology.

Sustainability
One of the focuses of the Group's sustainability efforts this year has been to increase structure through clear frameworks linked to our material topics and our vision to be a market leader in sustainable business. Better Together is one of the Group's three core values and it is particularly visible in our current transformation. The high level of commitment shown by our subsidiaries drives us to constantly take new steps towards our common goals. The work carried out in our various units in 2024 has meant that we, as a group, are now strongly equipped to further accelerate our sustainability journey together.

In early 2025, our Chief Sustainability Officer, Marilyn Lindh, was appointed to the Group Management. This was mainly to complement and strengthen the Group's operational management, while also reinforcing our commitment to advancing sustainability initiatives.

Future outlook
Although some stabilisation was experienced in parts of our business towards the end of the year, there are no consistent signs of any significant change in the short term. Therefore, we will continue to adjust and restructure, albeit on a smaller scale than in 2024. The effects of previous initiatives have begun to materialise and are steadily gaining momentum.

The transformation of our businesses has involved working with a number of new customers, in some cases in new niches. This has meant launching completely new production activities and this is something that will continue on a relatively large scale in the future. These investments are resource intensive and have a negative impact on profitability in the short term but are expected to generate returns in the latter part of the year.

Thank you
As we work towards economically, socially, and environmentally sustainable operations in a changing world, it is our employees who, through their individual efforts, can help us make a difference together. Once again, I sincerely appreciate your dedication and commitment to driving progress.

Jönköping, February 2025

Lennart Persson
President and CEO

XANO's Group Management: Marie Ek Jonson, Lennart Persson and Marilyn Lindh.

Strategic platform

Over the past year, we conducted a thorough review of how we articulate our strategy to provide a clearer focus on sustainable business. At the same time, we have been careful to retain our core identity – a combination of entrepreneurship, long-term commitment and innovation.

By balancing our legacy with future ambitions, we create a strategy that remains true to the Group's core values while driving progress.

Mission:

XANO acquires and develops technology-based companies, driving sustainable business through collaboration and market-leading solutions.

Purpose

Building on legacy, engineering the future

The core message in the Group’s purpose is to embody a dynamic and trustworthy identity. While we honour our heritage, we are committed to continuous development to meet future needs, ensuring a balance between tradition and innovation.

This is a long-term endeavour, aiming to integrate the legacy of each acquisition and transforming it into forward-looking solutions. We believe that the future is sustainable, which is why development and innovation must ultimately align with this vision.

Vision

Market leader in sustainable business

XANO’s vision recognises our ambition to be not just a sustainable business operator, but the leading player in the market, which shows sustainability as a core strategy – not as a separate part of the business or a temporary trend.

As such, we aim to set the standard in the industries we serve, and for our company to be seen as a benchmark, recognised for our innovative solutions, sustainable business models, and responsible resource utilisation.

Our core values

Entrepreneurship
XANO is built on a strong entrepreneurial spirit and a culture where every employee takes ownership and demonstrates personal commitment to driving progress.

With a culture rooted in the willingness to take initiate, innovate, and take results-driven action, we strengthen our own competitiveness while fostering the growth of our employees and partners.

Innovate for the future
We are driven by a desire to remain at the forefront, and combine advanced technical expertise with a strong capacity for innovation.

We leverage our technical expertise and long-term vision to develop solutions that drive value today while contributing to a sustainable future.

Better together
We firmly believe that success is built on collaboration – both within the Group and with our partners.

We also know that our people are our most important resource, and we believe in empowering each other to reach our full potential. Together, we create an inclusive culture where each individual plays an important role and where we are strongest as a team.

A sustainable business strategy

By integrating sustainability in our core business and strategy, we accept responsibility for both people and the planet while enhancing our long-term competitiveness and profitability. This approach ensures that we create value that stands the test of time.

From purpose to vision
Our strategy describes how we work to achieve our vision, and outlines our ability to tackle and transform complex challenges into solutions that simplify things for our customers. Our growth is driven by strategic acquisitions and the organic development of niche businesses, with profitability and resilience ensured through active ownership within a decentralised model.

The strategy combines innovation, responsibility, partnership and sustainability to create long-term value for all stakeholders.

We have integrated our Sustainability Roadmap into our overall strategy to accelerate progress towards a fully sustainable business, ensuring it remains constant, with concrete targets that guide and harmonise approaches and vision across the Group.

With a clear strategic platform and a sustainable business strategy, we are well equipped to continue to lead a Group that focuses on long-term stable and profitable growth with a responsible approach to people and planet.

Our strategy

Embracing complexity, delivering precision and ease - this is the XANO way.

We acquire niche companies with a high degree of technical know-how. Building and developing strong business units that make attractive partners.

Securing profitable growth and fostering resilience through active ownership in a decentralised model, and a consistent strive towards more sustainable business.

Financial targets

Increased market share with good profitability

XANO's organic growth shall outpace general market growth. Growth will also be achieved through the acquisition of businesses and companies. The profit margin shall reach 8 per cent over time. The equity/assets ratio shall exceed 30 per cent.

Target attainment in 2024

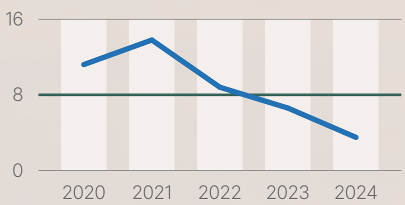
Restructuring of activities resulted in weak margins

Organic growth was -10 per cent. This was primarily related to a significant decline in the can industry. Acquisitions boosted turnover by 7 per cent. Extensive restructuring efforts had a negative impact on profitability, and the profit margin reached 3.5 per cent (6.6). The equity/assets ratio was 45 per cent (44) at year-end. To support the required transformation activities and strategic investments, the Board of Directors proposes that no dividend be distributed for the 2024 financial year.

Profit margin %

Target
8 per cent over time

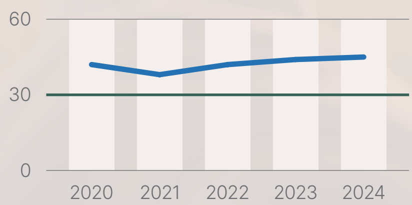
Outcome 2024
3.5%



Equity/assets ratio %

Target
Exceeding 30 per cent

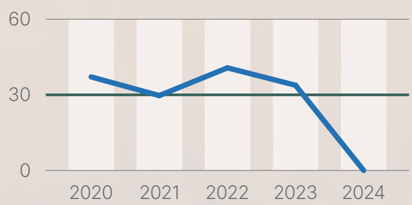
Outcome 2024
45%



Dividend %

Target
Corresponding to at least 30% of profit after tax

Proposal for 2024
0.0%



Business model

Our business structure with its three business units is designed to further develop capabilities and preserve entrepreneurial strength while optimising synergies.

Development and innovation
We continuously assess and refine our strategies and targets to ensure their long-term relevance and focus. By proactively embracing new technologies and strengthening our business units with the right expertise, we are consolidating our position as an innovative and sustainable group of companies. Close collaboration and strong accountability in a decentralised organisation enables fast decision-making and the efficient use of resources, strengthening our overall ability to create value. This approach is crucial to maintaining our profitability and competitiveness, while building on our core values – *Entrepreneurship*, *Innovate for the future* and *Better together*.

Innovation plays a central role in our business model, and being at the forefront of our business areas reflects our identity and strengthens our credibility as a long-term and sustainable operator. Moreover, our focus on development and innovation enables us to offer solutions that both meet customer needs and create added value throughout the value chain.

Long-term perspective
In our business model, a long-term perspective and adaptability work together as complementary forces rather than being mutually exclusive. By identifying opportunities and acting strategically, we can ensure profitability and resilience, while our ability to combine innovation with long-term partnerships strengthens our position and gives us a competitive advantage.

Complementary acquisitions
Acquisitions form an essential part of our growth strategy. Each new company brings a unique perspective and technological expertise, strengthening our combined offering. By preserving our entrepreneurial spirit and investing in long-term development, we create the conditions for both growth and innovation.

Our acquisition model focuses on identifying and nurturing businesses with strong momentum, unique technologies, and innovative ideas. By integrating these into our business units, we ensure the continued success of both the individual companies and the Group. Collaboration between the Group's entities creates business opportunities that strengthen the business as a whole and increase our ability to achieve our vision of being a market leader in sustainable business.

XANO'S ACQUISITION MODEL

Potential acquisitions are assessed based on how well they align with XANO's values and their potential to add business opportunities in one or more strategic areas: complementary offerings, geographical expansion and sustainable businesses.

A third crucial aspect in the evaluation of potential acquisitions is how the business fits into the intended business unit and can contribute to its long-term value creation.

The Group's latest addition, Dansk Rotations Plastic (DRP), which has been part of the Industrial Products business unit since April 2024, adds valuable expertise and capacity in the production of polymeric materials. Its own product range complements our current one, and its sister companies are given access to new markets where DRP is a market leader. With its focus on recycled and bio-based plastic materials, DRP is also an important resource to strengthen the business unit's innovation power and ability to meet future material challenges.

ACQUISITIONS AND SPIN-OFFS

Acquisitions 1987-1994
- **Ackurat**
- Törnbloms *
- **Resinit**
- ABO Metall *
- Super Service *
- Legra *
- Metallteknik *
- **Cipax**

Acquisitions 1995-1996
- Vetlanda Interiör *
- HN Innredninger *
- Produktions AB R. Berg (i) *
- RIVA Hugin-Sweda (i) *
- KB Design *

Acquisitions 1998-2003
- Expo Kaluste *
- ISC Inter Shop Center (i) *
- Shop Equipe (i) *
- Skandinavisk Inredning *

Spin-off 2004 *
- ITAB Shop Concept

Acquisitions 2004-2007
- **LK Precision**
- **NPB**
- Segerströms **
- **Fredriksons**
- **Pioner Boat**
- Värnamo Industri **

Acquisitions 2008-2014
- **Mikroverktyg**
- **KMV**
- ÅGES **
- ITB Teknik **
- Solna Pressgjuteri **
- ADC of Sweden **

Spin-off 2014 **
- AGES

Acquisitions 2015-2020
- **Canline**
- **Jorgensen**
- **Blowtech**
- **Polyketting**
- **Kuggteknik**
- **Modellteknik**
- **Lasertech**

Acquisitions 2021-2024
- **CPS**
- **CIM**
- **Cipax NL**
- **Lundgren**
- **IPS**
- **Graniten**
- **DRP**

Since 1987, nearly 70 company and business acquisitions have been completed. The above list shows the entities that have been acquired until the end of December 2024 and either remain part of the XANO Group, or have been included in a spin-off and dividend to XANO's shareholders. (i) indicates the acquisition of assets and liabilities (part of a company).

Companies/operations that were part of the ITAB Shop Concept spin-off are indicated with * and those that were part of the AGES spin-off are indicated with **. In addition to the above, other businesses have been acquired. These have since been merged with Group companies, sold or liquidated.

The XANO share

XANO's Class B shares were registered on the Stockholm Stock Exchange on 5 December 1988 and are now listed on Nasdaq Stockholm in the Mid Cap segment.

The share capital amounts to SEK 37.3 million distributed between 14,577,600 Class A shares and 45,062,698 Class B shares, a total of 59,640,298 shares, with a quota value of SEK 0.625.

Each Class A share entitles the holder to ten votes and each Class B share to one vote. The total number of votes amounts to 190,838,698. All shares have equal rights to dividends.

Share price 2024

-26%

KEY FIGURES		2024	2023	2022	2021	2020
Net profit for the year	SEK m	100	175	249	342	195
Equity	SEK m	1,720	1,651	1,530	1,341	1,051
Balance sheet total	SEK m	3,783	3,761	3,606	3,495	2,486
Return on equity	%	6.0	11.0	17.1	28.8	21.1
Equity/assets ratio	%	45	44	42	38	42
Cash flow from operating activities	SEK m	172	519	128	353	402
Average number of outstanding shares [1]	thousands	59,264	58,302	57,985	57,985	56,870
Average number of outstanding shares after dilution [1]	thousands	59,347	59,132	59,133	59,133	58,281
Average number of shares in own custody [1]	thousands	376	509	509	509	581
Earnings per share [1]	SEK	1.69	3.01	4.30	5.90	3.43
Earnings per share after dilution [1]	SEK	1.69	3.01	4.27	5.84	3.38
Cash flow from operating activities per share [1]	SEK	2.91	8.91	2.21	6.09	7.07
Total number of shares on the closing day [1]	thousands	59,640	59,640	58,494	58,494	58,494
Number of shares in own custody on the closing day [1]	thousands	330	509	509	509	509
Number of outstanding shares on the closing day [1]	thousands	59,310	59,131	57,985	57,985	57,985
Equity per share on the closing day [1]	SEK	28.99	27.91	26.39	23.13	18.12
Share price on the closing day [1]	SEK	56.20	76.40	111.00	162.50	64.75
Share price in relation to equity per share	%	194	274	421	703	357
Proposed dividend per share [1]	SEK	0.00	1.00	1.75	1.75	1.25
Direct yield	%	0.0	1.3	1.6	1.1	1.9

[1] The comparative figures have been recalculated due to a 2:1 share split carried out in 2022.

Definitions

Cash flow from operating activities per share
Cash flow from operating activities in relation to the average number of outstanding shares.

Direct yield
Proposed dividend in relation to the share price on the closing day.

Earnings per share
Profit for the year in relation to the average number of outstanding shares.

Earnings per share after dilution
Profit for the year plus costs attributable to convertible loans in relation to the average number of outstanding shares, plus the average number of shares that are added on conversion of outstanding convertibles.

Equity per share
Equity in relation to the number of outstanding shares on the closing day.

Equity/assets ratio
Equity in relation to total capital.

Market capitalisation
Total number of shares multiplied by the share price on the closing day.

Return on equity
Profit for the year in relation to average equity.

Total yield
Change in the share price for the year plus dividends paid.

Further definitions can be found on page 89.

Price trends
During 2024, XANO's share price fell by 26 per cent, from SEK 76.40 to SEK 56.20. The highest price paid during the year was SEK 105.00 in April, while the lowest price paid was SEK 54.70 in December. The highest closing price was recorded on 17 April at SEK 104.80 and the lowest closing price was recorded on 13 November at SEK 56.10.

The number of shares sold totalled 1,856,779 (4,080,366), which corresponds to a turnover rate of 4.2 per cent (9.2), and the combined value of the trading amounted to SEK 141 million (369). As of 31 December 2024, XANO's market capitalisation was SEK 3,552 million (4,557), based on the latest closing price and the total number of shares. The total yield for the year was negative. The average over the past ten years has been just over 18 per cent, excluding the value of spun-off operations.

Shareholders
The number of shareholders fell by 694 during the year. At the end of 2024, XANO had 5,102 shareholders, compared to 5,796 shareholders at the same time in the previous year. Of these, (4,844) 5,482 were natural persons resident in Sweden. The ten largest shareholders jointly held 94.2 per cent of the votes and 80.9 per cent of the capital. Institutional ownership made up 4.5 per cent of the votes and 14.5 per cent of the capital.

Price trend and trading volumes 2020–2024

A 2:1 share split was conducted in June 2022. Historic prices have been adjusted.

Dividend policy
It is the aim of the Board of Directors that dividends over an extended period will follow the earnings trend and correspond to at least 30% of profit after tax. The annual dividend proportion must however be viewed in relation to investment needs and any repurchase of shares.

Activities that facilitate the Group's continuing transition and enable aggressive investments for the future are evaluated and carried out on an ongoing basis. As part of the work to secure resources for this, the Board of Directors proposes to the Annual General Meeting that no dividend be paid for the 2024 financial year.

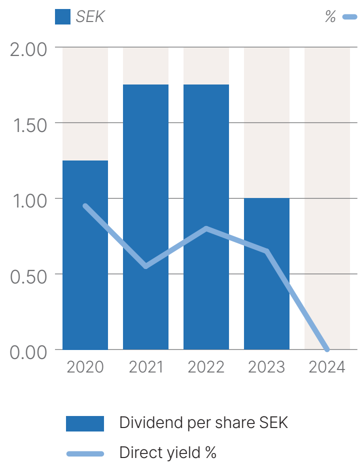
The previous year, a dividend of SEK 1.00 per share, totalling SEK 59.1 million, was paid, representing approx. 34 per cent of net profit for the period.

Shares in own custody
The number of shares in the company's custody on the closing day amounted to 329,690 Class B shares, corresponding to 0.55 per cent of total share capital. After deduction for the company's own holding, the number of outstanding shares was 59,310,608 on the closing day.

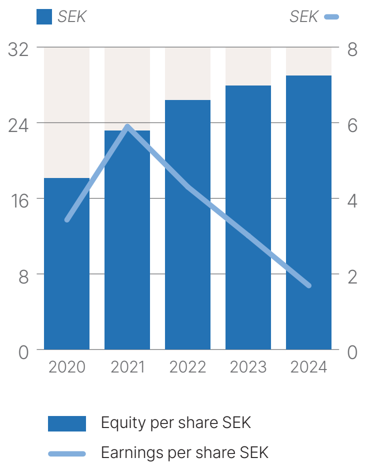
In 2024, 179,442 treasury shares were transferred in connection with the acquisition of Dansk Rotations Plastic.

Convertible bond programme
During the period 22 August to 30 August 2024, XANO Group employees subscribed for 330,180 convertible bonds at a price of SEK 106, corresponding to a nominal value of SEK 34,999,080. The convertible bonds run from 1 October 2024 to 30 September 2027 at an interest rate corresponding to STIBOR 3M plus 2.00 percentage points. Each convertible bond can be converted into one XANO Class B share during the period 1–12 September 2027. If all convertible bonds are converted into shares, the dilution will be approx. 0.6 per cent of the share capital and approx. 0.2 per cent of the voting rights based on the current total number of shares.

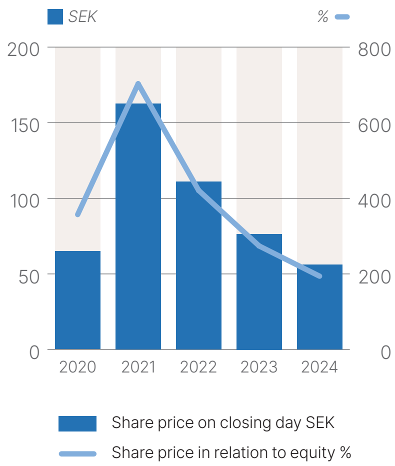
Dividend



Equity & earnings



Share price



Largest shareholders as of 31 December 2024

Shareholder	Class A shares	Class B shares	Total number of shares	Proportion (%) of share capital	votes
Anna Benjamin and related parties	10,257,600	5,902,400	16,160,000	27.10	56.94
Pomona-gruppen AB	4,320,000	12,508,360	16,828,360	28.22	29.24
Svolder AB	–	4,409,761	4,409,761	7.39	2.31
Stig-Olof Simonsson and related parties	–	4,200,269	4,200,269	7.04	2.20
Kennert Persson	–	1,557,652	1,557,652	2.61	0.82
Petter Fägersten and related parties	–	1,220,800	1,220,800	2.05	0.64
Europea i Malmö AB	–	1,201,240	1,201,240	2.01	0.63
Sune Lantz	–	960,840	960,840	1.61	0.50
Försäkringsaktiebolaget Avanza Pension	–	926,950	926,950	1.55	0.49
Tredje AP-fonden	–	778,384	778,384	1.31	0.41
Christer Persson and related parties	–	617,460	617,460	1.04	0.32
Lennart Persson	–	484,342	484,342	0.81	0.25
Spiltan Fonder AB	–	462,228	462,228	0.78	0.24
CBLB / UCITS – Exempted	–	453,390	453,390	0.76	0.24
SEB Investment Management	–	299,183	299,183	0.50	0.16
Total 15 largest shareholders	14,577,600	35,983,259	50,560,859	84.78	95.41
Other owners	–	8,749,749	8,749,749	14.67	4.59
Total number of outstanding shares	14,577,600	44,733,008	59,310,608	99.45	100.00
Shares in own custody	–	329,690	329,690	0.55	
Total number of shares	14,577,600	45,062,698	59,640,298	100.00	

Each Class A share carries ten votes and each Class B share one vote.

Source: Euroclear

Share distribution as of 31 December 2024

Share class	Number of shares	Proportion (%)	Antal röster	Proportion (%)
Class A shares	14,577,600	24	145,776,000	76
Class B shares	45,062,698	76	45,062,698	24
Total number of shares	59,640,298	100	190,838,698	100
Of which in own custody	-329,690			
Total outstanding	59,310,608			

Number of shares	Number of shareholders	Proportion of shareholders (%)	Proportion of shares (%)	Proportion of votes (%)
1 – 500	3,820	74.9	0.59	0.19
501 – 1,000	378	7.4	0.49	0.15
1,001 – 5,000	631	12.4	2.63	0.82
5,001 – 10,000	118	2.3	1.44	0.45
10,001 – 50,000	105	2.0	3.66	1.15
50,001 – 100,000	14	0.3	1.69	0.53
100,001 –	36	0.7	88.95	96.71
Total outstanding	5,102	100.00	99.45	100.00
Shares in own custody			0.55	
Total number of shares			100.00	

Source: Euroclear

Sustainable business

In recent years, we have taken clear steps forward and gained an even greater understanding of what we need to do to create a Group that is resilient in the long term. In 2024, through determined efforts, we have laid a solid foundation for continued transformation and strengthened our focus on sustainable business across the organisation.

Sustainability is deeply embedded in our DNA and the legacy that comes from Småland. Valuing our resources – financial, material and human – and respecting nature and society have defined us from the start. Although not always explicitly labelled as sustainability, these principles have long been embedded in our culture and strategies. However, over the past few years, we have increasingly realised what we need to change in order to make an even more positive contribution – while building a business that can stand strong in the face of future challenges and opportunities.

We believe the solution is sustainable business. As a public, for-profit company, business is at our core – and we see the greatest opportunity to make a difference through business-driven sustainability initiatives. We can only truly make an impact when we collaborate with our customers and suppliers. A financially successful business generates the resources needed to invest in sustainable innovations and solutions, support our employees, and positively impact the communities affected by our activities.

Building on this foundation, we have established a new vision for the Group – one that clearly defines our direction and serves as a guiding principle in everything we do. Our goal is to become a leader in sustainable business.

CSRD

One of the challenges we are currently facing is the new EU legislation on sustainability reporting, the Corporate Sustainability Reporting Directive (CSRD), which places high demands on the structure and transparency of our sustainability work. In 2024, we opted to implement CSRD-inspired reporting as a preparatory step towards full compliance with the legislation in future reports. You can read the Sustainability Report on pages 105-143.

The work, which already began in 2023, has been challenging at times but has also provided us with valuable insights and helped us take major steps forward in structuring our sustainability efforts, and it has resulted in improvements in how we work with sustainability data.

We have begun to expand our measurements in Scope 3, covering our indirect emissions in our upstream and downstream value chain, which will enable us to make better decisions on the priorities we want to set to continue limiting our negative climate impact.

We have also updated our guiding policies, developed a Sustainability Roadmap and a Climate Transition Plan. Together, these documents provide greater clarity and ensure that all Group companies are working in the same direction.

We're doing it together.

One of the Group's three core values is *Better Together*. This is especially apparent in the transition to more sustainable business. Through the high level of commitment shown by our subsidiaries we constantly take new steps towards our common goals. The work carried out in our various units in 2024 has meant that we, as a Group, are now strongly equipped to further accelerate our sustainability journey together.

Our business units

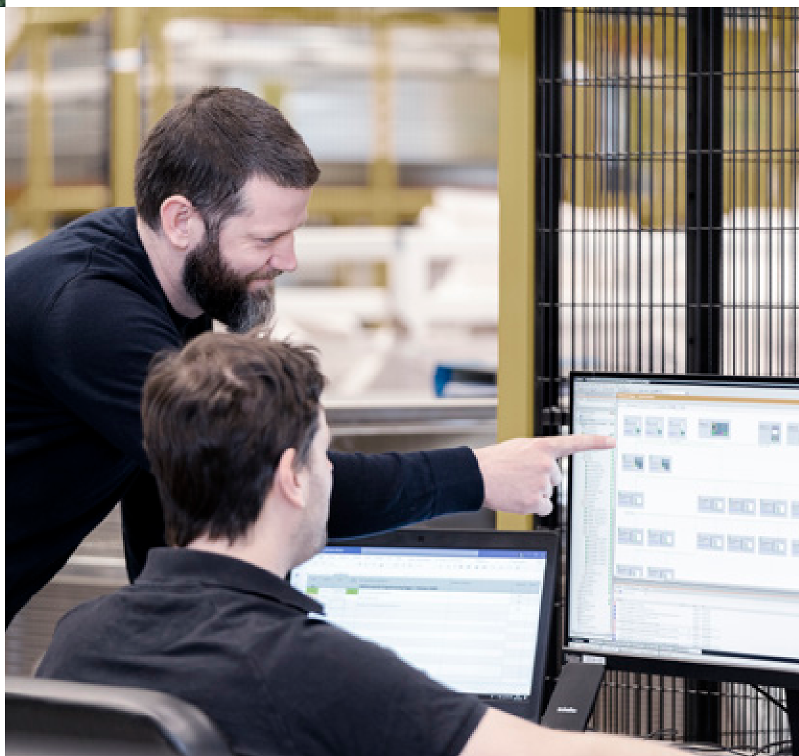
In a decentralised organisation like ours, the opportunities for change and progress originate in the individual units. Over the past year, we have observed significant progress in this area, and a structured comparison with the previous year reveals a consistently high level of maturity in sustainability efforts across all the Group's subsidiaries.

Governance

The Group's sustainability efforts have gone through a process to increase structure during the year. We now have clear frameworks linked to our material topics and the vision of becoming a market leader in sustainable business. With relevant policies, the Climate Transition Plan and the Sustainability Roadmap, containing clear and measurable targets, all units within the Group have a unified strategic focus.

Looking ahead

For XANO, the future is sustainable. This means that we will continue to invest in innovations in collaboration with customers and suppliers to drive sustainable business now and in the future. We are developing circular business models, investing in materials and equipment that reduce our own and our customers' climate impact, switching to more sustainable production methods, and so much more, while also ensuring profitable business and people's well-being.

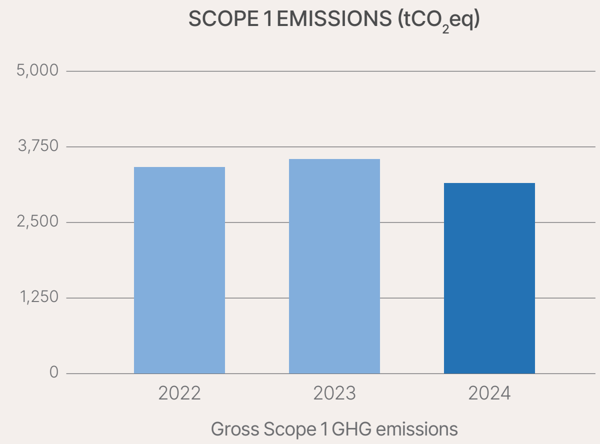


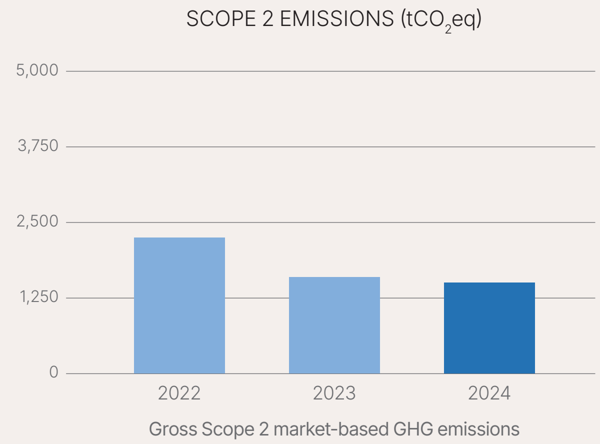
Sustainability highlights

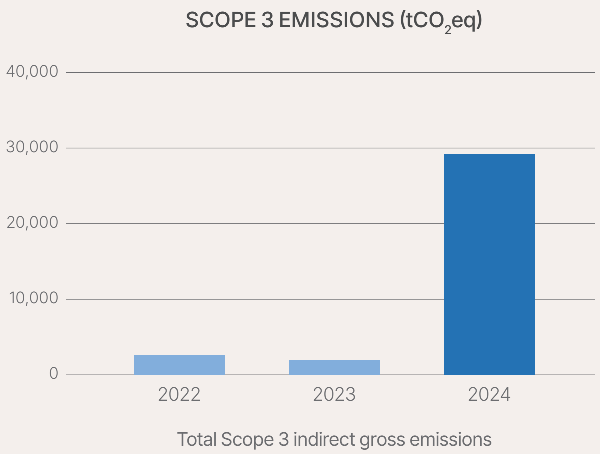
Throughout the year, the Group has made significant progress in adopting a more systematic approach and leveraging data to drive insights. By broadening the scope of what and how we measure, developing a Climate Transition Plan, and structuring our sustainability-related data better, we have gained a clearer understanding of our impact and enhanced our ability to take more targeted action.

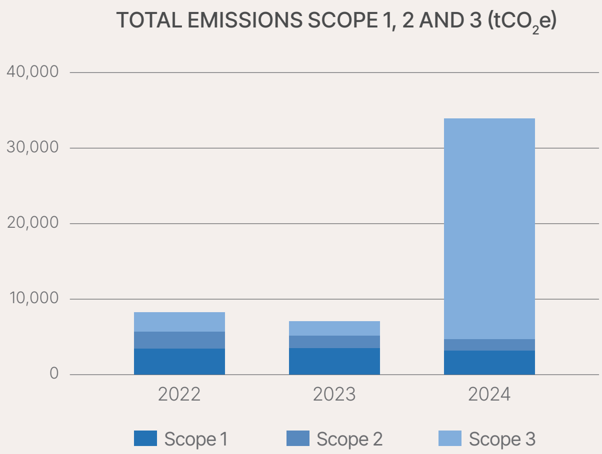
Understanding by expanding measurements
One of the year's most important initiatives was to expand our measurements to get a more comprehensive picture of our climate impact. In addition to Scopes 1 and 2, covering direct emissions and energy purchases, we have placed a strong focus on our Scope 3 emissions, which account for the indirect emissions within our value chain, in line with the GHG Protocol. For 2024, the categories Purchased goods and services and Capital goods have been added and we plan to add further categories in the coming years.

Using the Sustainability Roadmap as a framework, we have also developed our reporting to include corporate, social and environmental responsibility as well as sustainable business objectives. This effort also aligns with the new requirements set out by the EU's Corporate Sustainability Reporting Directive (CSRD),









ensuring that we are well-positioned to meet future legal obligations and enhance our transparency towards stakeholders.

The Climate Transition Plan provides clarity and direction

Another milestone during the year was finalising the Group's Climate Transition Plan. This has allowed us to get a better overview of our climate-related efforts and identify where we should focus our resources for maximum impact. The Climate Transition Plan serves as a guiding document for our actions, helping us to prioritise and monitor our work with clear targets and indicators.

Structured sustainability data drives progress

Working in a structured manner with sustainability data has been crucial in order to analyse and draw conclusions from our work. Through a rigorous data collection and analysis process, we can now monitor how we are doing against our targets and identify areas that require further action. This data-driven approach is central to meeting our sustainability ambitions, and means we can better assess the impact of our actions and ensure we are achieving the desired results.

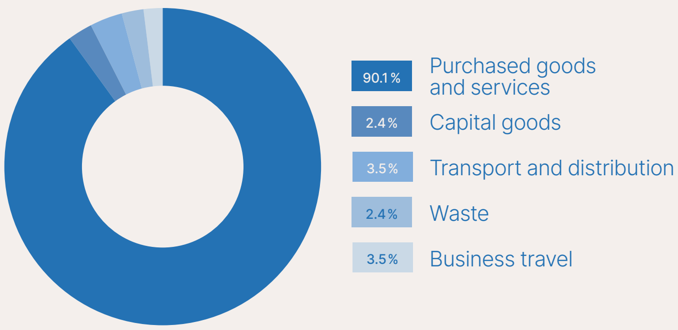
Analysing performance and progress

This year's results show continued emission reductions in Scopes 1 and 2, meaning that the efforts we are making to reduce our direct emissions continue to have an impact. Due to the addition of two new categories, a proper comparison of Scope 3 emissions is not possible. The Purchased goods and services category accounts for most of the significant increase, and the reporting for all categories also includes two new subsidiaries which were acquired in 2023.

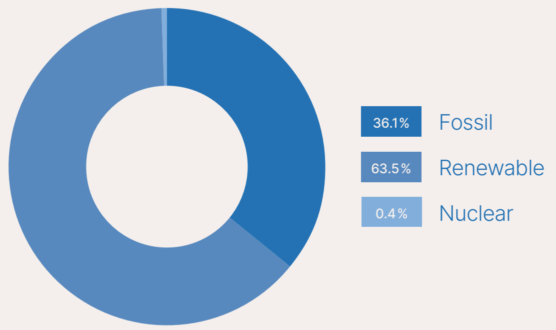
Since Scope 3 emissions represent the largest portion of our total climate impact, it is essential that we continue to expand data collection in this area. The new data points enable us to pinpoint the most climate-intensive activities in our value chain, allowing us to implement the right interventions where they will have the greatest impact. This work constitutes a key element of our strategy moving forward.

The summary below provides a selection of the Group's reported sustainability data for 2024. For a transparent and detailed view of our sustainability efforts, including data and methodology, please refer to our Sustainability Report starting on page 105.

BREAKDOWN OF SCOPE 3 EMISSIONS (2024)

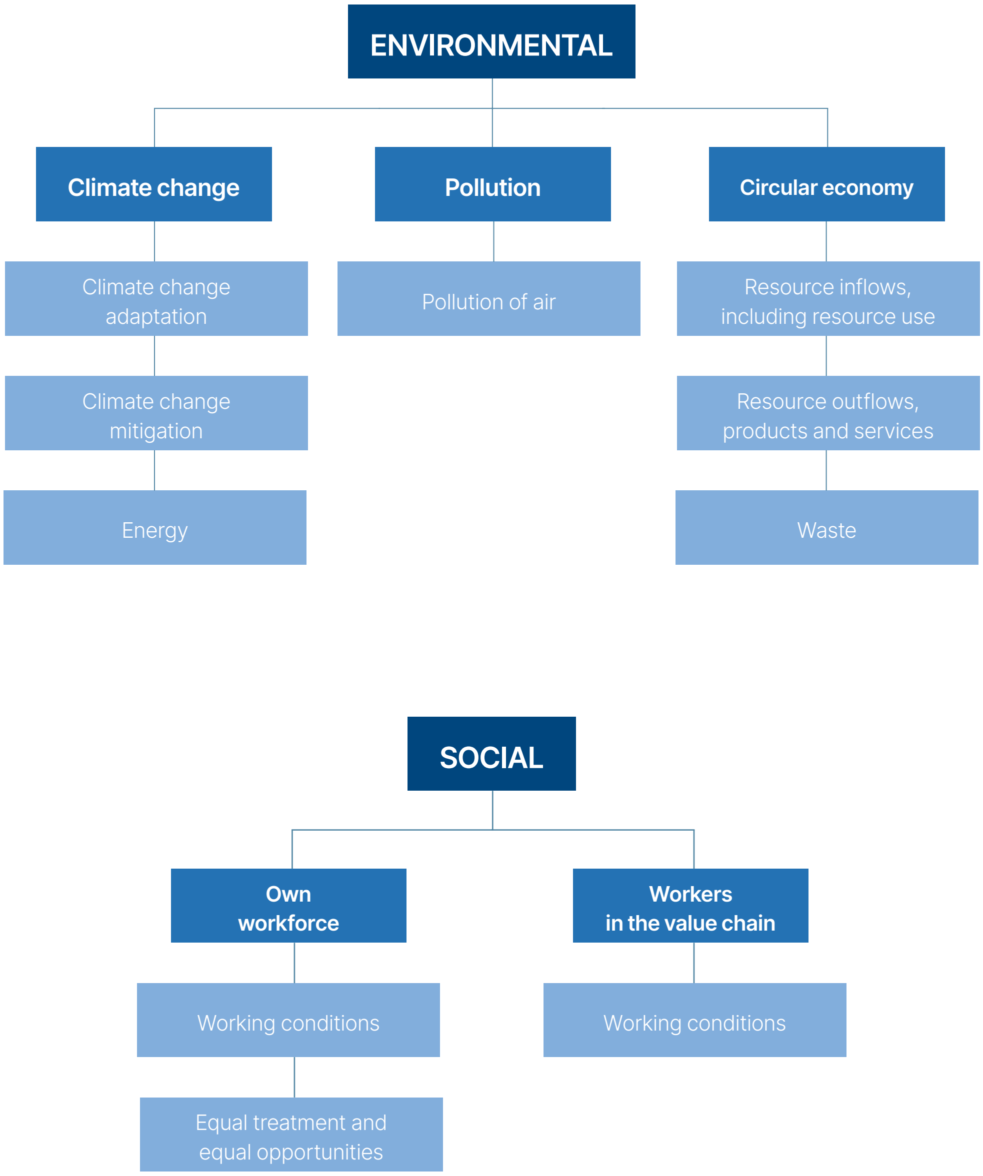


ENERGY USE BY SOURCE (2024)



Priority areas

The double materiality assessment serves as the foundation of our sustainability efforts, identifying and prioritising the sustainability topics that are most relevant to both our business and our stakeholders. By analysing how we impact the world around us as well as how sustainability issues impact us, we ensure a comprehensive understanding of our most critical sustainability aspects. This approach allows us to focus our resources on areas where we can make the biggest difference, while strengthening our long-term business strategy.



The Sustainability Roadmap and our material topics
Our Sustainability Roadmap is closely aligned with the material topics identified in our double materiality assessment. These topics serve as a compass for our sustainability efforts, allowing us to focus on areas that are both important to our stakeholders and critical to our long-term business strategy. The Roadmap ensures that our actions are targeted and that we contribute to sustainable development in a structured manner.

Linking the Sustainability Roadmap to the material topics creates clear connections between strategic targets and operational actions. As an example, this is seen in areas related to climate impact, where our emission reduction targets directly reflect our material topics related to the environment and climate. Similarly, we ensure that social and corporate responsibility permeate both internal processes and external relations.

This link between the roadmap and the material topics allows us to prioritise our resources in areas where they can do the most good, while measuring and monitoring results in a transparent manner. By working according to this model, we strengthen our sustainability efforts and ensure that we meet both external demands and internal ambitions in an effective and meaningful manner.

Sustaining the Planet

- **Sustainable materials**
- **Energy use**
- **Transporting goods and people**
- **Waste as a resource**

Climate change mitigation

Energy

Resource inflows, including resource use

Resource outflows, products and services

Waste

Owning Social Responsibility

- **Health and safety for our own workforce**
- **Skills development**
- **Equal opportunities**
- **Upstream control of value chain**

Own workforce:
- Working conditions
- Equal treatment and equal opportunities

Workforce in the value chain:
- Working conditions

Driving Sustainable Business

- **Circular business models**
- **Collaboration in the value chain**
- **Sustainable innovations**
- **Anti-corruption and ethics**

Climate change mitigation

Climate change adaptation

Energy

Resource inflows, including resource use

Resource outflows, products and services

Waste

Pollution of air

Group overview

The XANO Group is made up of engineering companies that offer manufacturing and development services for industrial products and automation equipment. The Group is represented in the Nordic region, Estonia, the Netherlands, Poland, China, the USA and Australia. The operations are divided up into three business units.

Business units

Industrial Products
Components and systems made of plastic, manufactured by means of rotational moulding, injection moulding and blow moulding with high environmental performance.

Industrial Solutions
Automation equipment, software solutions within industrial digitalisation and advanced industrial products on contract assignments.

Precision Technology
Advanced cutting processes, laser welding and 3D printing for the production of parts involving demanding quality and precision requirements.

Volume distribution (%)

54	Proprietary products and systems
46	Customer-specific manufacturing

Market segmentation (%)

47	37	16
Nordic region	Rest of Europe	Rest of the world

Automation solutions for packaging and food handling comprising conveyors, accumulators, packaging machines and control systems.

Components for X-ray and dialysis equipment, products for handling and storing pharmaceuticals, software solutions for optimising and monitoring production flows.

Water purification systems and pumps for environmental protection. Measuring equipment, climate systems and power transmission in ships. Software solutions for reducing greenhouse gas emissions.

Metal and plastic components for cars and heavy vehicles, such as transmission parts, air valves, pipes, tanks and containers.

Silos, tanks and containers for collecting, storing and transport. Components such as air valves and pipes for agricultural and construction machinery.

Components and subsystems for defence, surveillance and security solutions.

Automation equipment for the handling of electric vehicle batteries. Products and systems for renewable energy storage facilities.

Components for the electronics and power industries, as well as for tool production and material handling, furniture accessories and consumer products. Boats for the public sector and private use, buoys and other floating elements for marinas and fish farms.

Business units

The XANO Group consists of three business units, which each have a clear profile and a distinct offering. Together, they form a balanced whole, with their distinct orientations and interconnected business models which create stability and long-term resilience.

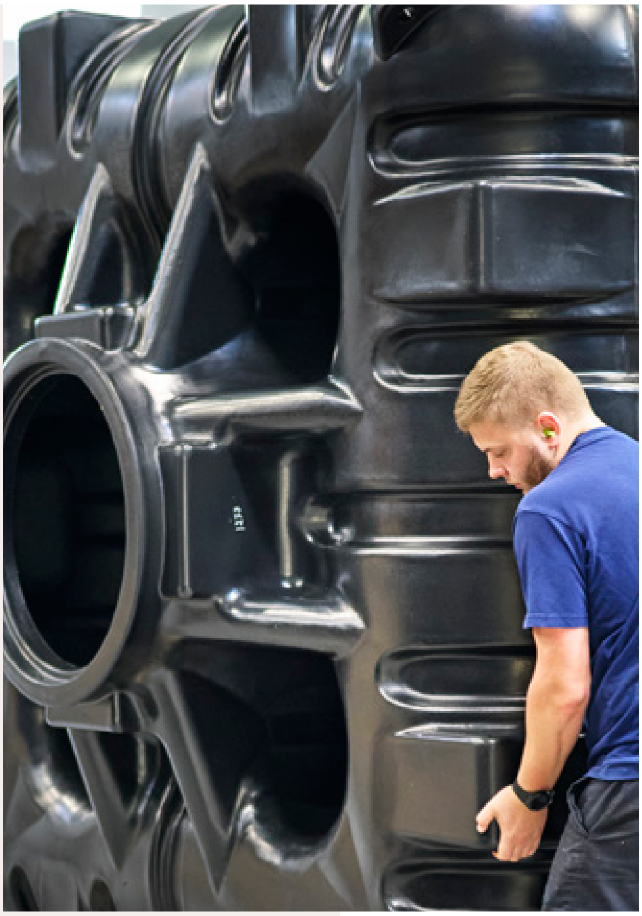
Combining specialised expertise with a shared commitment to profitable growth and continuous improvement strengthens the Group's position in the market. Each business unit is built on solid pillars of entrepreneurship, innovation and collaboration. With strong teams, technical innovation, commercial drive and close customer relationships, each business unit can grow on its own terms while contributing to the overall development of the Group.

30

Industrial Products

The companies within this business unit specialise in the development and manufacturing of components and systems made from polymeric materials, with an emphasis on circular material flows and resource-efficient production. Products are manufactured using rotational moulding, injection moulding, and blow moulding techniques.

Industrial Products consists of Ackurat, Blowtech, Cipax, Dansk Rotations Plastic (DRP) and Pioner Boat.



38
Industrial Solutions

The business unit develops and provides innovative automation and production solutions that optimise manufacturing processes and reduce resource consumption. Additionally, the business encompasses the development of integration technology and software solutions within industrial digitalisation, along with contract assignments for advanced industrial products.

Industrial Solutions consists of Canline, Case Packing Systems (CPS), CIM, Fredriksons, Graniten Engineering, Integrated Packaging Solutions, Jorgensen Engineering, Lundgren Machinery, NPB and Polyketting.

46
Precision Technology

This business unit offers advanced component and system manufacturing using advanced cutting processes, industrial 3D printing and laser welding, with a focus on high precision and quality. The offer is complemented by services such as laser marking, control measurement and assembly. Companies have the resources to take on projects that cover the entire chain from prototype to series production.

Precision Technology consists of Kuggteknik, Kungsörs Mekaniska Verkstad (KMV), Lasertech, LK Precision, Mikroverktyg, Modellteknik and Resinit.

Industrial Products

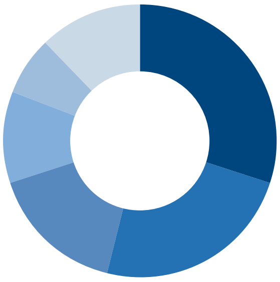
The business unit is made up of Ackurat, Blowtech, Cipax, Dansk Rotations Plastic (DRP) and Pioner Boat.

Ackurat supplies customers including furniture and fittings manufacturers with injection-moulded parts such as slide stops, handles and adjustable feet.

Blowtech is a leading Nordic player in technical blow moulding, producing plastic components for vehicles and other technical industry.

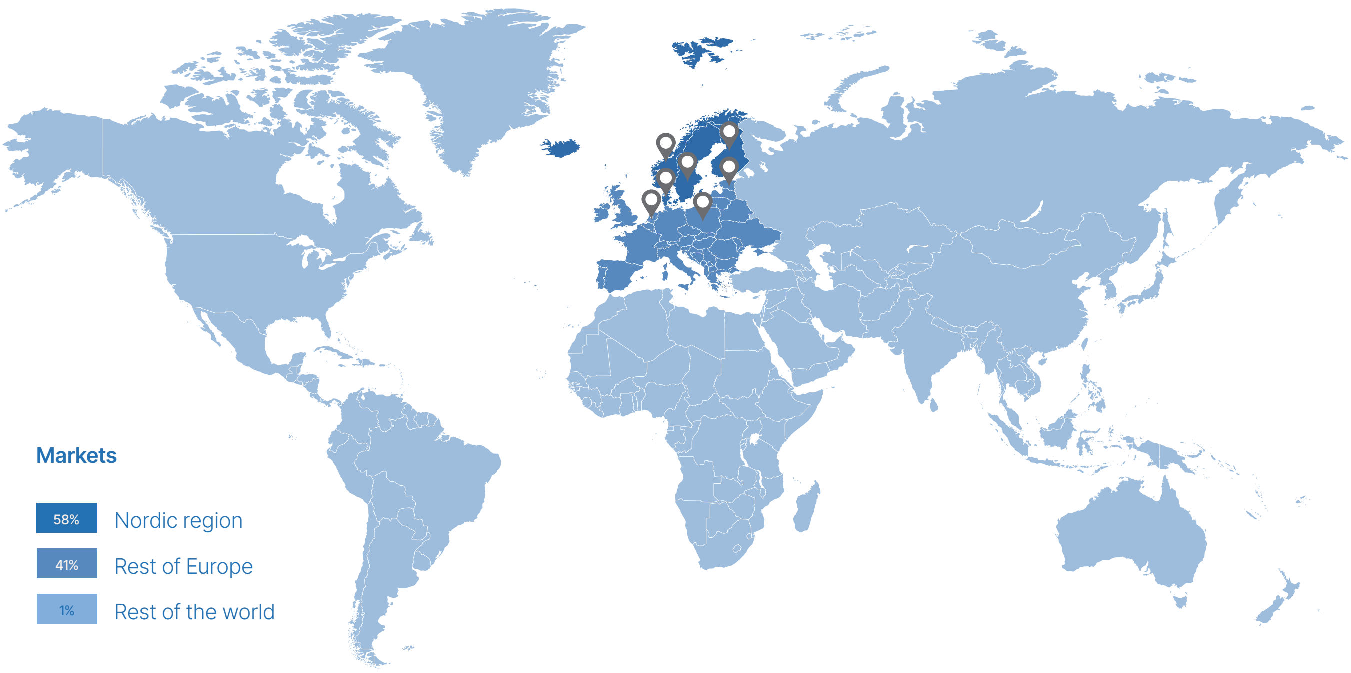
Cipax, including DRP, has a leading position within rotational moulding in northern Europe, with product segments including industrial tanks and infrastructure solutions.

Pioner Boat manufactures boats for both professional use and leisure activities. The boats are manufactured in a single piece by means of rotational moulding using recyclable plastic material.



Sectors

- 30% Automotive
- 24% Infrastructure & environment
- 16% Agriculture & forestry
- 11% Marine
- 7% Furniture industry
- 12% Other technical industry



Markets

- 58% Nordic region
- 41% Rest of Europe
- 1% Rest of the world

Circular material flows

As customers place greater emphasis on sustainability and decarbonisation, Cipax is positioning itself as a leader in the transition. By providing solutions in recycled materials, Cipax helps make environmentally sustainable choices both more visible and more pertinent to its customers. To strengthen customer awareness of the benefits of recycled materials, Cipax also offers a carbon footprint comparison, which makes the climate-related benefits of choosing recycled materials visible to the customer in a concrete manner.

Read more on xano.se.

The next-generation polymer materials

Dansk Rotations Plastic (DRP), which has been part of Industrial Products since April 2024, adds valuable expertise and capacity in the production of polymeric materials. With over 50 years of experience in rotational moulding, DRP has a solid understanding of both specific customer demands and market requirements. With its focus on recycled and bio-based plastic materials, this Company is also an important resource to strengthen the business unit's innovation power and ability to meet future material challenges.

Read more on xano.se.

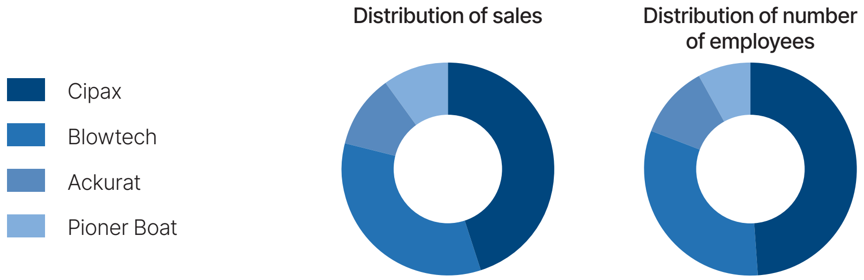
Innovation-driven collaborations at Ackurat

One of the core elements of Ackurat's work is the collaboration with its customers and partners, where developing and implementing circular solutions together provides a strong platform from which to drive the industry towards a more sustainable future. Combining technical expertise and a circular mindset not only strengthens the Company's position as a trusted partner, but also paves the way for a new standard in sustainable innovation.

Read more on xano.se.

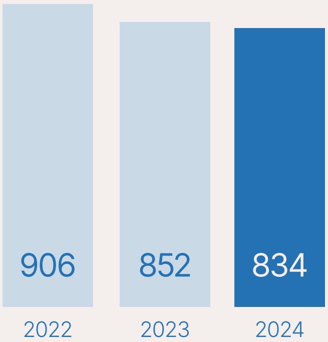
Sustainable functionality

Industrial Products is an innovative business unit specialising in customer-specific projects and in-house developed solutions in polymer processing. Advanced production methods and high technical expertise are used to create durable, functional products – from boats and wastewater systems to industrial containers. By working closely with global manufacturers and engineering industries, this business unit ensures high quality and cost efficiency in every project.



Net sales
(SEK m)

834



Growth
(%)

-2.0

(-5.9)

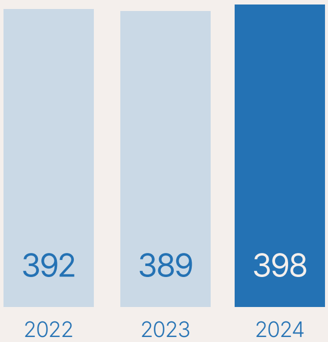
Employees
(at year-end)

410

(393)

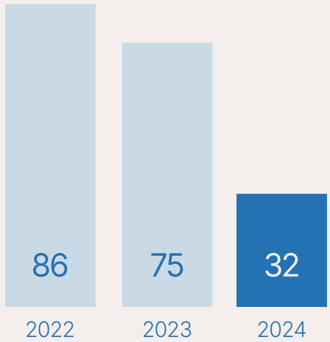
Employees
(average)

398



Operating profit
(SEK m)

32



Operating margin
(%)

3.9

(8.8)

Customer-specific assignments
The business unit's companies have production and service functions at their disposal, which make it possible to carry out complete assignments for customers, covering everything from project management and design to manufacturing, assembly and distribution. The goal of each assignment is to achieve the best production economics and functionality, regardless of whether this relates to an individual product or a total solution.

The processing of polymer materials constitutes the foundation for the operations within Industrial Products. The companies employ production methods such as blow moulding, rotational moulding and injection moulding. A wide range of post-machining service are also offered, and the business unit possesses extensive experience of the system assembly of complex product solutions.

Proprietary products
Industrial Products has several proprietary product ranges, such as boats and marine products, as well as containers, tanks and material handling solutions intended for industrial use. Sustainable solutions for individual drains are also being developed. In addition, the business unit produces a wide range of small components that add functionality in the design of products such as furniture, fittings and rehabilitation equipment.

Customer structure
Global manufacturers of heavy vehicles and cars make the largest single customer segment for the companies in the business unit. The infrastructure sector includes customers that manufacture agricultural and construction machinery, as well as climate systems and water treatment solutions. Other major customer groups include marinas, furniture and fittings producers and other technical industries. The proprietary boat range is sold both to the public sector and to private individuals via a network of dealers.

Reflections and insights

Matz Svensson has overall responsibility for operations within the Industrial Products business unit. Here, he summarises his reflections on the past year.

Market conditions
As a result of our long-term strategic work on developing and launching our own products, several of the business unit's companies succeeded in increasing their market shares in a generally sluggish business climate. However, demand varied from sector to sector and within sectors, with downward trends in Germany and Finland, particularly in the agricultural sector, having a major impact on units in the Netherlands and Estonia. In the business unit's Norwegian operations, the challenges from the previous year intensified, and continued subdued markets and industry-specific challenges related to automotive production put pressure on margins. On the plus side, our latest acquisition Dansk Rotations Plastic (DRP) showed good profitability, but for the business unit as a whole, profit performance was worse than expected.

Towards the end of the year, the business unit also experienced a positive trend regarding enquiries and order intake, including a clear upturn in the Norwegian boat business. The composition of the total order book also indicates an increasing share of products produced in-house, which is expected to have a positive impact on future performance.

Adaptation and transition
Global economic instability and a generally weak economic environment prompted broad-based cost-cutting measures in the form of staff reductions, tighter cost controls and price adjustments. In some of the business unit's companies, more extensive restructuring measures were required. These activities included transferring production between units and terminating unprofitable customer partnerships, particularly in the automotive sector.

Aggressive investments
We continue to invest in product improvement and the development of new markets for our in-house product ranges. Other prioritised activities include evaluating new sustainable materials and increasing circular flows. These investments are steadily generating new innovative projects and customer collaborations that are fuelling future growth.

The acquisition of DRP is well aligned with our strategic plan. For over 50 years, DRP has been developing and manufacturing rotational moulded products and has a lot in common with its sister companies in the Cipax Group. We expanded our production capacity and broadened our range of in-house products, while also entering new markets where DRP holds a leading position. Additionally, DRP's product range can now be introduced through the Group's established channels. DRP's integration has already created new joint business opportunities, including a major infrastructure project involving several of the sister companies.

Investments in Pioneer's boat factory in Bjørkelangen, Norway, are starting to generate returns. In the new facility, the various boat models are produced more efficiently and sustainably than previously, and after a period of declining demand, there is now a general increase in interest, notably in a number of export markets. Pioner sold over 30 per cent more boats than its nearest competitor in Norway, its production country, in 2024, with the success of the most recently introduced model being a strong contributing factor.

The business unit's own products have a strong position in their respective markets. To maintain these positions, a strong focus on product development is essential, with an emphasis on enhancing sustainability performance and promoting more circular flows.

More sustainable production
Optimising product design and increasing the share of recycled materials are key elements in reducing our environmental footprint. The business unit actively participates in collaborations aimed at enhancing the sorting and recovery of plastic products, contributing to the supply of recycled materials that can be processed for new production.

As customers place greater emphasis on sustainability and minimising climate emissions, we want to position ourself as a leader in the transition. By providing solutions for a circular economy and clearly showcasing the climate benefits of prioritising recycled materials and more resource-efficient manufacturing methods, we are playing an active role in advancing both the Group's and the industry's sustainability initiatives.

Three priorities for 2025

1 Sustainable materials and circular flows.

2 Development of new products in-house to complement the existing range.

3 Finalise the restructuring and coordination phase.

Ackurat

Sweden / Poland / Finland

Ackurat manufactures and sells standard injection-moulded plastic components such as slide stops and glides for furniture, hand wheels, adjustable feet, levers, handles and various pipe stoppers. The company also offers customised solutions. Ackurat has units in Sweden, Finland and Poland, with sales concentrated in Northern Europe. Its customers are primarily manufacturers of furniture, fittings and machinery.

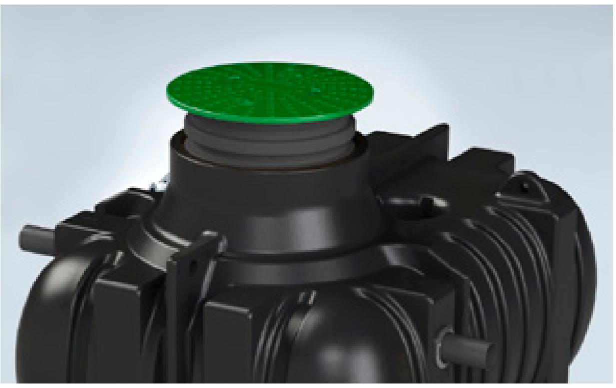
Net sales	*SEK m*	94.3
Growth	*%*	-3.0
Employees	*average*	45

Blowtech

Norway / Sweden

Blowtech works with technical blow moulding of plastic. The production facilities in Gnosjö and Kongsvinger produce components for vehicles and construction machinery, as well as for systems within infrastructure, in medium to large series. The blow moulding method has a certain amount in common with glass-blowing, although with high industrial precision in the manufacturing process. The technique is very useful when manufacturing complex forms of polymer products, such as petrol tanks, air ducts, various types of containers and other technical components.

Net sales	*SEK m*	296.0
Growth	*%*	-1.8
Employees	*average*	130



Cipax (inkl. DRP)

Sweden / Estonia / The Netherlands / Denmark / Norway / Finland

Cipax develops and manufactures components and systems through rotational moulding using recyclable plastic materials. The companies have a strong focus on quality, flexibility and sustainability, with in-house resources for recycling plastic raw materials with a high level of quality. The manufacturing process is characteristically cost-efficient for small to medium series due to low tool costs and flexible production. The flexibility in product design facilitates the manufacture of complex items, for example within the marine, infrastructure, agriculture, automotive and other technical industry sectors.

Net sales	*SEK m*	401.0
Growth	*%*	-13.1
Employees	*average*	199

(pro forma)

Pioner Boat

Norway

Pioner Boat manufactures boats for both professional use and leisure activities. The boats are manufactured in a single piece by means of rotational moulding using recyclable plastic material. The method and material that are used deliver high impact and temperature resistance. The boats require a minimum of maintenance and have a long service life. Pioner has a strong position on the Norwegian market but sales are also made to mainly Sweden, Great Britain, Finland and Germany.

Net sales	*SEK m*	86.6
Growth	*%*	-1.3
Employees	*average*	30


KLT03

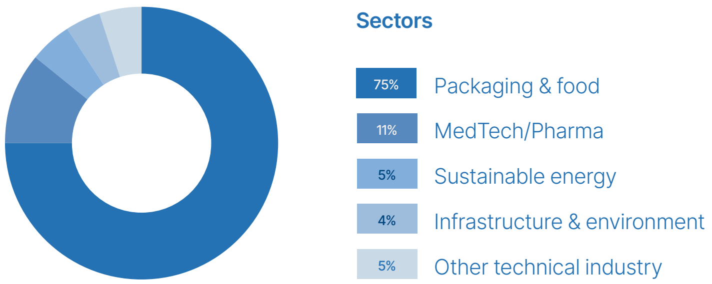
Industrial Solutions

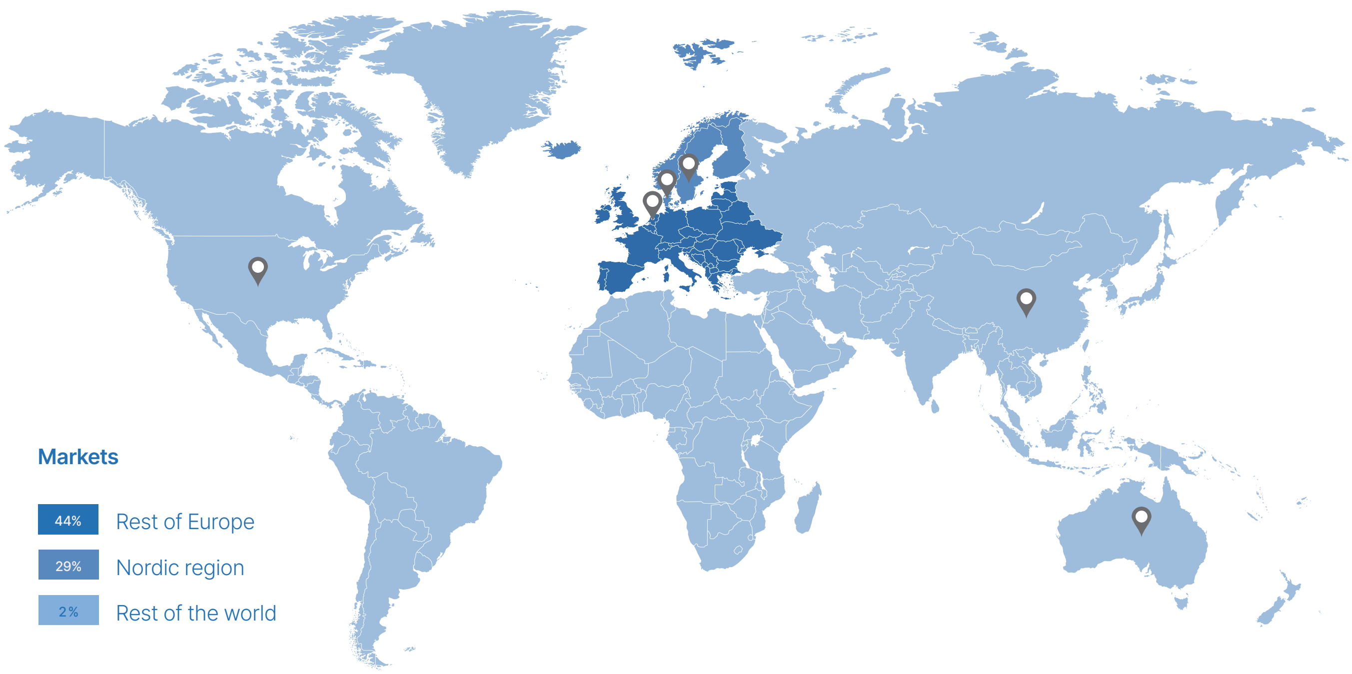
The business unit is made up of Canline, Case Packing Systems (CPS), CIM, Fredriksons, Graniten Engineering, Integrated Packaging Solutions (IPS), Jorgensen, Lundgren Machinery, NPB and Polyketting.

The business focuses on the development and manufacture of automation solutions for production lines in sectors such as packaging, food and pharmaceuticals. The combined offer also includes digital services linked to process optimisation, accessibility and traceability, as well as other areas.

CIM develops software solutions within industrial digitalisation. IPS provides machinery in parallel with integrated technology and production-optimising services.

Fredriksons carries out contract assignments for advanced industrial products in small and medium-sized batches for applications mainly in the packaging and food industries, medtech, infrastructure and environment.





Modular design

In 2024, XANO acquired Graniten Engineering, a leader in high-tech automation solutions for customers in Europe, primarily in the pharmaceutical and medtech sectors. Graniten's focus on modular design, adaptability and sustainability makes the company a pioneer of future automation solutions. With its key innovation, the versatile FlexLine solution, Graniten continues to set the standard for combining technology and creativity to tackle the challenges of tomorrow in the pharmaceutical and related industries.

Read more on xano.se.

A platform for sustainable collaboration

Linecare.tech is a new collaborative platform where manufacturers and service providers can share expertise and best practices. With a clear lifecycle perspective, Linecare.tech helps its members to maximise the operational capacity and lifespan of production lines in the manufacturing industry. Digitalisation and predictive maintenance extend the lifespan of production equipment, reducing the need for new investments and the negative environmental impact of producing and transporting new equipment. This initiative reflects XANO's commitment to promoting resource efficiency and circular business models.

Read more on xano.se.

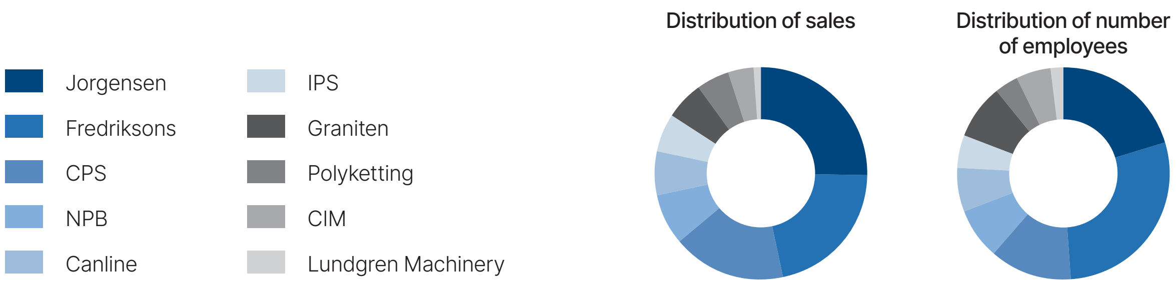
Integrated Packaging Solutions

Integrated Packaging Solutions (IPS) has been part of Industrial Solutions since 2023. Based in Denver, Colorado (USA), IPS specialises in providing innovative products and services to the canning industry. One of the Company's greatest strengths is its commitment to providing training and skills development to its customers. Through the CanSCHOOL concept, IPS offers a learning platform where technical skills and best practices are shared to strengthen the long-term development of the industry. This exchange of knowledge promotes collaboration and innovation across the value chain.

Read more on xano.se.

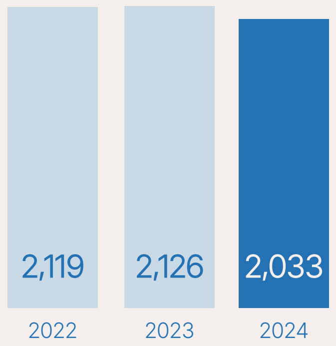
Innovative solutions

Industrial Solutions creates advanced automated solutions that optimise global production flows. Through customised conveyors, packaging machines and end-to-end solutions with digital control and traceability, companies deliver innovation, efficiency and precision. Robotic integration and intelligent control systems ensure high quality, hygiene and flexibility for customers working in the food, pharmaceutical, manufacturing and infrastructure sectors.



Net sales
(SEK m)

2,033

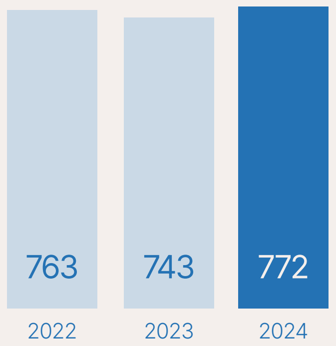


Employees
(at year-end)

747
(769)

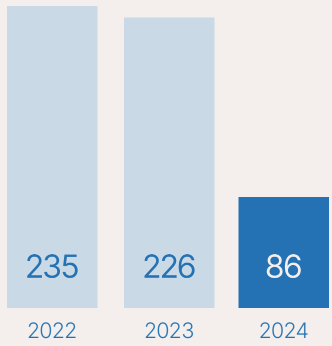
Employees
(average)

772



Operating profit
(SEK m)

86



Growth
(%)

-4.4
(+0.3)

Operating margin
(%)

4.2
(10.6)

Business unit offering
Most of the operations within Industrial Solutions are centred around automation equipment. Both separate units and complete, ready-made solutions are developed and assembled, to be installed with customers right around the world. Conveyors, accumulators and packaging machines are just some examples of the business unit's products. Some of its machines control production flows for cartons, metal cans and lids, while others handle all types of filled packages, such as soft containers, pouches and bottles. The companies in the business unit offer tailored all-inclusive solutions for various production environments. The demands placed on the equipment include high efficiency, careful handling, flexibility, good hygiene and product quality control.

Combined range of services
The business unit's combined range of services covers a broad spectrum. This includes automated sheet metal working and system assembly for advanced product solutions, as well as comprehensive software solutions that make it possible for customers to make business-critical decisions based on reliable data. The processes relating to the development and manufacture of automation equipment are supported by services such as prototyping using 3D printing, robot integration and line control. Digital technology delivers instant remote access and constant accessibility. The business unit's solutions also offer identification at unit level and full traceability throughout the customer's production flow. It also offers after-sales services, for example in the form of process optimisation and training.

Primary customer structure
The business unit supplies equipment to global operators in the packaging, food and pharmaceutical sectors. Other important customer segments include medical technology, infrastructure and energy. Common driving forces on the market are efficiency, flexibility, quality, good hygiene and traceability.

Reflections and insights

Frans Augustijn has overall responsibility for operations within the Industrial Solutions business unit. Here, he summarises his reflections on the past year.

Declining market trends

The development of the business unit is closely connected to the performance of the global packaging sector. Global uncertainties have led to widespread financial insecurity and supply chain disruptions, resulting in several years of low investment levels in automation projects. We saw serious impacts on our operations in 2023, and with additional factors, the past year was affected to an even greater extent.

The most significant impact came from the considerable decline in the can manufacturing industry, which saw an overall volume decrease of over 10 per cent. For our most severely impacted companies, turnover was more than halved. The canning industry is a niche that is expected to grow steadily in the long term, but following the large investments made during the pandemic years, our customers currently have excess capacity.

In contract manufacturing, growth was tempered by weaker demand, particularly from established customer segments in China. Even in new areas of activity, such as sustainable energy, we faced challenges when our customers, as a result of their own operational disruptions or loss of business, either periodically suspended or completely cancelled ongoing projects.

Profitability under strain

The loss of revenue, combined with the costs of adapting to new conditions and our ongoing aggressive marketing efforts, had a significant impact on profitability. All of our project-related operations had few major assignments in general during the year. Instead, the turnover was distributed over a larger number of smaller projects, which consumed comparatively more resources.

Despite the general decline in demand, several of the business unit's companies were still able to achieve robust margins through proactive efforts. The overall weak performance was primarily due to the challenging balance between cost-cutting measures and maintaining expertise for future growth. With major ongoing projects suddenly paused indefinitely and orders cancelled at short notice, the allocation of resources has been a recurring item on the agenda. The business is there but decision-making and project starts are slow.

Integrating new businesses

The weak performance of our established markets also impeded the integration of new companies. In particular, the collapse of the canning industry meant that the synergies between NPB, Canline and IPS, which was acquired last year, could not be optimised.

This year's addition, Graniten, introduces a new customer segment that also creates business opportunities for the sister companies, which have been offset by market developments in an industry that was already affected by lengthy decision-making processes.

However, in both cases we still see great potential for growth and profitability in a more favourable business climate.

Aggressive investments

With declining demand from established customer segments, strategic efforts have been directed towards new customers and business areas. Part of this work consists of intensified efforts in the aftermarket and the productisation of in-house developed solutions. To complement physical equipment, this offers innovative digital systems for production optimisation and services such as training, service and maintenance. At the same time, expansion into new geographical markets continues.

Coordination between the related activities of IPS, NPB and Canline is progressively intensifying, further driving the US investment. With the new production solutions and technical expertise that Graniten brings to the table, the sister companies can further develop their customer relationships.

Sustainable solutions

The activities of the business unit are centred around the automation of production lines in industries such as packaging, food and pharmaceuticals. The companies develop smart physical and digital solutions that optimise manufacturing processes while meeting global industry demands for traceability and sustainability.

The business unit's latest acquisitions, IPS and Graniten, both have product portfolios that are in line with the radical shift towards more sustainable and circular business that is an integral part of the Group's strategy going forward.

Three priorities for 2025

1 Stronger margins through a focus on aftermarket and productisation.

2 Becoming established in new geographical areas.

3 Development of new business niches.

NPB Automation
Sweden
NPB develops and manufactures automation equipment, primarily end handling solutions for can-related products and EV batteries. The equipment is based on proprietary technology unique in the sector, and the company possesses specialist expertise in design, mechanics and electrical control. Installations are performed all over the world, above all for customers in the packaging and food industry.

Net sales	*SEK m*	168.4
Growth	*%*	-59.9
Employees	*average*	63

Canline Systems
The Netherlands
Canline develops and manufactures automation equipment, primarily conveyor systems for metal packaging and EV batteries. The equipment is based on proprietary technology unique in the sector, and the company possesses specialist expertise in design, mechanics and electrical control. Installations are performed all over the world, above all for customers in the packaging and food industry.

Net sales	*SEK m*	139.5
Growth	*%*	-41.6
Employees	*average*	53

Integrated Packaging Solutions (IPS)
USA
IPS provides machinery and integration technology as well as production-optimisation and sustainability-improvement services to metal packaging manufacturers. Via the proprietary CanSCHOOL concept, the company offers digital training linked to can handling. IPS is an international company whose customer base consists of global players in the packaging and food industry.

Net sales	*SEK m*	128.4
Growth	*%*	-17.9
Employees	*average*	39

Fredriksons
Sweden / China
Fredriksons works with customer-specific manufacture including sheet metal processing, cutting machining and assembly. Customers are primarily active within food handling, medical technology, infrastructure, aerospace and environment. Fredriksons also develops conveyor solutions, principally for large Swedish companies with international operations. Fredriksons' Chinese supplies sub-systems and complete solutions intended for food handling, medical technology and bioprocesses.

Net sales	*SEK m*	456.5
Growth	*%*	-7.6
Employees	*average*	226

Polyketting
The Netherlands
Polyketting works with the development and manufacture of automation equipment, primarily accumulator units and conveyor systems, for the handling of packages. Customers are mainly OEMs and end users within the food industry. Polyketting's automation solutions are intended to generate the maximum possible efficiency in their customers' production lines, where large volumes of packages are filled and transported.

Net sales	*SEK m*	102.8
Growth	*%*	-7.6
Employees	*average*	28

Graniten Engineering
Sweden
Graniten develops and manufactures high-tech automation solutions for packaging processes. The equipment is based on proprietary, industry-unique technology that optimises production flows according to changing conditions and varying needs. Graniten also works with customer-specific assignments, mainly for assembly. Customers are mainly in Europe and consist of leading companies in pharmaceuticals, medical technology and healthcare.

Net sales	*SEK m*	124.1
Growth	*%*	-15.1
Employees	*average*	64

(pro forma)

Jorgensen Engineering
Denmark / USA
Jorgensen develops and manufactures automation equipment and complete packaging handling systems. Through a high level of technology and extensive automation expertise, both mechanical equipment and control systems are optimised for maximum efficiency at every stage. Its customers are world-leading players within the EV battery, milk powder, food, pharmaceuticals and pet food segments. The company conducts installations all over the world, but Europe and US constitute its main markets.

Net sales	*SEK m*	538.3
Growth	*%*	+0.3
Employees	*average*	161

Case Packing Systems (CPS)
The Netherlands / USA / Australia
CPS develops and manufactures systems for fully automatic handling, primarily in relation to food packaging. These systems are sold globally, with Europe, US and Australia as main markets. The company supplies efficient packaging machines, mainly for secondary packaging, that significantly improve its customers' handling processes, at the same time as reducing material consumption and costs.

Net sales	*SEK m*	367.5
Growth	*%*	+16.3
Employees	*average*	98

Lundgren Machinery
Sweden
Lundgren Machinery's operations primarily include the development and manufacturing of case erecting and case sealing machines. Sales are made to OEM's and leading food and pharmaceutical companies with Europe as the main market.

Net sales	*SEK m*	20.6
Growth	*%*	+14.1
Employees	*average*	13

CIM Industrial Systems
Denmark
CIM is a leading software specialist in the field of industrial digitalisation. Working on the basis of structures and products developed in-house, CIM supplies complete, customised software solutions that make it possible for its customers to make business-critical decisions based on reliable data. Developed products are sold worldwide directly to end-users and OEMs as well as through agents.

Net sales	*SEK m*	85.1
Growth	*%*	-8.3
Employees	*average*	43

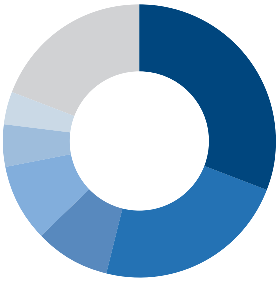
Precision Technology

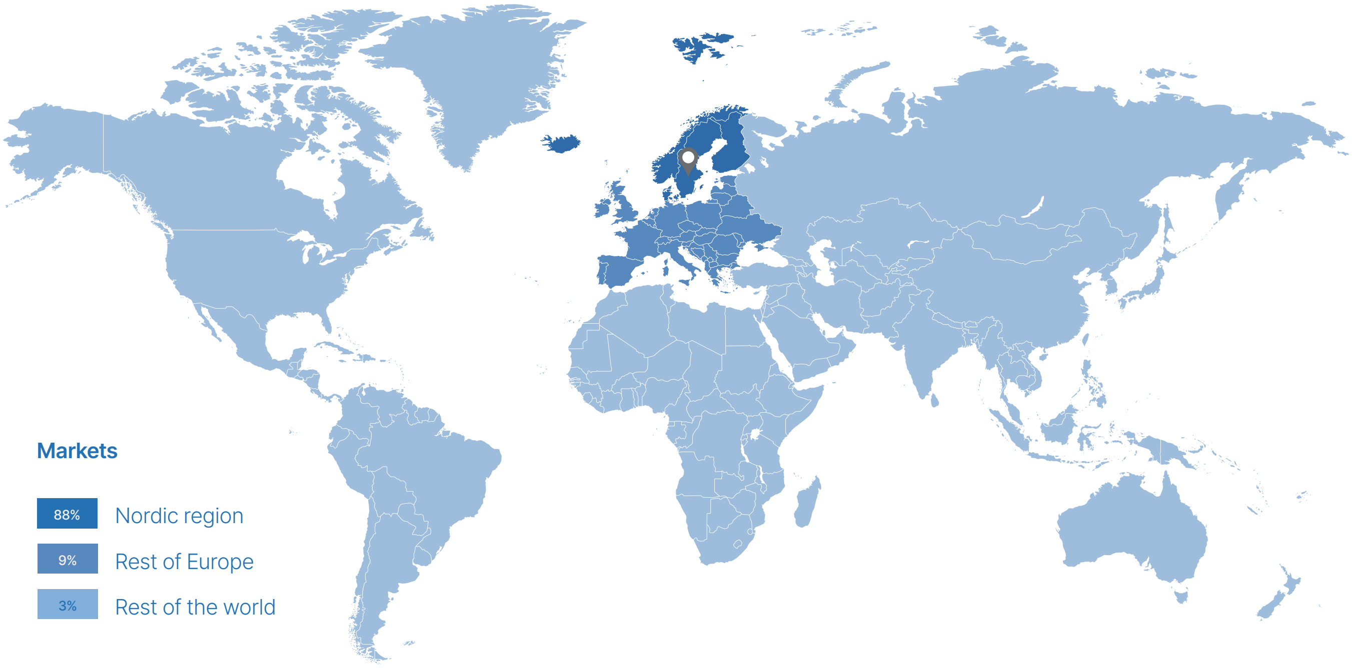
The business unit is made up of Kuggteknik, Kungsörs Mekaniska Verkstad (KMV), Lasertech, LK Precision, Mikroverktyg, Modellteknik and Resinit.

KMV specialises in internal machining, primarily precision drilling. LK Precision and Resinit produce parts in metal and plastic, mainly for medical technical equipment.

Mikroverktyg manufactures precision components and transmission parts in short production runs. Kuggteknik complements Mikroverktyg with automated operations for higher volumes.

Modellteknik specialises in the manufacture of prototypes, forming tools and the production of short series of items. Lasertech is a leader within industrial 3D printing and laser welding in metal.

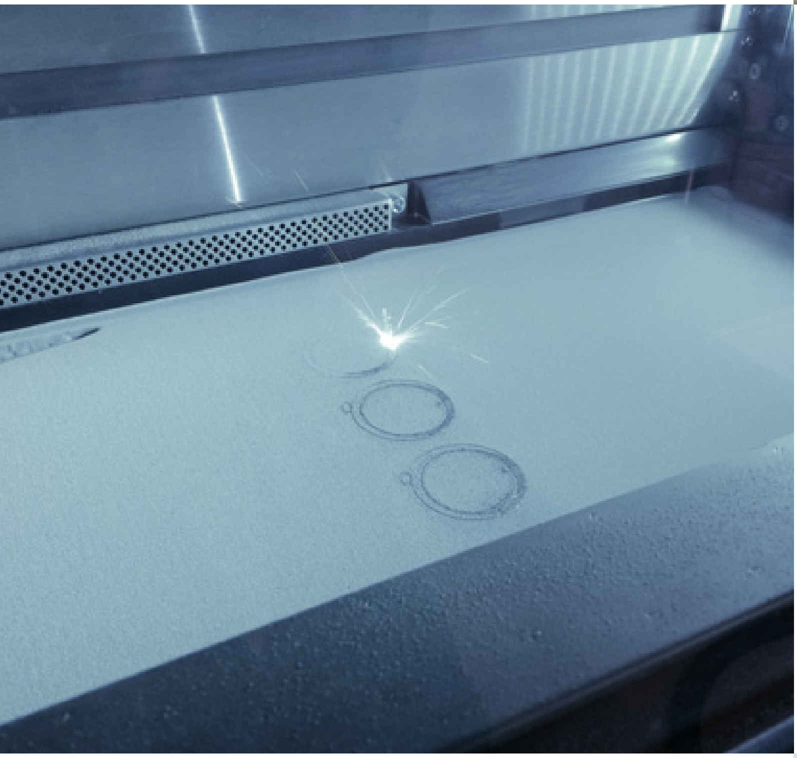




Core drilling at KMV

KMV's investment in core drilling is an important part of its sustainable business offering. The method not only promotes more efficient production but also helps to reduce material consumption and the management of offcut materials. Instead of producing chips as in traditional deep hole drilling, core drilling creates a solid 'core' that can be used directly or sold on, adding value for both customers and the planet.

Read more on xano.se.



3D printing & digital inventories

Lasertech specialises in additive manufacturing (3D printing) and digital inventories, a combination that is revolutionising the way products are designed, manufactured and distributed. Storing product data digitally eliminates the need for large inventories and allows products to be manufactured on demand. This reduces inventory costs while increasing flexibility and making it easier to respond quickly to market needs – which benefits both the environment and customers.

Read more on xano.se.

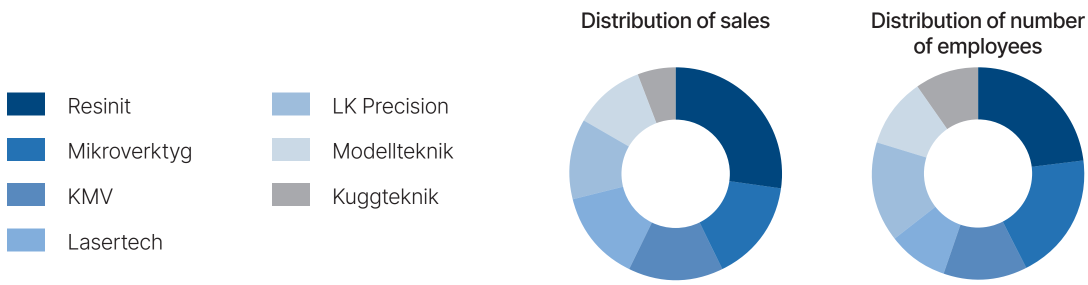
Growth in the defence industry

The defence industry offers new business with significant growth opportunities for Precision Technology at a time when demand from other sectors has shown some signs of slowing. All companies within the business unit currently serve defence customers to varying degrees, and through collaboration across the Group, resources and technical expertise are leveraged effectively to meet the unique quality and performance requirements of defence clients.

Read more on xano.se.

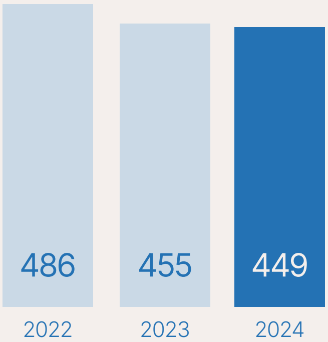
Precise precision

Precision Technology offers advanced machining in metal and polymeric materials for demanding industrial segments. High-tech CNC processes, industrial 3D printing and laser welding are used to manufacture complex components with maximum precision and quality. With end-to-end solutions from project management to production and testing, Precision Technology serves global operators in the medtech, defence, aerospace, automotive and energy sectors.



Net sales
(SEK m)

449



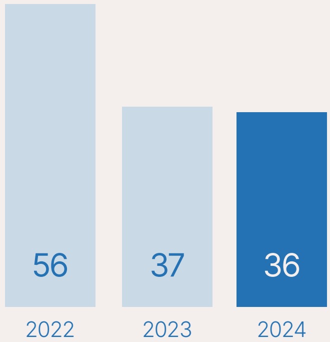
Employees
(at year-end)

240

(239)

Operating profit
(SEK m)

36



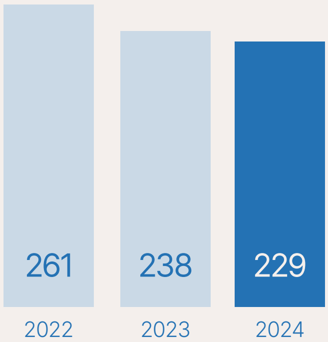
Growth
(%)

-1.4

(-6.3)

Employees
(average)

229



Operating margin
(%)

8.1

(8.1)

Business unit offering

The companies in the business unit work primarily with cutting machining in metal and plastic. The joint offering encompasses the manufacture of complex components in short and long production runs, as well as the production of models, prototypes, tools and fixtures. Other production services supplied include industrial 3D printing (also known as additive manufacturing) and laser welding.

Cutting machining is performed using various methods and for products in many different industrial segments. One thing that the processes have in common is that material is machined away from solid pieces to produce components with specific geometric shapes. During manufacturing, multi-operation machines are normally used that are controlled by a CNC system (Computer Numerical Control). A multi-operation machine is an advanced machine tool with automatic tool changes, which carries out operations such as milling, drilling and thread-cutting. Tools and methods are selected based on the design, function and finish of the final component, as well as the quantity that are to be produced.

3D printing is a flexible manufacturing process for producing components regardless of their geometry, which also delivers several other benefits. The method does not require any tools, there is minimal material waste and it is possible to integrate functions in a way that is not possible using more conventional production methods. Laser welding offers the potential to join different components together, either edge-to-edge or with an overlap.

The business unit offers all-inclusive solutions including everything from technical innovation and project management to production and verification. Mechanical machining is supplemented with associated services such as non-destructive testing, laser marking and laser hardening, 3D construction, control measurement and assembly.

Customer structure

The dominant customer sector is the medical technology and pharmaceuticals industry, with world-leading companies making challenging demands. Within the infrastructure sector, deliveries are made to high-tech customers within e.g. the aerospace industry. Customers within the automotive sector comprise global companies, with the emphasis on heavy vehicles. Long-term collaborations also exist within the offshore and power industry, as well as in relation to innovative energy solutions, food handling, safety and protection.

Reflections and insights

Peter Elgh has overall responsibility for operations within the Precision Technology business unit. Here, he summarises his reflections on the past year.

Market conditions
In the business unit's established sectors, such as medtech and automotive, order intake remained cautious, particularly from our larger customers. The business climate in other sectors was also relatively weak, but compared with the previous year, there was a higher level of activity among several smaller operators. The growth trend for defence-related production was further reinforced with all business unit companies becoming increasingly involved.

Several companies within the business unit possess the technical resources and expertise to become involved early in customers' production cycles, offering services such as prototyping and trial runs. The weak economy resulted in a slower pace of development, with fewer project initiations and many customers postponing new product launches, which in turn limited our growth opportunities.

As in previous years, the defence sector is the only sector that is bucking the trend. It is a demanding sector with high expectations of reliability at all stages, but the business unit's companies, with their combined experience and technical expertise, can deliver solutions that meet the projects’ specific precision and quality requirements. Overall, we saw a slight decline in volumes but stronger margins compared to the previous year.

Organisational optimisation
Due to changing conditions in traditional areas of activity, both human and technical resources have undergone thorough evaluation. In general, the businesses have found it difficult to respond effectively to shifts in demand and delays in ongoing projects. The adaptation of organisations therefore continues through cost savings and improvement of internal processes. For further optimisation, activities are also being coordinated.

In parallel with the cost-cutting activities, aggressive investments are being made in new business niches and customer groups. In recent years, growth has been strong in the defence sector, where all of the business unit's companies now have work in progress. In future work, the focus will be on increasing market shares in other sectors through both new collaborations and expanded commitments with existing customers.

New business opportunities
The Companies' strategic sales efforts have generated leads for future assignments, with several promising inquiries and development projects. In the start-up phase, new businesses are resource-intensive and make limited contributions, but margins strengthen as they scale up. Overall, there is great potential for growth through new assignments spread across various sectors.

To create added value and new business opportunities, our companies continue to work on integrating sustainability into their respective operations in a more concrete manner. One example is KMV's investment in core drilling, which is a more sustainable alternative to traditional drilling. The method provides both shorter machining processes and significantly lower amounts of material offcuts, as the core that is drilled out can be used immediately in new production.

Additive technology, or 3D printing, is another sustainable manufacturing method used by Lasertech. The technology enables efficient management of demand-based production, minimising material use and reducing customer stock levels.

The specific benefits of additive technologies serve as a unifying factor for the business unit's companies. Despite their different profiles, in many cases they have common customer segments and assignments with similar challenges, and new technologies create sustainable business opportunities on several fronts.

Developing sustainable businesses and value chains is a common focus for the business unit's companies. To facilitate the transition and enable change, collaboration is constantly expanding both internally and externally. Through the continuous development of processes and technologies, efficient and innovative solutions are created for a more sustainable future.

Three priorities for 2025

1 Becoming established in new customer segments.

2 Developing shared business opportunities via additive technologies.

3 Strengthening collaboration for a sustainable value chain.

Kuggteknik
Sweden
Kuggteknik works with cutting machining and manufactures geared products made of metal. The business specialises in small gears and transmission products in recurring series for demanding industrial customers. The production includes both prototypes and volume manufacture with narrow tolerances. Kuggteknik's customers are mainly found within the fields of tool and machine manufacture, medical technology, packaging industry and defence.

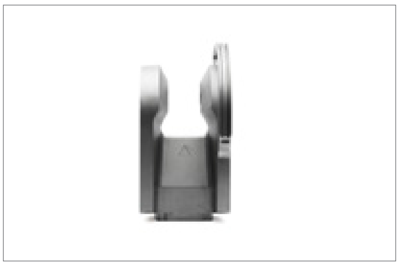
Net sales	*SEK m*	25.0
Growth	*%*	-2.2
Employees	*average*	22

Kungsörs Mekaniska (KMV)
Sweden
KMV specialises in internal machining of long components, primarily precision drilling. The company drills holes in lengths of up to 14 metres with diameters ranging from 2 mm up to 600 mm. Examples of products include machine tubes, cylinders, pistons and piston rods for the hydraulic industry. Production assignments are also carried out within the packing and medical technology sectors.

Net sales	*SEK m*	65.6
Growth	*%*	-12.9
Employees	*average*	29

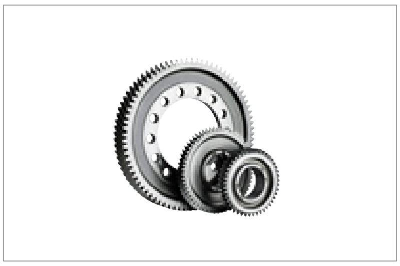
Lasertech
Sweden
Lasertech is a leading company within industrial 3D printing and laser welding in metal. The range of services also includes non-destructive testing, laser marking and laser hardening. Lasertech's customer structure encompasses companies in the automotive, defence and medical technology sectors.

Net sales	*SEK m*	62.6
Growth	*%*	+16.4
Employees	*average*	21



LK Precision
Sweden
LK Precision is a precision company that produces complicated components from metallic materials in small and medium-sized runs. High-tech expertise combined with leading edge technology in the field of cutting machining means that the company can offer tailored production solutions, above all as a contract manufacturer for the large medical technology companies as well as within the defence and aerospace industries.

Net sales	*SEK m*	55.2
Growth	*%*	-3.1
Employees	*average*	35



Mikroverktyg
Sweden
Mikrovertyg is a prototype manufacturer that focuses on cutting machining, with specialist expertise regarding precision components and transmission parts such as toothed gears, splines and racks. The company also manufactures fixtures, tools, measuring devices, hydraulic components, spare parts and other components demanding high levels of precision. The most important target sectors are construction machinery, automotive and defence.

Net sales	*SEK m*	70.1
Growth	*%*	-13.2
Employees	*average*	45

Modellteknik
Sweden
Modellteknik is an engineering company holding leading-edge expertise in advanced cutting machining and mould manufacturing. The business possesses resources for the manufacture of prototypes, 3D design, control measurement and product development, as well as cutting machining in short and medium-sized runs. Its customers are primarily in the automotive and defence sectors.

Net sales	*SEK m*	49.4
Growth	*%*	-7.0
Employees	*average*	24

Resinit
Sweden
Resinit's speciality is difficult-to-process plastic materials with high demands regarding quality and delivery reliability. The company offers all-inclusive solutions where mechanical processing is supplemented with associated services, primarily assembly, and mainly targets international players within sectors such as medical technology, food, defence and power, as well as other technical industry.

Net sales	*SEK m*	123.7
Growth	*%*	+9.8
Employees	*average*	53

Corporate governance report 2024

XANO INDUSTRI AB (PUBL)

Swedish Corporate Governance model

Corporate governance in Swedish listed companies is regulated by a combination of written rules and generally accepted practices. The framework includes the Swedish Companies Act ("the Act") and the rules that apply in the regulated market in which the company's shares are quoted. In addition, all listed Swedish companies have been covered by the Swedish Corporate Governance Code ("the Code") since 2008 with the latest revised version in force from 1 January 2024. https://bolagsstyrning.se/

The Act stipulates that the company must have three decision-making bodies: the shareholders' meeting, the Board of Directors and the CEO. There must also be a controlling body, an auditor, who is appointed by the shareholders' meeting. The Act stipulates which tasks the respective bodies have and which responsibilities fall upon the people making up the bodies. The Code complements the Act by setting higher requirements in certain areas, but also by making it possible for companies to deviate from these in specific circumstances if this will lead to better corporate governance.

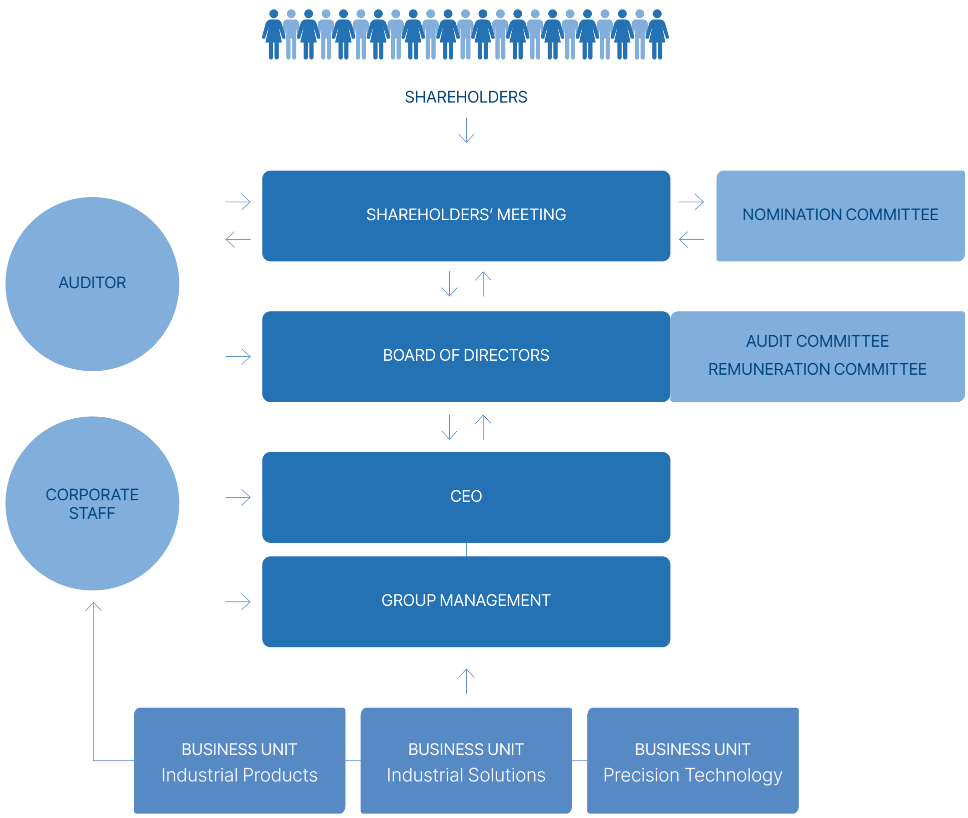
Corporate governance at XANO

XANO Industri AB (publ) is a Swedish public limited company whose overall goal is to generate long-term value for its shareholders and other stakeholders. XANO's Class B share is listed on Nasdaq Stockholm in the Mid Cap segment. The information requirements to which XANO is subject as a result of this can be found in the "Nordic Main Market Rulebook for Issuers of Shares" published by the stock exchange.

XANO has been covered by the Code since 2008. This corporate governance report describes XANO's corporate governance, management and administration, in addition to the internal controls that are in place concerning financial reporting.

Shareholders

At the end of 2024, there were 5,102 shareholders in XANO, of which 4,990 were physical persons representing 14.5 per cent of the votes and 36.7 per cent of the capital. Institutional holdings constituted 4.5 per cent of the votes and 14.5 per cent of the share capital. The ten largest shareholders accounted for 94.2 per cent of the votes and 80.9 per cent of the capital. As of the closing day, there were two shareholders who each owned and controlled more than 10 per cent of both capital and votes in the company. Anna Benjamin controlled 56.9 per cent of the votes and 27.1 per cent of the capital. Pomona-gruppen AB held 29.2 per cent of the votes and 28.2 per cent of the capital.



Shareholders' meeting

The shareholders' meeting is the forum in which the shareholders' influence is exercised. It is the company's highest decision-making body and has a superior position in relation to the company's Board and the CEO. According to the Articles of Association, notices convening a shareholders' meeting must be issued through advertising in the Official Swedish Gazette and on the company website. Confirmation that notices convening the meeting have been issued must be published in Dagens Industri.

Annual General Meeting

The Annual General Meeting (AGM) assembles once a year in order to decide on matters such as the adoption of the annual report and consolidated financial statements, the discharge of the Board of Directors and CEO from liability and to decide on the allocation of profits from the previous year. The meeting also elects the Board of Directors and auditors. All shareholders who are directly registered in the share register and who have notified their attendance in time can attend the meeting and vote on behalf of all their shares. Shareholders who are unable to attend themselves may be represented by a proxy.

Annual General Meeting 2024

XANO's 2024 AGM was held on Thursday 16 May. 41 shareholders, whose holdings corresponded to 93 per cent of the votes and 77 per cent of the number of outstanding shares, were represented in the meeting. The following key decisions were made:

» Cash dividends of SEK 1.00 per share, to be paid at two separate occasions with SEK 0.50 in May and SEK 0.50 in November.
» Re-election of Board members Fredrik Rapp, Petter Fägersten, Per Rodert and Anna Benjamin, Jennie Hammer Viskari and Pontus Cornelius. New election of Vibeke Gyllenram. Re-election of Fredrik Rapp as Chair of the Board.
» Election of the registered auditing company KPMG AB, Jönköping, with authorised public accountant Olle Nilsson as auditor in charge.
» Composition of the nomination committee ahead of the 2025 AGM.
» Authority for the Board of Directors to decide on repurchase and transfer of the company's own shares.
» Authority for the Board of Directors to decide on new share issue.
» Issue of personnel convertibles.

Annual General Meeting 2025

XANO's 2025 AGM will take place on Thursday 15 May at 16:00 in Jönköping. Further information can be found on page 59 of the annual report for 2024 and on the website xano.se.

Board of Directors

The task of the Board of Directors is to manage the company's affairs on behalf of the shareholders. According to the Articles of Association, the Board must be made up of at least three and no more than eight members. The 2024 AGM decided that there should be seven members. The Board of Directors currently consists of Fredrik Rapp (Chair), Petter Fägersten, Per Rodert, Anna Benjamin, Jennie Hammer Viskari, Pontus Cornelius and Vibeke Gyllenram. Fredrik Rapp, Anna Benjamin and Petter Fägersten are considered dependent in relation to major shareholders. Other members are judged to be independent in relation to both major shareholders and the company and the company management. The Articles of Association do not contain any specific regulations concerning the appointment and dismissal of Board members or changes to the Articles of Association. The work of XANO's Board of Directors is governed both by laws and recommendations and by the Board's rules of procedure, which are adopted once a year. These rules of procedure contain rules concerning matters such as the distribution of work between the Board of Directors and the CEO, financial reporting and investments.

The Board of Directors held eight meetings during 2024. Each ordinary meeting considers the following fixed items: review of the minutes of the previous meeting, general review of the business units with follow-up on the latest report and comparison with the forecast as well as financing and liquidity. In addition to fixed reporting items, the Board of Directors also decides on issues of a more general nature, such as the Group's strategy, structural and organisational matters, policies, guidelines, acquisitions and major investments.

The company's auditor participates in at least one of the Board's meetings each year. The auditor's observations arising from the audit of the company's accounts, procedures and internal controls are presented at this meeting.

In addition to the fixed items mentioned above, the programme for 2024 included the following main items:

No. 1 – 8 February
Year-end report 2023, report from audit committee, the auditor's report of the general observations arising from the audit of the 2023 financial statements, formalities related to the upcoming AGM.

No. 2 – 26 March (digital)
Follow-up of results, acquisition discussions.

No. 3 – 25 April
Interim report 3 months, revised forecast for 2024, report from the remuneration committee, investments, prerequisites prior to the AGM, visit at and in-depth information on Modellteknik.

No. 4 – 9 July (digital)
Interim report 6 months, investments.

No. 5 – 4 September
Allocation of personnel convertibles, follow-up of results.

No. 6 – 26–27 September
Group strategy, revised forecast for 2024, visit at and in-depth information on Graniten, business unit strategies.

No. 7 – 31 October (digital)
Interim report 9 months, investments.

No. 8 – 12 December
Budget for 2025, sustainability, strategy follow-up.

In December 2024, the Board of Directors adopted an updated Code of Conduct, as well as a new Environmental Policy and a Climate Transformation Plan. The Code of Conduct describes the Group's values and the accountability expected from employees and partners. The policy sets out the minimum standards to be observed by the Group's companies and the suppliers that wish to cooperate with them. The Code of Conduct is part of a context in which the Environmental Policy expands on the Group's positions. The Climate Transition Plan summarises the Group's overall perspective and strategic focus on the sustainable transition.

Audit committee

The task of the audit committee is to prepare the Board's work by quality assuring the company's financial reporting, regularly meeting the company's auditor to inform themselves of the audit's direction and scope, as well as discussing the co-ordination between the external audit and the internal controls and the view of the company's risks, setting guidelines for which services other than auditing may be handled by the company's auditor, evaluating the audit work and informing the company's nomination committee of the outcome of the evaluation as well as assisting the nomination committee in its proposals for auditor and fees for audit work.

XANO's audit committee comprises the Board members Anna Benjamin, Pontus Cornelius and Per Rodert (Committee Chair).

Remuneration committee

The task of the remuneration committee is to prepare issues relating to remuneration and other employment conditions for Group management and business unit managers.

XANO's remuneration committee comprises the Chair of the Board Fredrik Rapp (also Committee Chair) along with Board members Petter Fägersten and Jennie Hammer Viskari.

CEO

The Board appoints the CEO to take care of the day-to-day administration of the company. The current CEO, Lennart Persson, took up the position on 1 July 2014 after having been Deputy CEO since 2005.

Group management

In 2024, Group management consisted of CEO Lennart Persson and CFO Marie Ek Jonson.

Corporate staff

There is a staff function reporting directly to the CEO, which is responsible for business development, finance, insurance, purchasing, IT, communications, consolidated financial statements and group-wide administration. This is where projects involving all or a number of the Group's companies are managed. Guidelines and policies regulating work at the subsidiaries are drawn up in the respective areas.

Business units

In 2024, the Group was made up of three reporting business units: Industrial Products, Industrial Solutions and Precision Technology. The operational management for the business units reports directly to the CEO. Through Group staff functions, supporting documentation for decisions for the Board and CEO are collated within other areas.

Nomination committee

The nomination committee is the body of the shareholders' meeting with the task to prepare decisions to be made by the meeting concerning appointment and remuneration matters and, where applicable, procedural issues for the next nomination committee.

Following a proposal by the main shareholders Anna Benjamin and Pomona-gruppen AB, which together represented 86 per cent of votes and 55 per cent of the capital in XANO, a nomination committee was appointed by the 2024 AGM composed of Tomas Risbecker as chair, along with Stig-Olof Simonsson and Anna Benjamin.

The task of the committee prior to the 2025 AGM is to nominate a Chair of the Board and other Board members, auditor, a chair for the AGM, and to propose fees for the Board and auditor. In its proposal, the committee will nominate the most qualified Board members for the company, based on an overall assessment of relevant expertise and experience, and must pay particular attention to the demand for diversity and breadth in the Board, as well as endeavour to achieve an even gender distribution. In its proposal, the nomination committee has in particular complied with and taken into account point 4.1 of the Swedish Corporate Governance Code.

The nomination committee has evaluated the work of the Board with the aid of a questionnaire as well as personal discussions with the members of the Board. The results of the evaluation have been communicated to the Chair of the Board.

In preparation for the 2025 AGM, the Nomination Committee has held six formal meetings and conducted additional deliberations when necessary.

Auditor

A registered auditing company, or one or two auditors of whom at least one must be an authorised public accountant, must be elected by the shareholders' meeting to examine the company's annual report, the consolidated financial statements and accounts as well as the administration by the Board and CEO. The auditor's report to the shareholders is presented at the AGM.

The ordinary auditors' election for XANO last took place at the AGM in 2024 for the term of office up until the AGM in 2025. The AGM elected the registered auditing company KPMG AB with authorised public accountant Olle Nilsson as auditor in charge. Alongside the work for XANO Industri AB, Olle Nilsson undertakes auditing work for companies including KABE Group AB, Väderstad AB and Ahlstrom Sweden AB.

Deviations from the Code

For 2024, a deviation from the Code is reported as the Nomination Committee revised its proposal for the election of the Board of Directors after notice to the AGM had been given. The reason for the deviation was to ensure relevant expertise and fulfil the requirement for diversity

Composition of the Board of Directors and Committees as of 31 December 2024

Name	Elected	Board function	Independent in relation to the company and company management	Independent in relation to major shareholders	Participation in Board meetings 2024	Participation in Remuneration Committee meetings 2024	Participation in Audit Committee meetings 2024 [2]	Board fee including committee remuneration, SEK
Fredrik Rapp	2004	Chair	Yes	No [1]	8 (8)	1 (1)	–	385,000
Anna Benjamin	2016	Vice Chair	Yes	No [1]	8 (8)	–	4 (4)	295,000
Pontus Cornelius	2022	Board member	Yes	Yes	8 (8)	–	4 (4)	295,000
Petter Fägersten	2011	Board member	Yes	No [1]	8 (8)	1 (1)	–	280,000
Vibeke Gyllenram	2024	Board member	Yes	Yes	5 (5)	–	–	260,000
Jennie Hammer Viskari	2022	Board member	Yes	Yes	8 (8)	1 (1)	–	280,000
Per Rodert	2013	Board member	Yes	Yes	8 (8)	–	3 (4)	315,000
								2,110,000

[1] *Fredrik Rapp and Anna Benjamin are considered to be dependent in relation to major shareholders in their capacity as shareholders. At an overall assessment, the same applies to Petter Fägersten.*

[2] *The Audit Committee held four meetings for which decisions were summarised in minutes. Committee members have also participated in further meetings where briefings were given by the Group's auditor.*

More information on Board members and company management is given on pages 144–146.

and breadth on the Board, and to strive for an even gender distribution. Based on these criteria, the Nomination Committee had for some time seen Vibeke Gyllenram as a prioritised candidate, but she did not become available for Board assignments until after the notice period had expired.

Principles for the remuneration of senior executives, incentive schemes, etc.

The full guidelines for remuneration and other terms of employment for senior executives are described in Note 5 for the Group, on pages 75–76.

The guidelines are applied to employment contracts entered into after the 2022 Annual General Meeting and to changes made thereafter to ongoing employment contracts. With the exception of restriction principles for variable remuneration and the definition of pensionable salary, the guidelines are applied in existing agreements with senior executives.

Remuneration for the CEO and other senior executives consists of basic salary, variable remuneration, other benefits and pension premiums. "Other senior executives" refers to the CFO who, together with the CEO, makes up the Group management.

There are no outstanding share or share price-related incentive schemes for senior executives.

Internal controls concerning financial reporting

In accordance with the Act and the Code, the Board is responsible for internal controls which aim to protect the company's assets and thereby the shareholders' investments.

Financial reporting

All units report their financial results each month. These reports are consolidated and form the basis of quarterly reports and operational monitoring. This operational monitoring is carried out in accordance with an established structure where incoming orders, invoicing, liquidity, capital tie-up and other key ratios of importance for the Group are collated and form the basis of analysis and action by the management and controllers at various levels. Other important group-wide elements of the internal controls are business plans and the annual forecasting process. For communication with external parties, there is an information policy which is intended to ensure that all information obligations are fulfilled correctly and in full.

Control environment

The primary task of the audit committee is to monitor the accounting and reporting processes and to ensure the quality of these reports and processes. Responsibility for maintaining an effective control environment and the ongoing work relating to risk management and internal controls concerning financial reporting rests with the CEO. In turn, managers at various levels within the company have this responsibility within their respective areas. Responsibilities and authorities are defined in documents including CEO instructions, instructions concerning authorisation rights, manuals and other policies, procedures and codes. The Board of Directors establishes the Group's key policies concerning communications, credit, financing and risk management. The Group management establishes other policies and instructions, and responsible corporate functions issue guidelines and monitor the application of the regulations.

The Group's accounting and reporting rules are set out in a finance manual which is available to all finance personnel. Together with laws and other external regulations, the organisational structure and internal regulations constitute the control environment.

Risk assessment

XANO regularly analyses risks by reviewing the risk of errors within the financial reporting of important profit/loss and balance sheet items. Operational risks are also assessed.

Control activities

The purpose of control activities is to identify, prevent and correct errors and deviations. Policies and guidelines are particularly important for accurate accounting, reporting and information provision and also to define the control activities that must be carried out. XANO policies and guidelines are updated on an ongoing basis both in documents and through meetings. Control activities cover areas such as attestation procedures, account reconciliation, analytical follow-up and the control of IT systems. Every unit is also visited regularly by representatives from the business unit and Group management teams during which the internal controls and financial reporting are evaluated. The Group management reports the result of its work on internal controls to the Audit Committee.

In 2024, internal control work principally related to information security and follow-up on procedures related to employer responsibilities and purchase. In addition, IT security training and vulnerability testing of the Group's systems continue.

Monitoring

The Group management and controllers monitor the financial reporting and key business events on an ongoing basis. At each Board meeting, financial developments are reviewed against forecasts and an assessment is made as to what extent approved investments are following established plans. The audit committee evaluates the internal controls, company code and key accounting issues on an ongoing basis. The company's auditor participates in at least one Board meeting and one audit committee meeting each year to present the auditor's observations.

XANO has so far not considered it necessary to establish a separate internal audit function. The work relating to internal controls is carried out within the framework of other activities and primarily takes place using central resources. It is the company's view that this evaluation largely corresponds to the work that is performed by an internal audit function in other companies. Certain aspects of the internal controls are reviewed by the auditors on an ongoing basis. The matter of a separate internal audit function will be reviewed again during 2025.

Jönköping, 19 March 2025

Fredrik Rapp
Chair of the Board

Anna Benjamin
Vice Chair of the Board

Petter Fägersten
Board member

Per Rodert
Board member

Jennie Hammer Viskari
Board member

Pontus Cornelius
Board member

Vibeke Gyllenram
Board member

Auditor's report on the corporate governance statement

To the general meeting of the shareholders in XANO Industri AB (publ), corporate identity number 556076-2055

ENGAGEMENT AND RESPONSIBILITY

It is the board of directors who is responsible for the corporate governance statement for the year 2024 on pages 54–57 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT

Our examination has been conducted in accordance with FAR's auditing standard RevR 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

OPINIONS

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Jönköping, 21 March 2025

KPMG AB

Olle Nilsson
Authorised Public Accountant

Shareholder information

ANNUAL GENERAL MEETING

The Annual General Meeting (AGM) will take place at 16:00 on Thursday 15 May 2025 in Jönköping.

Shareholders wishing to participate in the AGM must be registered in the shareholders register maintained by Euroclear Sweden AB on 7 May 2025, and must notify the company of their intention to participate in the meeting in the manner and not later than the date specified in the convening notice.

DIVIDEND

The Board of Directors proposes to the AGM that no dividend be paid for the 2024 financial year.

NOMINATION COMMITTEE

A nomination committee was appointed at the 2024 AGM consisting of Tomas Risbecker (Chair), Stig-Olof Simonsson and Anna Benjamin. The task of this committee prior to the 2025 AGM is to nominate a Chair of the Board and other Board members, auditor, a chair for the AGM and to propose fees for the Board and auditors.

FINANCIAL CALENDAR

8 May
Interim report 1 January–31 March 2025

10 July
Interim report 1 January–30 June 2025

30 October
Interim report 1 January–30 September 2025

5 February
Year-end report 2025

INFORMATION MATERIAL

Printed information is distributed to those shareholders who notify the company that they wish to receive such information. Notification must be submitted by email to ir@xano.se or by telephone on 036-31 22 00.

Subscription for press releases is registered via www.xano.se under "Investors". Reports and press releases can also be found on the website, available to read and download.

Financial information

FINANCIAL INFORMATION

Directors' Report

The Board of Directors and the CEO of XANO Industri AB (publ), with corporate identity no. 556076-2055 and registered office in Jönköping, Sweden, hereby submit the annual report and consolidated financial statements for the 2024 financial year.

The information in this annual report refers to continuing operations unless otherwise indicated.

Operations
XANO develops, acquires and operates manufacturing businesses with unique or market-leading products and systems with related services.

Revenue and profit
Net revenue totalled SEK 3,315 million (3,431). Adjusted operating profit amounted to SEK 174 million (294), corresponding to an adjusted operating margin of 5.3 per cent (8.6). Operating profit amounted to SEK 183 million (301), corresponding to an operating margin of 5.5 per cent (8.8). Profit before tax was SEK 115 million (226).

Items affecting comparability
Items affecting comparability totalled SEK 9 million (7) and include costs for restructuring activities of SEK -35 million (–), items related to business combinations of SEK 75 million (-3) and other items of SEK -31 million (10).

Share data and key figures
Basic earnings per share were SEK 1.69 (3.01). Equity per share was SEK 28.99 (27.91). The average number of outstanding shares was 59,264,032 (58,302,218). The equity/assets ratio was 45 per cent (44) at the end of the period. The average number of employees was 1,411 (1,381).

Important events during the year
On 22 March, XANO acquired the automation company Graniten Engineering AB, based in Uddevalla, Sweden. Graniten develops and produces high technology solutions for automation processes. Its customers are leading players in pharma, medtech and healthcare, mainly located in Europe. The company has 60 employees and annual sales totalling approx. SEK 125 million. Graniten is a part of XANO's Industrial Solutions business unit. Graniten is long known for the manufacture of case packers and the development of automation solutions. Networking in pharma, medtech and other industries offers additional growth opportunities for both Graniten and its new sister companies. Graniten will also continue to work with existing business opportunities in contract manufacturing. Consolidation is effective as of 22 March 2024. The acquisition is initially expected to have a marginal impact on XANO's earnings per share.

On 5 April, XANO acquired the renowned rotational moulding company Dansk Rotations Plastic ApS (DRP). Based in Kalvehave, Denmark, DRP has been developing and manufacturing rotomoulded polymer products for over 50 years. The company's services include everything from design and toolmaking to production and post-processing. Its customers are leading companies involved in cleantech, chemical industry, lighting and furniture manufacturing, mainly located in Denmark. DRP's sales are evenly distributed between customer-specific assignments and in-house developed products in industry, agriculture, cleantech and leisure. The company has 25 employees and annual sales totalling approx. DKK 40 million. DRP is a part of XANO's Industrial Products business unit, which includes companies that work in polymer materials and have a strong focus on sustainability. DRP complements operations at Cipax by adding expertise and production capacity, as well as providing access to new markets. Cipax already has a strong position in the Nordic region and Northern Europe. The acquisition creates new business opportunities for the proprietary product ranges in the industry, marine and cleantech segments at both Cipax and DRP. Consolidation is effective as of 5 April 2024. The acquisition is expected to have a marginal impact on XANO's earnings per share. In connection with the acquisition, 179,442 own Class B shares were transferred. After this transaction, XANO holds 329,690 own class B shares corresponding to 0.6 per cent of total share capital.

On 16 May 2024, the Annual General Meeting of XANO Industri AB resolved to approve the Board of Directors' proposal to issue a maximum of 400,000 convertible bonds corresponding to a maximum nominal value of SEK 35 million, with a maturity from 1 October 2024 to 30 September 2027. With deviation from the shareholders' preferential rights, the right to subscribe for convertible bonds was only granted persons who are employed or otherwise engaged on a permanent basis by XANO Industri AB (publ) and its subsidiaries. Registration for subscription was made during the period 22–30 August 2024. The convertible bond programme generated great interest, and the issue was oversubscribed by approx. 25 per cent. Employees within the XANO Group have been allotted 330,180 convertible bonds at a price of SEK 106, corresponding to a total nominal value of SEK 34,999,080. The interest rate on the convertible bond amounts to STIBOR 3M plus 2.00 percentage points and is paid annually in arrears. Each convertible bond can be converted into one Class B share in XANO Industri AB during the period 1–12 September 2027. If all convertible bonds are converted into shares, the dilution will be approx. 0.6 per cent of the share capital and approx. 0.2 per cent of the voting rights based on the current total number of shares. On 1 October, 330,180 convertible bonds corresponding to a total nominal value of SEK 35 million were issued to employees within the XANO Group. The convertible bond programme runs until 30 September 2027.

In October, all the shares in XANO Fastigheter Ljungarum AB were divested. The company owns an industrial property in Jönköping, Sweden. On an ongoing basis, the divestment will have a small impact on XANO's earnings and financial position. The purchase price, which was paid in cash, amounted to SEK 73 million and brought a capital gain of SEK 66 million. The sale entails an increased capital scope and is part of XANO's continued work with aggressive transformation through investments in product development and innovations as well as through acquisitions and establishment in new geographical areas and market niches.

Events after the end of the year

In February 2025, Marilyn Lindh, Chief Sustainability Officer at XANO, was appointed member of the Group Management, which since before included Lennart Persson, President and CEO, and Marie Ek Jonson, CFO. There are no other individual events of major significance to report after the closing day.

Activities and organisation

The XANO Group consists of engineering companies offering manufacturing and development services for industrial products and automation equipment. The Group is represented in the Nordic countries, Estonia, the Netherlands, Poland, China, the USA and Australia. The companies all operate within well-defined niches and possess a high level of expertise within their respective technical areas. In 2024, the Group's operations were divided into three business units: Industrial Products, Industrial Solutions and Precision Technology.

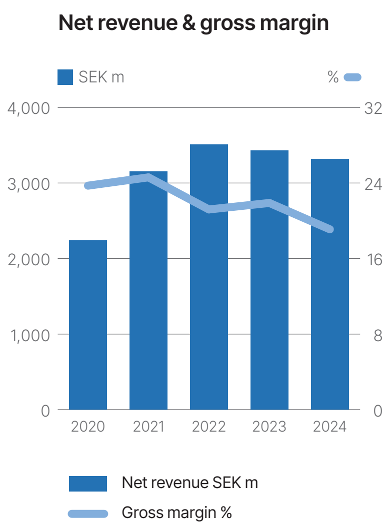
The Industrial Products business unit consists of Ackurat, Blowtech, Cipax, Dansk Rotations Plastic (DRP) and Pioner Boat. Operations comprise the development, manufacture and sale of plastic components and systems produced by means of rotational moulding, injection moulding and blow moulding. Deliverables include both customer-specific and proprietary products mainly for the automotive, agriculture and infrastructure sectors.

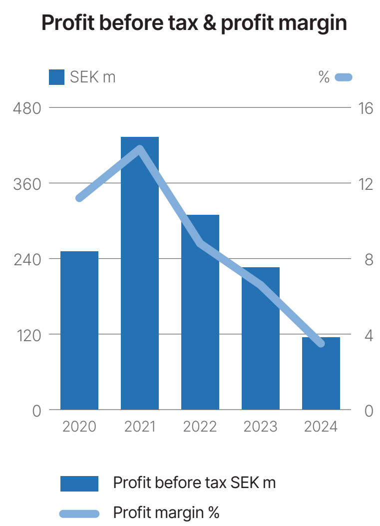
Companies within the Industrial Solutions business unit supply in-house developed automation solutions, such as packaging machines, accumulators and conveyor systems, to the packaging and food industries. Operations also include industrial end-to-end production software solutions as well as contract assignments for advanced industrial products in small and medium-sized production runs. The business unit consists of Canline, Case Packing Systems (CPS), CIM, Fredriksons, Graniten, Integrated Packaging Solutions (IPS), Jorgensen, Lundgren Machinery, NPB and Polyketting.

The Precision Technology business unit includes Kuggteknik, Kungsörs Mekaniska Verkstad (KMV), Lasertech, LK Precision, Mikroverktyg, Modellteknik and Resinit. Operations cover advanced cutting machining, laser welding and 3D printing for the production of components with stringent requirements for quality and precision. Production primarily comprises low to medium volume runs of parts and systems within sectors such as medical technology, defence and infrastructure.

The Group's development during the year

Overall, the past year presented significant challenges from various perspectives. In organic terms, full-year volumes decreased by approximately 10 per cent, but with the addition of 7 per cent from acquired units, we still achieved revenue close to the previous year's level. However, the margins were considerably worse. The biggest impact came from the challenges faced by several companies in the Industrial Solutions business unit, where market conditions forced extensive restructuring of operations and organisations. In Industrial Products, the outcome was also significantly lower than in the previous year. In the final quarter, however, market developments were judged to be somewhat more favourable in relative terms. We also observed increasingly significant impacts from the adaptation measures implemented. While this was not enough for us to reach our full-year profitability targets, it gives us a positive start to 2025.





Industrial Products

Overall, the business unit reported weak profit performance, largely related to production for the automotive industry in one of the business unit's Norwegian operations. Industry-specific challenges, combined with low productivity and quality shortage costs, prompted far-reaching restructuring measures. Following a period of declining demand from the European agricultural sector, the Group's Dutch unit has also been subject to significant adjustment measures. On the plus side, the latest addition, Danish DRP, showed good growth and profitability. The company also won a major new project involving several of its sister companies. The business unit experienced a positive trend in enquiries and order intake, including a clear upturn in the Norwegian boat business towards the end of the year. The share of proprietary products in the total order book is increasing, thereby strengthening margins. Product development continues at a rapid pace, driven by sustainability principles and a shift towards more circular flows.

Industrial Solutions

The significant decline for the can manufacturing industry meant an overall volume decrease of more than 10 per cent and more than 50 per cent for the largest company concerned. The loss of revenue, combined with the costs of adapting to new conditions, had a significant impact on profitability. Our project-related operations had few major assignments in general during the year. Instead, the turnover was distributed over a larger number of smaller projects, which consumed comparatively more resources. In contract manufacturing, growth was hampered in particular by the cautious attitude of established customer segments in China. However, despite generally challenging market conditions, several of the companies managed to maintain good margins through proactive initiatives. In the field of sustainable energy, the business unit has had great success in the past. Operational disruptions and difficulties in scaling up production according to plan have led to productivity and solvency problems for several customers. Large future order volumes have been cancelled but confidence in the sector itself remains. We are exploring new business niches, while the ongoing shift in focus from construction to maintenance is generating growth for our aftermarket services. The development of new geographical markets continues.

Precision Technology

Market conditions in the business unit's traditionally strong sectors, such as medical technology and automotive, remained cautious throughout year. In parallel, growth related to assignments in the defence sector continued to be strong. Overall, both revenue and profitability were only fractionally lower than the previous year. The companies' strategic sales activities have generated inputs for future projects and several interesting enquiries and projects are in progress. The adaptation of organisations continues through cost savings and improvement of internal processes. Activities are also coordinated to achieve further optimisation.

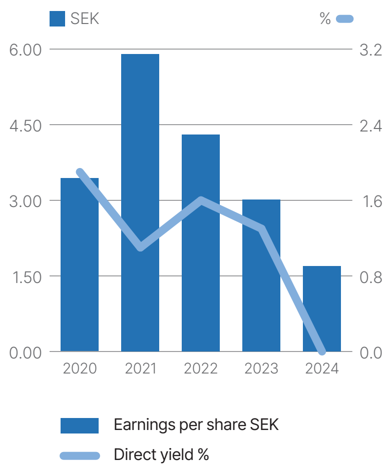
Future development

Although some stabilisation was experienced in parts of our business in the fourth quarter, there are no consistent signs of any significant change in the near future. Therefore, we are continuing to adjust and restructure, albeit on a smaller scale than in 2024. At the same time, we see that past activities are starting to have an impact.

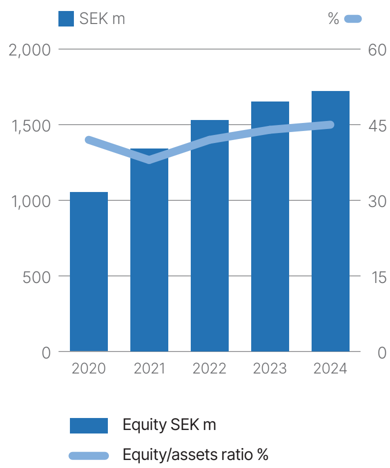
The transition within our companies has led to collaboration with several new customers, resulting in the launch of new production, which will continue moving forward. These investments have a negative impact on profitability in the short term but are expected to generate returns in the latter part of the year.

The sale of a real estate company in the fourth quarter provided a healthy capital injection. The evaluation of similar activities supporting our strategic transition and future initiatives is ongoing.

Earnings per share & direct yield



Equity & equity/assets ratio



Investments

Net investments in non-current assets came to SEK 332 million (378), of which SEK 142 million related to business combinations, SEK 20 million to intangible assets, SEK 78 million to property, plant and equipment, SEK 78 million to right-of-use assets and SEK 14 million to financial assets.

Cash flow and liquidity

Cash flow from operating activities amounted to SEK 172 million (519). Decline in earnings and higher capital tied up in project activities explain the weaker cash flow in relation to the comparison period.

Liquid assets, including lines of credit granted but not utilised, totalled SEK 1,373 million (1,417) on the closing day.

Risks and uncertainty factors

The Group's main risks and uncertainty factors include operational risks associated with customers and suppliers and other external factors such as price risks for input goods. In addition, there are financial risks as a result of changes in exchange rates and interest rate levels.

The Group's operations span many different sectors and customer segments, which generally entails a good spreading of risk. The level of preparedness to make adjustments at short notice is also high. The willingness to invest on the part of some of the Group's major customers is closely linked to the development of the global economy. We are not witnessing any quick turnaround and recovery in the established markets, where we have been experiencing declining trends. Geopolitical unrest in several parts of the world could contribute to higher inflation and price risks, as well as delivery and supply chain disruptions. In addition, there are, among other things, threats from the US to introduce higher import tariffs. XANO works with proactive price and contract management to meet cost increases. By offering manufacturing in its own units outside Sweden, trade barriers can be countered.

A statement on the Group's main financial and operational risks can be found in Note 35 on pages 87–88.

Currency and interest rates

As a result of its international activities, XANO is exposed to currency fluctuations, mainly in DKK, EUR, NOK and USD relative to SEK. The Group's interest-bearing liabilities amounted to SEK 1,146 million (1,115) on the closing day. A detailed description of the Group's financial risks can be found in Note 35 on pages 87–88.

Sustainability

The statutory sustainability report has been prepared separated from the directors' report and can be found on pages 105-143.

Environmental impact

The Group is engaged in activities with a reporting obligation in seven Swedish subsidiaries and activities that require a permit under the Swedish Environmental Code in one Swedish subsidiary. The parent company does not conduct any activities that require a permit. The Group's operations subject to a permit or reporting obligation affect the external environment through the use of materials, chemicals, energy and water, which in turn generate climate emissions and waste. There is also an indirect environmental impact as a result of products, packaging and transport. The nature of the Group's operations, manufacturing processes and products is such that the environmental risks are deemed to be limited. A description of the Group's environmental activities can be found in the sustainability report on pages 105-143.

Research and development

Within the framework of each subsidiary, products and processes are continually developed. Development expenses, which are not significant, are normally written off as they arise. Under certain circumstances, expenses can be capitalised, provided that future economic benefits can be demonstrated, and the expense is of considerable value. The Group does not conduct in-house research.

The share and shareholders

As of the closing day, the total number of shares is 59,640,298, divided between 14,577,600 class A shares and 45,062,698 class B shares. Class A shares give entitlement to ten votes, while class B shares give entitlement to one vote. All shares have equal rights to dividends. As of the closing day, the company holds 329,690 class B shares in own custody.

As of the closing day, there are two shareholders who each owns and controls more than 10 per cent of the votes for all shares in the company. Anna Benjamin controls 56.9 per cent of the votes and 27.1 per cent of the capital. Pomona-gruppen AB holds 29.2 per cent of the votes and 28.2 per cent of the capital.

Convertible bond programme

As of 1 October 2024, convertibles with a nominal value of SEK 34,999,080 and with a due date of 30 September 2027 were issued to employees in the XANO Group. Refer also to Notes 22 and 25.

Work of the Board of Directors

The 2024 AGM decided that the Board of Directors should consist of seven members. The members elected at the AGM include both representatives of XANO's largest shareholders and independent representatives. The CEO and other salaried employees in the Group participate in Board meetings in a reporting or administrative capacity.

During the 2024 financial year, the Board of Directors held eight meetings. Each regular meeting deals with the reports and items requiring a decision that are defined in the Board's rules of procedure, in addition to business information. The Board makes decisions on issues of a general nature, such as the Group's strategy and structural and organisational issues, as well as acquisitions and major investments.

The Board's control function is dealt with by the audit committee. The company's auditor attends at least one Board meeting each year to report the auditor's observations following the examination of the company's financial statements, procedures and internal controls.

Five-year overview

	2024	2023	2022	2021	2020
INCOME STATEMENT, SEK M					
Net revenue	3,315	3,431	3,509	3,151	2,239
Cost of goods sold	-2,680	-2,678	-2,764	-2,375	-1,709
Gross profit	635	753	745	776	530
Selling expenses	-367	-295	-258	-209	-161
Administrative expenses	-171	-174	-153	-127	-90
Other operating income/expenses	86	17	7	13	-5
Operating profit	183	301	341	453	274
Financial income	43	21	30	12	8
Financial expenses	-111	-96	-62	-32	-31
Profit before tax	115	226	309	433	251
Tax	-15	-51	-60	-91	-56
Net profit for the year	100	175	249	342	195
FINANCIAL POSITION 31 DECEMBER, SEK M					
Non-current assets	2,284	2,092	1,882	1,833	1,325
Current assets	1,499	1,669	1,724	1,662	1,161
Equity	1,720	1,651	1,530	1,341	1,051
Non-current liabilities	1,191	1,201	1,126	847	790
Current liabilities	872	909	950	1,307	645
Balance sheet total	3,783	3,761	3,606	3,495	2,486
CASH FLOW, SEK M					
Cash flow from operating activities	172	519	128	353	402
Cash flow from investing activities	-133	-313	-140	-558	-143
Cash flow after investments	39	206	-12	-205	259
Cash flow from financing activities	-137	-70	-170	180	38
Cash flow for the year	-98	136	-182	-25	297
KEY RATIOS					
Operating margin, %	5.5	8.8	9.7	14.4	12.2
Adjusted operating margin, %	5.3	8.6	9.7	14.5	12.2
Profit margin, %	3.5	6.6	8.8	13.8	11.2
Adjusted profit margin, %	3.2	6.4	8.8	13.9	11.2
Return on equity, %	6.0	11.0	17.1	28.8	21.1
Return on capital employed, %	7.9	11.6	14.3	21.8	17.3
Return on total capital, %	5.9	8.5	10.3	15.6	12.7
Interest coverage ratio, multiple	2.0	3.4	6.0	14.6	9.2
Average equity, SEK m	1,672	1,595	1,456	1,188	925
Average capital employed, SEK m	2,849	2,772	2,599	2,139	1,625
Average total capital, SEK m	3,856	3,810	3,613	2,980	2,223
Equity/assets ratio, % [1]	45	44	42	38	42
Basic earnings per share, SEK [1, 2]	1.69	3.01	4.30	5.90	3.43
Costs related to convertible bonds, SEK m	1	4	4	4	2
Equity per share, SEK [2]	28.99	27.91	26.39	23.13	18.12
Cash flow from operating activities per share, SEK [2]	2.91	8.91	2.21	6.09	7.07
Proposed dividend per share, SEK [2]	0.00	1.00	1.75	1.75	1.25
EBITDA, SEK m	352	441	467	557	360
Adjusted EBITDA, SEK m	332	434	467	560	361
Organic growth, %	-10.3	-3.1	2.7	25.3	4.4
OTHER					
Depreciation and amortisation, SEK m	169	140	126	104	86
Interest-bearing liabilities, SEK m	1,146	1,115	1,110	1,116	743
Deferred tax liability, SEK m	108	104	111	102	86
Net investments, excl. business combinations, SEK m	190	128	144	130	73
Average number of employees, incl. short-term work/temporary layoffs	1,411	1,381	1,426	1,245	1,085

1) *Based on net profit for the year.*

2) *The comparison figures have been recalculated due to the 2.1 share split carried out in 2022.*

For definitions and information on key figures, see pages 89–90. For details on the number of shares, see page 16.

Nomination committee

A nomination committee was appointed at the 2024 AGM consisting of Tomas Risbecker (chair), Stig-Olof Simonsson and Anna Benjamin. The task of the committee prior to the 2025 AGM is to nominate a Chair of the Board and other Board members, auditors, a chair for the AGM and to propose fees for the Board, committees and auditor. In preparation for the 2025 AGM, the Nomination Committee has held six formal meetings and conducted additional deliberations when necessary.

Bolagsordningen innehåller inga särskilda bestämmelser om tillsättande och entledigande av styrelseledamöter eller ändring av bolagsordningen.

Agreements

There are no agreements between the company and the members of the Board of Directors.

Corporate governance

XANO's corporate governance is based on Swedish legislation and the listing agreement with Nasdaq Stockholm. Directives issued by authorities and stakeholders within Swedish industry and on the financial market are also applied for various issues.

Governance, management and control are divided between shareholders at the AGM, the Board and the CEO in accordance with the Swedish Companies Act and the company's Articles of Association and rules of procedure.

All companies listed on Nasdaq Stockholm must follow the "Swedish Corporate Governance Code", known as "the Code". XANO's corporate governance report has been prepared separately from the directors' report and can be found on pages 54–57.

Remuneration and employment conditions for senior executives

The Annual General Meeting decides on the guidelines for determining remuneration for the CEO and other senior executives. The relevant guidelines were adopted by the 2022 Annual General Meeting (AGM). These guidelines cover remuneration and other employment conditions for Board Members, the CEO and other members of the Group management The guidelines are be applied to employment contracts entered into after the 2022 AGM and to changes made thereafter to ongoing employment contracts, and will apply until further notice, although at most until the 2026 AGM. The guidelines do not refer to remuneration that is determined by the AGM. See also to Note 5.

Proposal for the appropriation of profits

Parent Company

The following amounts are at the disposal of the AGM:	(SEK)
Share premium reserve	163,040,762
Retained earnings	366,799,363
Net profit for the year	128,986,501
Total	658,826,626

The Board of Directors and the CEO propose that the surplus be distributed as follows:	(SEK)
To be carried forward	658,826,626
Total	658,826,626

Statement by the Board of Directors regarding the proposed dividend

Activities that facilitate the Group's continuing transition and enable aggressive investments for the future are evaluated and carried out on an ongoing basis. As part of the work to secure resources for this, the Board of Directors proposes to the AGM that no dividend be paid for the 2024 financial year.

Consolidated statements of comprehensive income

GROUP (SEK thousands)		Note	2024	2023
Net revenue		3, 4	3,314,731	3,431,455
Cost of goods sold		6, 7, 8	-2,680,280	-2,678,627
Gross profit			**634,451**	**752,828**
Selling expenses		6, 7, 8	-365,906	-295,265
Administrative expenses		6, 7, 8, 9	-170,825	-173,624
Other operating income		10	99,734	48,992
Other operating expenses		11	-14,322	-31,321
Profit/loss from participations in associated companies		16	-251	-529
Operating profit		3, 4, 5, 38	**182,881**	**301,081**
Financial income		12	43,120	21,399
Financial expenses		13, 25	-111,071	-95,810
Profit before tax			**114,930**	**226,670**
Tax		14	-14,875	-51,273
NET PROFIT FOR THE YEAR			**100,055**	**175,397**
– of which attributable to shareholders of the Parent Company			*100,055*	*175,397*
SHARE DATA				
Basic earnings per share	SEK	21, 22	1.69	3.01
Diluted earnings per share	SEK	21, 22	1.69	3.01

GROUP (SEK thousands)	Note	2024	2023
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified to net profit for the year			
Change in hedging reserve	23, 28	-2,894	-13,112
Tax relating to change in hedging reserve	23, 28	596	2,701
Translation differences	23	12,843	-12,289
OTHER COMPREHENSIVE INCOME		**10,545**	**-22,700**
COMPREHENSIVE INCOME FOR THE YEAR		**110,600**	**152,697**
– of which attributable to shareholders of the Parent Company		*110,600*	*152,697*

Consolidated statements of financial position

GROUP (SEK thousands)	Note	2024-12-31	2023-12-31
ASSETS			
Non-current assets			
Intangible non-current assets	15		
Goodwill		1,203,834	1,135,809
Other intangible non-current assets		188,344	94,832
Construction in progress for intangible non-current assets		1,612	5,460
		1,393,790	**1,236,101**
Property, plant and equipment	15		
Land and buildings		400,514	375,988
Plant and machinery	32	243,321	215,492
Equipment, tools, fixtures and fittings		54,388	51,236
Construction in progress for property, plant and equipment		21,647	81,594
Right-of-use assets	32	148,492	122,218
		868,362	**846,528**
Other non-current assets			
Participations in associated companies	16	0	24
Non-current receivables		2,183	1,809
Deferred tax asset	28	20,219	7,294
Total non-current assets		**2,284,554**	**2,091,756**
Current assets			
Inventories	17	**501,010**	**509,118**
Current receivables			
Accounts receivable – trade and other current assets	4, 18, 19, 35	728,191	806,330
Derivative instruments	19	5,314	7,892
Prepaid expenses		37,065	36,668
Cash and cash equivalents	19, 20	226,601	308,936
Total current assets		**1,498,181**	**1,668,944**
TOTAL ASSETS		**3,782,735**	**3,760,700**

Consolidated statements of financial position

GROUP (SEK thousands)	Note	2024-12-31	2023-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital	22	37,275	37,275
Other contributed capital		201,505	183,714
Reserves	23	60,998	50,453
Retained earnings		1,419,818	1,379,074
Total equity		**1,719,596**	**1,650,516**
– of which attributable to shareholders of the Parent Company		*1,719,596*	*1,650,516*
Liabilities			
Non-current liabilities			
Non-current interest-bearing liabilities	19, 25, 30, 32	1,072,125	1,067,160
Other non-current liabilities [1]	26	542	20,083
Other provisions	27	10,582	10,292
Deferred tax liability	28	107,547	103,530
		1,190,796	**1,201,065**
Current liabilities			
Accounts payable – trade and other current liabilities [1]	4, 19, 29	784,258	844,912
Provisions	27	10,357	5,756
Derivative instruments	19	–	–
Current interest-bearing liabilities	19, 24, 30, 32	74,178	47,871
Deferred income		3,114	5,232
Current tax liability		436	5,348
		872,343	**909,119**
Total liabilities		**2,063,139**	**2,110,184**
TOTAL EQUITY AND LIABILITIES		**3,782,735**	**3,760,700**

1) Reporting of liabilities has been adjusted compared with the 2024 year-end report.

Consolidated statements of changes in equity

GROUP (SEK thousands)	Note	Share capital	Other contributed capital	Reserves	Retained earnings	Total equity
Equity, 1 January 2023		**36,559**	**114,519**	**73,153**	**1,306,010**	**1,530,241**
Net profit for the year		–	–	–	175,397	175,397
Other comprehensive income		–	–	-22,700	–	-22,700
Comprehensive income for the year		**–**	**–**	**-22,700**	**175,397**	**152,697**
Conversion of personnel convertibles		716	69,195	–	–	69,911
Cash dividends paid		–	–	–	-102,333	-102,333
Total transactions with shareholders		**716**	**69,195**	**–**	**-102,333**	**-32,422**
Equity, 31 December 2023		**37,275**	**183,714**	**50,453**	**1,379,074**	**1,650,516**
Net profit for the year		–	–	–	100,055	100,055
Other comprehensive income		–	–	10,545	–	10,545
Comprehensive income for the year		**–**	**–**	**10,545**	**100,055**	**110,600**
Effect of convertible loan issued		–	2,359	–	–	2,359
Transfer of treasury shares		–	15,432	–	–	15,432
Cash dividends paid		–	–	–	-59,311	-59,311
Total transactions with shareholders		**–**	**17,791**	**–**	**-59,311**	**-41,520**
EQUITY, 31 DECEMBER 2024	22, 23	**37,275**	**201,505**	**60,998**	**1,419,818**	**1,719,596**
– of which attributable to shareholders of the Parent Company		*37,275*	*201,505*	*60,998*	*1,419,818*	*1,719,596*

Consolidated cash flow statements

GROUP (SEK thousands)	Note	2024	2023
OPERATING ACTIVITIES			
Operating profit		182,881	301,081
Adjustments for non-cash items etc.			
Depreciation and amortisation of non-current assets		169,262	139,597
Capital gain from sale of non-current assets		-67,387	-237
Impairment of accounts receivable		37,927	738
Other		-6,912	5,497
Interest paid	33	-77,991	-66,978
Interest received	33	10,541	11,627
Income tax paid		-51,036	-71,276
Cash flow from operating activities before changes in working capital		**197,285**	**320,049**
Changes in working capital			
Increase (-) / decrease (+) in inventories		17,640	64,333
Increase (-) / decrease (+) in current receivables		120,725	149,950
Increase (+) / decrease (-) in current liabilities		-162,825	-19,884
Increase (+) / decrease (-) in other provisions		-623	4,749
Cash flow from operating activities		**172,202**	**519,197**
INVESTING ACTIVITIES			
Purchase of intangible non-current assets		-20,471	-6,067
Purchase of property, plant and equipment		-79,067	-89,130
Sale of property, plant and equipment		2,208	187
Indirect investments through acquisition of subsidiaries/assets and liabilities	33, 34	-96,436	-213,264
Indirect divestments through sale of subsidiaries	33, 34	71,599	–
Increase (-) / decrease (+) in other non-current assets		-11,708	-5,004
Cash flow from investing activities		**-133,875**	**-313,278**
FINANCING ACTIVITIES			
Dividends paid		-59,311	-102,333
Borrowings		65,903	241,376
Repayments of borrowings		-128,033	-170,168
Payments of lease liabilities		-48,881	-39,752
Change in bank overdraft facilities		33,417	987
Cash flow from financing activities		**-136,905**	**-69,890**
CASH FLOW FOR THE YEAR		**-98,578**	**136,029**
Cash and cash equivalents at the beginning of the year		308,936	178,334
Exchange rate differences in cash and cash equivalents		16,243	-5,427
Cash and cash equivalents at the end of the year	20	**226,601**	**308,936**

Notes

NOTE 1 General information

XANO Industri AB with corporate identity number 556076-2055, is a public limited liability company with its registered office at Lantmätargränd 5, SE-553 20 Jönköping, Sweden. The company's class B share is listed on Nasdaq Stockholm.

XANO Industri AB is a subsidiary of Viem Invest AB with corporate identity number 556239-3099 and registered office in Jönköping, Sweden. Viem Invest AB is the ultimate parent of the Group.

All amounts are reported in SEK thousands unless otherwise indicated.

NOTE 2 Accounting policies

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendations and statements.

GENERAL

Applied accounting policies and valuation principles are unchanged compared to the previous year, with the exceptions due to new or revised standards, interpretations and improvements, which are applied from 1 January 2024 inclusive. These new items have not had any significant impact on the Group's accounts.

The new or revised standards with application from 2025 and later, have not been applied in connection with the preparation of these financial statements. The application of these new standards is not considered to have a material impact on the Group's financial performance or position may have an impact on the presentation of the financial statements. The impact of IFRS 18, effective from 1 January 2027, is currently being assessed.

CONSOLIDATED FINANCIAL STATEMENTS

GENERAL

The consolidated financial statements cover the parent company, XANO Industri AB, and the companies over which the parent company has a direct or indirect controlling interest as at year-end. Controlling interest is defined on the basis of whether the shareholder is capable of controlling the company, entitled to a return and in a position to manage the activities that influence the return. This is usually achieved if the holding corresponds to more than 50 per cent of the number of votes. As of the closing day, all subsidiaries included in the consolidated financial statements are owned to 100 per cent.

The consolidated financial statements have been prepared in accordance with the acquisition method. This means that in the consolidated financial statements, shares in subsidiaries are replaced with the subsidiary's identifiable assets, liabilities and contingent liabilities, valued at fair value at the time of acquisition. The equity of the acquired subsidiary is eliminated in its entirety, which means that the consolidated equity includes only that portion of the subsidiary's equity which has accrued after the acquisition. If the consolidated acquisition value of the shares exceeds the acquisition analysis' value of the company's net assets, the difference is recognised as consolidated goodwill. If the consolidated acquisition value of the shares is instead lower than the value of the company's net assets, the difference is recognised directly in the profit/loss for the year. Only the profit or loss that has come about after acquisition is included in the consolidated income statement. The financial performance of divested companies is reported up to the date of sale.

OMRÄKNING AV UTLÄNDSK VALUTA

– FUNCTIONAL CURRENCY AND PRESENTATION CURRENCY

Items included in the financial statements for the various entities belonging to the Group are expressed in the currency used in the primary economic environment in which each company operates (functional currency). The Swedish krona (SEK), which is the parent company's functional currency and presentation currency, is used in the consolidated financial statements.

– FOREIGN SUBSIDIARIES

The profit and financial position of all Group companies with a functional currency other than the Group's presentation currency are translated to the Group's presentation currency as follows:

(i) Assets and liabilities for each of the balance sheets are translated at the exchange rate on the closing day.
(ii) Income and expenses for each of the income statements are translated at the average exchange rate.
(iii) All translation differences that arise are recognised in other comprehensive income.

In the case of the disposal of foreign operations, the total translation differences attributable to the foreign company are recognised as part of the capital gain/loss in the consolidated statement of comprehensive income.

– RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCY

Receivables and liabilities in foreign currency have been translated to the functional currency at the closing day rate. Translation differences for operating receivables and liabilities are reported under operating profit, while translation differences attributable to liquid assets, loan receivables and liabilities are included in the net financial income.

MATERIAL ESTIMATES AND ASSESSMENTS

Preparation of the financial statements and application of the accounting policies are based on assessments and estimates about the future. Below is a description of areas where material estimates and assessment have been made as well as assumptions that entail a risk of significant adjustments during the coming period.

REVENUE RECOGNITION

The Group conducts project deliveries to the packaging industry. For these projects, income is recognised over time on the basis of the performance obligations satisfied on the closing day when it is possible to reliably calculate the financial result of the assignment. This means that assessments must be performed of the projects' total income and expenditure, and changes to these items entail that the profit for future periods will be affected. It is particularly difficult to assess the profit at the start of projects and for projects that are technically complicated. In addition, it is necessary to assess whether the conditions are satisfied in order for the project deliveries to be recognised over time. Recognised income for ongoing assignments amounts to SEK 1,618 million (2,523). See also Note 4.

IMPAIRMENT TESTS FOR GOODWILL

Every year, or when there is an indication that the asset has fallen in value, the Group performs impairment tests for goodwill. The recoverable amount is determined by calculating the value in use. Certain estimates, on such as future growth, profit level and interest rate, must be made for these calculations. The Group's reported goodwill amounts to SEK 1,204 million (1,136). See also Note 15.

PROVISIONS

Provisions are defined as liabilities that are uncertain in terms of the date of settlement or the amount. This means that estimates are always made when provisions are reported. Liabilities relating to guarantee commitments are mainly based on historical experience where turnover and guarantee period influence the assessment and where liabilities usually represent a percentage of turnover. For other provisions, the amounts that are expected to be paid out are reserved. The Group's reported other non-current provisions amount to SEK 10.6 million (10.3) and other current provision amount to SEK 10.4 million (5.8). See also Note 27.

DERIVATIVE INSTRUMENTS

The Group holds derivatives measured at fair value. The valuation of derivatives is based on market values that fluctuate over time. The recognition may be affected if the criteria for hedge accounting and effectiveness are not met. As of the closing day, the Group's reported assets with regard to derivative instruments amount to SEK 5.3 million (7.9). See also Note 19.

LEASE CONTRACTS

The application of IFRS Leases requires a high degree of assessment in determining the value of the right-of-use assets and the lease liabilities, for example in assessing the lease term, the exercise of extension and termination options and the discount rate. The Group's right-of-use assets relating to leases amount to SEK 148 million (122). See also Note 32.

NOTE 3 Segment reporting etc.

The Group reports on the following segments: Industrial Products, Industrial Solutions and Precision Technology. Segments are defined on the basis of the Group's business units, which are organised by production method and type of products and services. The operations within each segment are described on pages 62-63. The segments are reported in accordance with the same accounting policies as the Group. Undistributed items mainly refer to the Parent Company.

BREAKDOWN OF REVENUE	Industrial Products		Industrial Solutions		Precision Technology		Eliminations/ undistributed items		Group total	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
GEOGRAFISKA MARKNADER										
Sweden	328,306	338,470	543,048	501,291	373,879	388,074	45	-1,813	1,245,278	1,226,022
Rest of the Nordic countries	174,221	152,751	123,415	120,659	5,871	11,415	–	–	303,507	284,825
Rest of Europe	324,437	353,850	855,240	929,142	41,805	40,640	-889	–	1,220,593	1,323,632
Rest of the world	7,164	6,535	510,853	575,457	27,336	14,984	–	–	545,353	596,976
Total	**834,128**	**851,606**	**2,032,556**	**2,126,549**	**448,891**	**455,113**	**-844**	**-1,813**	**3,314,731**	**3,431,455**
TYPE OF PRODUCT										
Proprietary products	225,866	206,323	1,564,408	1,659,979	2,342	1,794	-844	4	1,791,772	1,868,100
Customer-specific manufacturing	608,262	645,283	468,148	466,570	446,549	453,319	–	-1,817	1,522,959	1,563,355
Total	**834,128**	**851,606**	**2,032,556**	**2,126,549**	**448,891**	**455,113**	**-844**	**-1,813**	**3,314,731**	**3,431,455**
TIMING OF REVENUE RECOGNITION										
Goods/services transferred at a point in time	834,128	851,606	712,661	653,565	448,465	455,113	-844	-1,813	1,994,410	1,958,471
Services transferred over time	–	–	118,652	86,178	426	–	–	–	119,078	86,178
Projects transferred over time	–	–	1,201,243	1,386,806	–	–	–	–	1,201,243	1,386,806
Total	**834,128**	**851,606**	**2,032,556**	**2,126,549**	**448,891**	**455,113**	**-844**	**-1,813**	**3,314,731**	**3,431,455**

1) Revenue by geographic market refers to revenue from customers according to where the customers are located.

Market conditions are applied to transactions between the segments. The XANO Group currently has no customer that generates revenue accounting for more than 10 per cent of the Group's total revenue.

PROFIT/LOSS ITEMS BY SEGMENT	2024			2023		
	Intra-group reported profit before tax	Distribution of group-wide costs and group contribution	Profit before tax	Intra-group reported profit before tax	Distribution of group-wide costs and group contribution	Profit before tax
Industrial Products	9,370	-42,733	-33,363	59,489	-50,504	8,985
Industrial Solutions	26,224	14,872	41,096	162,705	-2,841	159,864
Precision Technology	21,181	-8,040	13,141	23,097	-1,149	21,948
Undistributed items	58,155	35,901	94,056	-18,621	54,494	35,873
Group total	**114,930**	**0**	**114,930**	**226,670**	**0**	**226,670**

PROFIT/LOSS ITEMS BY SEGMENT	2024				2023			
	Interest income	Interest expenses	Tax	Depreciation	Interest income	Interest expenses	Tax	Depreciation
Industrial Products	4,857	-27,915	3,389	-57,533	4,998	-19,762	-2,298	-42,056
Industrial Solutions	13,852	-74,477	-14,285	-78,487	7,369	-52,688	-40,019	-65,401
Precision Technology	617	-15,724	-4,038	-32,612	371	-14,148	-4,577	-31,712
Undistributed items	-6,595	36,350	59	-630	925	17,445	-4,379	-428
Group total	**12,731**	**-81,766**	**-14,875**	**-169,262**	**13,663**	**-69,153**	**-51,273**	**-139,597**

ASSETS AND LIABILITIES BY SEGMENT	2024				2023			
	Assets	Liabilities	Investments	Deferred tax liabilities	Assets	Liabilities	Investments	Deferred tax liabilities
Industrial Products	846,634 [1]	121,292	132,302	20,445	775,492 [1]	127,903	63,832	19,083
Industrial Solutions	2,407,835 [2]	679,510	182,052	60,294	2,451,042 [2]	753,959	286,121	51,929
Precision Technology	524,740 [3]	91,380	37,734	20,507	508,383 [3]	85,016	22,947	18,783
Undistributed items	3,526 [4]	24,654	-33,670	6,301	25,783 [4]	28,275	960	13,735
Group total	**3,782,735**	**916,836**	**318,418**	**107,547**	**3,760,700**	**995,153**	**373,860**	**103,530**

1) Including deferred tax assets totalling SEK 8,222 thousand (4,199).
2) Including deferred tax assets totalling SEK 11,997 thousand (2,951).
3) Including deferred tax assets totalling SEK 0 thousand (0).
4) Including deferred tax assets totalling SEK 0 thousand (154).

Assets by segment refer to all assets. Liabilities by segment consist of operating liabilities excluding interest-bearing liabilities. Investments consist of purchases and sales of property, plant and equipment as well as intangible non-current assets, including increases and reductions resulting from the acquisition and disposal of subsidiaries.

ASSETS AND INVESTMENTS BY GEOGRAPHIC MARKET	2024		2023	
	Non-current assets	Investments	Non-current assets	Investments
Sweden	837,344	192,854	747,965	52,668
Rest of the Nordic countries	751,921	115,034	636,839	46,961
Rest of Europe	441,987	11,815	461,259	25,800
Rest of the world	253,302	-1,285	245,693	248,431
Group total	**2,284,554**	**318,418**	**2,091,756**	**373,860**

Reported value of assets and investments by geographic market according to where the assets are located.

NOTE 4 Revenue, contract assets and contract liabilities

REVENUES

The Group supplies products and systems with associated services. Revenue is recognised when control of the product/service has been transferred to the customer. Selling prices are mainly fixed prices.

GOODS AND SERVICES

The majority of the Group's deliveries relate to goods. The deliveries comprise both customer-specific products manufactured in the form of direct assignments from customers, as well as proprietary products. In addition to the end product, a delivery can include closely integrated elements such as design and freight and is therefore normally jointly deemed to constitute one performance obligation. In the case of the sale of goods, the customer gains control on delivery in accordance with the freight terms, and the revenue is recognised at this time. The Group does not apply uniform freight terms. Volume discounts and other bonuses are deducted from income at the most likely value.

For sales of services, revenue is normally recognised over time as the performance obligation is satisfied. The Group provides separate services such as the monitoring of customers' production lines and consultation.

For deliveries of goods and services, payment terms of 30 to 90 days after delivery are normally applied.

PROJECT DELIVERIES

The Group conducts project deliveries mainly to the packaging industry. These deliveries consist of proprietary products and systems. The projects are customer unique and consequently do not create an asset with any alternative usage. The customer agreements are such that they provide the company with the right to receive payment for performance completed to date. The projects can consist of several components, such as design, machines, control systems, installation and guarantee commitments. Guaranties are standard in nature but cannot be supplied by another party. Bearing in mind the close integration between the components, the project deliveries are normally deemed to constitute one performance obligation. The agreements are primarily fixed price assignments. The contracts normally run for less than 12 months. Guarantee commitments are normally time-limited to between 12 and 36 months. For these deliveries, revenue recognition takes place over time. Revenue is recognised using an input method based on the company's efforts to satisfy the performance obligation on the closing day when the company can reliably calculate the financial outcome of the assignment. Preliminary estimates are used initially to assess income and expenditure. When a more accurate forecast can be determined, the forecast values are used instead to assess profit. The degree of fulfilment is based on expenditure incurred in relation to estimated total expenditure. For projects that are initially difficult to forecast, income is recognised at an amount corresponding to the established cost, i.e. profit is recognised at SEK 0 pending the implementation of profit determination. An adjustment is made for anticipated losses as soon as these are known. Anticipated fines or penalties to customers as a result of e.g. delivery delays reduce the revenue by the amounts that are expected to be paid out. The subsidiaries have established procedures for following up the projects. In the company's judgement, the selected method provides a good picture of the company's performance and entitlement to payment. Normal payment terms for these deliveries entail part at the time of the order, part on delivery and part following approved installation. The difference between received payment and entitlement to payment as a result of executed performance is recognised net in the balance sheet for each agreement, either as a contract asset or a contract liability.

CONTRACT ASSETS AND CONTRACT LIABILITIES

A contract asset is recognised when the Group has supplied the product/service to a customer, or fulfilled an obligation, but has not yet invoiced the customer. A contract liability is recognised when the Group has received or will receive payment but has not yet supplied the product/service to the customer.

Impairment testing is performed continually for contract assets. Testing takes place individually and takes factors such as the customer's financial difficulties into account. In addition, an assessment is conducted for each segment, during which anticipated credit losses are assessed primarily from a historical perspective. Impairment testing for losses for the year has not entailed any reserve, as these are not deemed to amount to a significant sum.

CONTRACT ASSETS	2024	2023
Contract assets for ongoing assignments	174,600	163,772
Accrued income	3,156	26,643
	177,756	**190,415**

CONTRACT LIABILITIES	2024	2023
Contract liabilities for ongoing assignments	220,215	293,578
Advance payment from customers	95,364	89,691
Deferred income	3,114	5,232
	318,693	**388,501**

Total assignment income for projects, recognised as revenue over time, amounts to SEK 1,201,243 thousand (1,386,806).

During the year, revenue from performance obligations satisfied in earlier periods has been recognised at SEK 8,264 thousand (-10,155).

FOR ONGOING ASSIGNMENTS	2024	2023
Income from deliveries recognised as revenue over time	1,618,362	2,522,802
Expenditure for deliveries recognised as expenses over time	-906,320	-1,920,410
Reported profit	**712,042**	**602,392**
Advance payments received	1,509,289	1,213,134

Revenue for ongoing assignments includes revenue before acquisition dates. Unfulfilled performance obligations that are expected to be recognised as revenue later than within one year amount to SEK 274 thousand. For details on impairment testing, see Note 35.

CONTRACT ASSETS AND CONTRACT LIABILITIES	Assets	Liabilities
Opening balance	190,415	388,501
Assets at the start of the year reclassified to accounts receivable or contract liabilities	-12,896	–
Assets/liabilities at the start of the year recognised as expense/income in 2024	-138,274	-222,239
Additional assets/liabilities	119,352	138,382
Acquisitions of subsidiaries	13,564	3,343
Translation differences	5,595	10,706
Closing balance	**177,756**	**318,693**

NOTE 5 Employees and personnel costs

PENSIONS

Pensions and other benefits after the termination of employment are classified as either defined contribution plans or defined benefit plans. With a defined contribution plan, the company's obligation is limited to paying fixed contributions to a separate legal entity (insurance company) and the company has no other obligations. A defined benefit plan is a pension plan that stipulates an amount for the pension benefit that an employee will receive after retirement. This is normally based on factors such as age, length of employment and salary. An independent actuary calculates the size of the obligations linked to each respective defined benefit plan. The actuary revalues the pension plan's obligation every year and distributes the costs over the employee's working life. The obligation is reported as a liability in the balance sheets. The Group primarily has defined contribution pension plans.

The majority of the Group's Swedish salaried employees are covered by the ITP plan, which is financed through pension insurance with Alecta or SPP. According to a statement from the Swedish Financial Reporting Board, this is a defined benefit plan. The Group has not had access to information that makes it possible to report this plan as a defined benefit plan. The pension plan as per ITP is therefore reported as a defined contribution plan in accordance with IAS 19. In addition, there are pension obligations which are subject to fixed contributions and which are hedged through payment of premiums to insurance companies.

AVERAGE NUMBER OF EMPLOYEES	2024	of which men	2023	of which men
Sweden	643	80%	619	81%
The Netherlands	228	90%	253	91%
Denmark	220	89%	191	91%
Norway	113	85%	113	88%
Estonia	89	85%	91	86%
China	56	86%	79	84%
USA	45	96%	19	90%
Poland	10	40%	10	40%
Australia	4	100%	2	100%
Finland	3	67%	4	75%
Group total	**1,411**	**84%**	**1,381**	**85%**

PROPORTION OF MEN AMONGST BOARD MEMBERS AND SENIOR EXECUTIVES	2024	2023
Parent Company		
Board members	57%	67%
Senior executives	50%	50%
Operating subsidiaries		
Board members	73%	73%
Senior executives	80%	82%

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS	2024	2023
Salaries and remuneration	913,411	830,132
Social security costs	245,101	233,425
(of which pension costs [1, 2, 3, 4])	(84,563)	(84,609)
Group total	**1,158,512**	**1,063,557**

1) Of the Group's pension costs, SEK 9,809 thousand (9,463) relates to the Group's Board and CEO. The Group's outstanding pension obligations for these amount to SEK 0 thousand (0).

2) The year's cost for pension obligations taken out with Alecta (reported as a defined contribution plan) amounts to SEK 17,742 thousand (12,107). Alecta's surplus can be distributed to the insurance policyholders and/or insured parties. At the end of 2024, Alecta's surplus in the form of the collective insurance level amounted to 162 per cent (158). The fee for the coming year is estimated to be on a par with that charged for 2024.

3) Pension costs do not include special employer's contribution. Special employer's contribution is reported amongst social security costs.

4) Two of the Group's Swedish subsidiary companies have pension obligations secured through endowment insurance. The remaining balance was recognised as an asset and a pension liability, respectively, and amounts to SEK 501 thousand (546).

BREAKDOWN OF SALARIES AND OTHER REMUNERATION	2024		2023	
	Board and MD [1]	Other employees	Board and MD [1]	Other employees
Sweden	30,366	305,615	30,354	276,440
(of which bonuses)	(2,473)		(2,070)	
Denmark	7,306	212,186	5,597	196,792
(of which bonuses)	(558)		(296)	
The Netherlands	6,147	187,713	6,232	180,147
(of which bonuses)	(423)		(126)	
USA	2,904	57,034	775	26,627
(of which bonuses)	(–)		(–)	
Norway	2,388	56,501	1,301	58,377
(of which bonuses)	(–)		(–)	
Estonia	629	20,245	620	21,403
(of which bonuses)	(–)		(–)	
China	1,761	13,689	1,798	17,688
(of which bonuses)	(–)		(–)	
Australia	–	3,978	–	1,033
(of which bonuses)	(–)		(–)	
Poland	–	2,663	–	2,435
(of which bonuses)	(–)		(–)	
Finland	–	2,286	–	2,513
(of which bonuses)	(–)		(–)	
Group total	**51,501**	**861,910**	**46,677**	**783,455**
(of which bonuses)	(3,454)		(2,492)	

1) Includes remuneration for board members, Group management and managing directors. Bonuses do not include holiday pay.

REMUNERATION FOR BOARD MEMBERS AND SENIOR EXECUTIVES

Remuneration to senior executives must be based on market terms, position, individual performance and the Group's earnings. The total remuneration will be made up of fixed remuneration, variable remuneration in the form of short-term incentives based on financial or strategic performance targets, pensions and other benefits. Conditions relating to termination and severance pay are in addition to this. In addition, the Annual General Meeting – irrespective of these guidelines – can decide on share-based and share price-related remuneration. The fixed remuneration constitutes basic cash salary and the value of any benefits, including pension benefits. The fixed remuneration must make up at least 50 per cent of the total remuneration. The fixed remuneration must reflect the responsibility that the position entails and must be competitive on the relevant market. Pay reviews will be conducted annually to ensure continued competitiveness and to reward individual performance. Variable cash remuneration will make up a maximum of 50 per cent of the total remuneration and at the most correspond to 9 months' basic cash salary. Variable remuneration will principally relate to financial performance targets but will also be able to be measured against non-financial targets in order thereby to focus on activities that promote the company's business and sustainability strategies as well as its long-term interests. The targets will be determined by the Board of Directors and must be specific, clearly measurable and for a set period of time. Variable remuneration linked to financial targets is determined annually and paid after the adoption of the annual accounts. All variable remuneration is conditional on positive net earnings for the Group and will be adjusted retrospectively if it has been paid out on false grounds. Senior executives will have a pension scheme with a retirement age of 65. Pension benefits, including health insurance, must be premium based. Variable compensation is not qualifying income for pension purposes. Pension premiums, including any salary exchange, must not exceed 35% of pensionable salary. Other benefits may include e.g. medical care insurance and a company car in accordance with the tax rules applicable at the time. Both the company and the CEO will be subject to a notice period of six months. In the case of termination of employment by the company, the CEO will be entitled to severance pay corresponding to 18 months' salary. The amount of severance pay will be adjusted for income from other sources. In the case of resignation by the CEO, no severance pay will be payable. Other senior executives will be subject to a notice period from either side of six months. In the case of termination of employment by the company, the executive will be entitled to severance pay corresponding to 6 months' salary. The amount of severance pay will be adjusted for income from other sources. In the case of resignation by the executive, no severance pay will be payable.

In those cases where a Board member carries out services for the company over and above the Board work, a separate fee may be paid for this, provided such services contribute to the implementation of the company's business and sustainability strategy and the addressing of the company's long-term interests. Such consultancy fees may never exceed the annual Board fee for each individual Board member. The fee must be on market terms. Remuneration to the CEO must be determined by the Board based on the recommendation by the Remuneration Committee. Remuneration to other senior executives must be determined by the Remuneration Committee and be reported to the Board. The Remuneration Committee must monitor and evaluate the application of the guidelines for remuneration, as well as applicable remuneration structures and remuneration levels in the company. Based on a recommendation from the Remuneration Committee, the Board must, every four years or in the event of major changes, draw up proposed new guidelines for ratification by the Annual General Meeting. To the extent that these matters relate to them, the CEO and other senior executives will not attend meetings of the Board where remuneration-related issues are discussed and decided. When preparing the Board's proposals regarding remuneration guidelines, salaries and terms and conditions of employment for the company's other employees must be taken into consideration, and an explanation must be given for the annual change in salary of each individual executive in relation to the average salary for the company's other employees. Any change in the difference between remuneration for senior executives and remuneration for other employees must be presented in the remuneration report. Based on a recommendation by the Remuneration Committee, the Board may deviate from the guidelines if specific reasons for this exist, and it is deemed necessary in order to address the company's long-term interests or to safeguard the company's financial strength. Deviations may only be made in exceptional circumstances.

The guidelines are applied to employment contracts entered into after the 2022 Annual General Meeting and to changes made thereafter to ongoing employment contracts. With the exception of restriction principles for variable remuneration and the definition of pensionable salary, the guidelines are applied in existing agreements with senior executives.

Terms of remuneration for the CEO and other senior executives cover basic cash salary, variable cash remuneration, other benefits and pension premiums. Other senior executives refer to the CFO who, together with the CEO, makes up the Group management.

The AGM decided that the Board's fee of SEK 1,925 thousand should be distributed with SEK 365 thousand payable to the Chair and SEK 260 thousand payable to each of the other ordinary Board members for the period up to and including the next annual general meeting. The AGM further decided that remuneration for tasks undertaken in the remuneration committee should amount to SEK 20 thousand per person and remuneration for tasks undertaken in the audit committee should amount to SEK 35 thousand per ordinary member and SEK 55 thousand to the committee chair. During 2024, SEK 185 thousand was carried as an expense for these tasks.

In 2024, the Group management consisted of CEO Lennart Persson and CFO Marie Ek Jonson. The CEO received salary and benefits totalling SEK 8,012 thousand (7,672), of which SEK 1,455 thousand (1,404) constitutes variable remuneration. Other senior executives received salary and benefits totalling SEK 2,389 thousand (2,570), of which SEK 173 thousand (336) constitutes variable remuneration. The 2024 AGM decided on issue of personnel convertibles which also included members of the Group management. There are no outstanding share or share price-related incentive schemes.

Senior executives have a defined contribution pension plan with a retirement age of 65. According to the contract, the pension premium for the CEO is 30 per cent (30) of the pensionable salary. There is a pension agreement for other senior executives corresponding to the collectively agreed ITP plan. In addition to this, there is an option to reallocate salary withdrawals (known as salary sacrifice) to additional pension contributions. The pension premium for other senior executives amounted to an average of 31 per cent (31) of the pensionable salary. According to existing agreement, "Pensionable salary" refers to the basic salary and car benefits plus an average of the last three years' variable remuneration. The pension costs for the CEO amounted to SEK 2,427 thousand (2,597). Pension costs for other senior executives amounted to SEK 646 thousand (628).

The company and CEO have a mutual six-month period of notice. In the event of notice on the part of the company, severance pay totalling 18 months' salary is payable. Severance pay will be offset against other income. In the event of notice on the part of the CEO, no severance pay is payable. For other senior executives, there is a period of notice of 6 months by either party. In the event of notice on the part of the company, severance pay totalling 6 months' salary is payable. Severance pay will be offset against other income. In the event of notice on the part of the senior executive, no severance pay is payable.

NOTE 6 Expenses by nature

	2024	2023
Material costs	-1,326,075	-1,423,142
Personnel costs	-1,267,851	-1,189,365
Depreciation	-169,262	-139,597
Other external costs	-453,823	-395,412
	-3,217,011	**-3,147,516**

NOTE 7 Personnel costs

PERSONNEL COSTS BY FUNCTION	2024	2023
Cost of goods sold	-939,439	-885,165
Selling expenses	-209,832	-183,967
Administrative expenses	-118,580	-120,233
	-1,267,851	**-1,189,365**

NOTE 8 Depreciation and amortisation

DEPRECIATION BY FUNCTION	2024	2023
Cost of goods sold	-143,441	-119,750
Selling expenses	-19,205	-14,785
Administrative expenses	-6,616	-5,062
	-169,262	**-139,597**

DEPRECIATION BY CLASS OF ASSET	2024	2023
Intangible non-current assets	-23,420	-16,272
Land and buildings	-21,361	-19,242
Plant and machinery	-43,894	-42,209
Equipment, tools, fixtures and fittings	-18,379	-18,021
Right-of-use assets	-62,208	-43,853
	-169,262	**-139,597**

NOTE 9 Auditors' remuneration

	2024	2023
KPMG		
Audit assignment	-3,096	-3,039
Audit activities other than audit assignment	-109	-54
Tax consultancy services	-35	-95
Other services	-86	-241
	-3,326	*-3,429*
Övriga revisorer		
Revisionsuppdrag	-2,806	-2,537
Audit activities other than audit assignment	-35	-47
Tax consultancy services	-217	-204
Other services	-338	-426
	-3,396	*-3,214*
Total	**-6,722**	**-6,643**

"Audit assignment" refers to the review of the annual report, interim reports, the administration by the Board and CEO and the corporate governance report.

NOTE 10 Other operating income

	2024	2023
Currency effects on operating receivables/liabilities	12,159	28,989
Capital gain on disposal of Group company	66,066	–
Other	21,509	20,003
	99,734	**48,992**

NOTE 11 Other operating expenses

	2024	2023
Currency effects on operating receivables/liabilities	-13,091	-24,945
Other	-1,231	-6,376
	-14,322	**-31,321**

NOTE 12 Financial income

	2024	2023
Interest income and similar profit/loss items	12,731	13,663
Currency effects on financial assets/liabilities	30,389	7,736
	43,120	**21,399**

NOTE 13 Financial expenses

	2024	2023
Interest expenses and similar profit/loss items	-81,766	-69,153
Currency effects on financial assets/liabilities	-29,305	-26,657
	-111,071	**-95,810**

NOTE 14 Tax on profit for the year

TAXES

Reported income taxes include tax that will be paid for the current year and any changes to deferred tax. Tax assets and liabilities are valued at nominal amounts and in accordance with the current tax rules and tax rates.

Deferred tax liabilities are normally reported for all taxable temporary differences, while deferred tax assets are reported to the extent it is likely that the sums may be utilised. The temporary differences refer mainly to untaxed reserves in Swedish companies.

When a legal right of offset exists, the receivable or liability is reported at net value.

	2024	2023
Current tax	-17,985	-68,307
Deferred tax	4,973	19,665
Tax on dividends from non-Swedish subsidiaries	-1,863	-2,631
	-14,875	**-51,273**

The difference between the Swedish income tax rate 20.6% (20.6) and the effective tax rate arises as follows:

	2024		2023	
Reported profit before tax	114,930		226,670	
Tax according to Swedish income tax rate	-23,676	21%	-46,694	21%
Tax effect of				
Deviation in tax rate in non-Swedish subsidiaries	-1,510	1%	371	-0%
Transaction costs at business combinations	1,809	-2%	-688	0%
Hedging of currency risks in non-Swedish operations	3,104	-3%	-589	0%
Dividends from non-Swedish subsidiaries	-1,863	1%	-2,630	1%
Adjustment of current tax in previous periods	208	-0%	-96	0%
Capital gain on disposal of Group company	13,610	-12%	–	–
Other tax-related adjustments [1]	-6,557	7%	-947	1%
Reported tax	**-14,875**	**13%**	**-51,273**	**23%**

[1] Includes non-deductible items such as pensions, interest expenses and bad debts.

NOTE 15 Non-current assets

Non-current assets are valued at the acquisition value less accumulated depreciation and any impairment costs. If there is an indication that an asset has reduced in value, the asset's recoverable amount is calculated. If the reported value exceeds the recoverable amount, the asset is written down to a value corresponding to the recoverable amount. If an asset cannot be tested for impairment separately, the asset must be allocated to a cash-generating unit for impairment testing.

INTANGIBLE NON-CURRENT ASSETS

Expenditure for product and process development is normally charged to the income statement continuously. Expenses for major projects, which are directly linked to identifiable products controlled by the Group and which will probably give financial benefits in future years, are recognised in the balance sheet as intangible non-current assets. Other intangible assets include both acquired assets and internally developed assets. The latter consist mainly of direct costs for own work as well as attributable shares of indirect costs.

Impairment tests for goodwill are performed every year. The Group's goodwill is divided between the Group's cash-generating units. Recoverable amounts for a cash-generating unit are determined based on calculations of values in use. These calculations are based on the Group's annual forecasting process, in which the forecast is determined by the Board of Directors, where future cash flows for the existing business are forecast for the current year and the coming four-year period. The cash flow beyond the five-year period is extrapolated. XANO uses a current weighted capital cost for discounting estimated future cash flows. Discounted flows are compared with the carrying amount.

Amortisation is included in the costs for each function. Amortisation is calculated systematically over the expected utilisation period as per the list below.

CLASS OF ASSET	AMORTISATION PERIOD
Capitalised development expenditure	3–10 years
Patents	3–10 years
Customer relations	3–10 years
Product concepts	3–10 years
Other intangible non-current assets	3–10 years

GOODWILL	2024	2023
Accumulated acquisition values		
Opening balance	1,135,911	968,181
Acquisition of subsidiaries	50,492	182,648
Translation differences for the year	17,533	-14,918
Closing balance	1,203,936	1,135,911
Accumulated impairment costs		
Opening balance	-102	-102
Closing balance	-102	-102
Closing residual value	**1,203,834**	**1,135,809**

Goodwill is distributed between the Group's cash-generating units, which consist of segments. Estimates of the recoverable amounts include assumptions regarding growth, income trends and investments, including investments in working capital. Assumed growth based on budget for 2025 and the following forecast period, depending on the segment, amounts to 5–10 per cent (5–9) for this period and thereafter staying at 2 per cent (2). Assumed operating margins amount to 11–13 per cent (11–15) in the long term. The assumptions concerning growth and margins are based on the results of previous years and the management's expectations concerning market developments.[1] Investment amounts are based on forecasts and subsequently judged to stay at the same level as depreciation.

At a minimum once a year, the Group performs impairment tests for goodwill. A discount rate [2] (WACC) of 12.2 per cent (12.8) before tax was used for this year's test. This year's test showed no impairment indication. A number of sensitivity analyses were performed in which the sustained growth rate was set at 0 per cent, the operating margin was reduced by 2 percentage points relative to the forecast level or the discount rate was increased by 2 percentage points. None of the analyses showed any impairment indication.

[1] As the Group's total operating profit includes undistributed items with a negative result, primarily in relation to costs for the Parent Company, the Group's total operating margin is lower than those assumed for the cash-generating units/segments.

[2] The discount rate consists of a risk-adjusted return requirement, which in addition to risk-free interest, includes a risk premium based on the average market-risk premium on the Swedish equity market with a premium supplement based on the size of the company and the company's costs for borrowed capital, adjusted for the gearing ratio derived from market data.

GOODWILL BY SEGMENT	2024	2023
Industrial Products	162,485	114,574
Industrial Solutions	912,680	892,566
Precision Technology	128,669	128,669
	1,203,834	1,135,809

INTANGIBLE NON-CURRENT ASSETS		2024	2023
Accumulated acquisition values			
Opening balance		172,565	125,063
New acquisitions		16,799	1,839
Acquisition of subsidiaries		26,998	45,776
Divestments and disposals		-787	–
Reclassifications		71,254	3,772
Translation differences for the year		3,784	-3,885
Closing balance		290,613	172,565
Accumulated scheduled amortisation			
Opening balance		-77,733	-62,457
Divestments and disposals		814	–
Reclassifications		-1,280	–
Amortisation according to plan for the year		-23,420	-16,272
Translation differences for the year		-650	996
Closing balance		-102,269	-77,733
Closing residual value according to plan [1]		**188,344**	**94,832**
	Remaining amortisation period (years)		
[1] of which			
Capitalised development expenditure	9	82,991	4,606
Patents	7	724	472
Customer relations	9	33,372	9,799
Product concepts	7	64,578	73,930
Other	2	6,679	6,025

CONSTRUCTION IN PROGRESS	2024	2023
Accumulated acquisition values		
Opening balance	5,460	3,518
New acquisitions/advance payments	3,645	4,228
Acquisition of subsidiaries	59,689	–
Reclassifications	-67,310	-2,228
Translation differences for the year	128	-58
Closing balance	**1,612**	**5,460**

PROPERTY, PLANT AND EQUIPMENT

Depreciation is included in the costs for each function. Depreciation is calculated systematically over the expected utilisation period as per the list below. Land is not depreciated.

CLASS OF ASSET	DEPRECIATION PERIOD
Buildings	20–50 years
Land improvements	20 years
Plant and machinery	3–12 years
Equipment, tools, fixtures and fittings	3–12 years

LAND, LAND IMPROVEMENTS AND BUILDINGS	2024	2023
Accumulated acquisition values		
Opening balance	586,689	583,726
New acquisitions	6,041	1,752
Acquisition of subsidiaries	20,997	5,800
Sale of subsidiaries	-57,935	–
Divestments and disposals	–	-2,353
Reclassifications	52,729	711
Translation differences for the year	6,850	-2,947
Closing balance	615,371	586,689
Accumulated scheduled depreciation		
Opening balance	-210,701	-194,801
Sale of subsidiaries	19,619	–
Divestments and disposals	–	2,342
Reclassifications	-202	–
Depreciation according to plan for the year	-21,361	-19,242
Translation differences for the year	-2,212	1,000
Closing balance	-214,857	-210,701
Closing residual value according to plan [1]	**400,514**	**375,988**
[1] of which land	*36,259*	*38 162*

PLANT AND MACHINERY	2024	2023
Accumulated acquisition values		
Opening balance	660,859	631,690
New acquisitions	17,131	24,930
Acquisition of subsidiaries	7,078	58
Sale of subsidiaries	-1,091	–
Divestments and disposals	-14,697	-2,820
Reclassifications	47,284	15,385
Translation differences for the year	5,027	-8,384
Closing balance	721,591	660,859
Accumulated scheduled depreciation		
Opening balance	-445,367	-413,724
Sale of subsidiaries	1,091	–
Divestments and disposals	14,597	2,928
Reclassifications	-728	252
Depreciation according to plan for the year	-43,894	-42,209
Translation differences for the year	-3,969	7,386
Closing balance	-478,270	-445,367
Closing residual value according to plan	**243,321**	**215,492**

EQUIPMENT, TOOLS, FIXTURES AND FITTINGS	2024	2023
Accumulated acquisition values		
Opening balance	189,440	184,730
New acquisitions	16,068	9,622
Acquisition of subsidiaries	7,830	111
Sale of subsidiaries	-53	–
Divestments and disposals	-2,262	-6,418
Reclassifications	-4,606	5,351
Translation differences for the year	2,890	-3,956
Closing balance	209,307	189,440
Accumulated scheduled depreciation		
Opening balance	-138,204	-129,683
Sale of subsidiaries	53	–
Divestments and disposals	1,523	6,339
Reclassifications	2,210	-252
Depreciation according to plan for the year	-18,379	-18,036
Translation differences for the year	-2,122	3,428
Closing balance	-154,919	-138,204
Closing residual value according to plan	**54,388**	**51,236**

CONSTRUCTION IN PROGRESS	2024	2023
Accumulated acquisition values		
Opening balance	81,594	55,269
New acquisitions/advance payments	41,415	52,904
Disposals	-1,636	-46
Reclassifications	-99,351	-22,991
Translation differences for the year	-375	-3,542
Closing balance	**21,647**	**81,594**

Additional contractual obligations to acquire property, plant and equipment amount to SEK 0 thousand (22,211).

RIGHT-OF-USE ASSETS	2024	2023
Opening balance	122,218	125,737
New acquisitions and adjustments	78,332	28,560
Acquisition of subsidiaries	7,387	15,953
Terminated contracts	-444	-862
Depreciation	-51,208	-43,837
Impairment costs	-11,000	–
Translation differences	3,207	-3,333
Closing balance	**148,492**	**122,218**

The right-of-use assets in lease contracts are initially recognised at the value of the lease liabilities, adjusted for any prepaid lease payments. See also Note 32.

Depreciation is included in the costs for each function and calculated systematically over the expected utilisation period or, if it is shorter, the contract period as per the list below.

CLASS OF ASSET	DEPRECIATION PERIOD
Premises	3–12 years
Machinery and equipment	3–12 years

NOTE 16 Participations in associated companies

Associated companies are those companies that are not subsidiaries, but where the Parent Company has significant influence. The consolidated financial statements present participations in associated companies according to the equity accounting method. The equity accounting method means that participations in companies are recognised at the acquisition value at the time of acquisition and then adjusted by the Group's share of the change in the associated company's net assets. The consolidated income statement includes the Group's share of the associated company's profit after tax.

	2024	2023
Accumulated acquisition values		
Opening balance	274	247
Capital contribution	–	561
Profit share for the year [1]	-251	-509
Translation differences for the year	-1	-25
Closing balance	22	274
Ackumulerade nedskrivningar		
Opening balance	-250	-247
Write-downs for the year	–	-20
Reclassifications	224	–
Translation differences for the year	4	17
Closing balance	-22	-250
Carrying amount	**0**	**24**

Business name Corporate identity number Registered office	Share of equity	Share of votes	Number of shares	Equity [1]	Profit after tax [1]
Nordic Plastic Recycling AS 918 069 283 Åndalsnes, Norway	35%	35%	370,765	-640	-712

[1] Based on preliminary profit.

NOTE 17 Varulager

Inventories are valued as per the principle of lowest value and the first in, first out (FIFO) method. This means that inventories are recorded at the lower of the acquisition value as per the FIFO method and the net realisable value. The acquisition value of own-labelled finished and semi-finished goods consists of direct manufacturing costs and a reasonable mark-up for indirect manufacturing costs.

	2024	2023
Raw material and consumables	259,883	268,592
Products in progress	109,588	116,633
Finished products and goods for resale	109,385	99,919
Work in progress on behalf of third parties	2,640	1,520
Advance payments to suppliers	19,514	22,454
	501,010	**509,118**

Write-downs totalling SEK 1,613 thousand (1,629) have been made. Total expenditure for goods recognised as costs amounts to SEK 1,326,075 thousand (1,423,142).

NOTE 18 Accounts receivable and other receivables

Accounts receivable are recognised when the company has satisfied an obligation and/or is entitled to unconditional payment and has invoiced the customer.

	2024	2023
Accounts receivable – trade	461,894	531,468
Tax asset	52,649	25,915
Other receivables	35,841	59,451
Accrued income	3,207	25,724
Contract assets	174,600	163,772
	728,191	**806,330**

NOTE 19 Financial assets and liabilities

Financial assets and liabilities cover cash and bank balances, current investments, accounts receivable, loan receivables, loan liabilities, accounts payable and any derivatives. A financial asset or liability is recognised on the balance sheet when the company becomes party to the instrument's contractual terms. A financial asset is removed when the right to receive cash flows from the asset has expired or been transferred to another party. A financial liability is removed from the balance sheet once the obligation has been discharged, revoked or transferred.

Financial instruments are recognised at their accrued acquisition value, fair value via the income statement or fair value in other comprehensive income depending on how the instrument is classified. The company's business model for the management of financial instruments and the characteristics of the contractual cash flows from the instrument constitute the basis for the classification.

FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH THE INCOME STATEMENT

Financial assets and liabilities measured at fair value through the income statement comprise assets held for trading, such as short-term investments, and assets and liabilities reported at fair value via net profit for the year, such as derivatives not subject to hedge accounting.

FINANCIAL ASSETS AND LIABILITIES MEASURED AT ACCRUED ACQUISITION VALUE

Loan receivables and accounts receivable are valued at their accrued acquisition value. Credit risk is managed by each subsidiary through adopted procedures for credit control and dunning management. Impairment testing is carried out on an ongoing basis for these assets. Testing takes place individually and considers factors such as the financial difficulties of the debtor. In addition, an assessment is conducted for each segment, during which anticipated credit losses are assessed primarily from a historical perspective. Borrowings and accounts payable are valued at their accrued acquisition value.

FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Financial assets and liabilities measured at fair value in other comprehensive income include assets and liabilities for which hedge accounting is applied.

XANO uses hedge accounting in accordance with IAS 39. To use hedge accounting, a number of criteria must be fulfilled: The position to be hedged is identified and exposed to currency or interest rate fluctuations, the purpose of the instrument is to serve as a hedge, and a hedge effectively protects the underlying position.

XANO uses interest rate swaps to change the fixed-rate interest period in the desired direction as well as to reduce the effect of interest rate fluctuations. These derivatives are measured at their fair value in the balance sheet. The valuation is based on forward interest rates produced on the basis of observable yield curves. The valuation system detects which day count convention is being traded and adjusts the valuation accordingly. The relationship between the hedging instrument and the hedged item is documented when the transaction is entered into. The efficiency of the hedging relationship is measured regularly thereafter. The interest coupon share is regularly reported as either interest income or interest expense in the income statement. Other value changes are reported in other comprehensive income as long as the criteria for hedge accounting and efficiency are fulfilled. The inefficient part is recognised at fair value as a financial item in net profit for the year.

XANO uses currency derivatives to hedge sales in a currency other than the relevant entity's functional currency, as well as to reduce the effect of interest rate fluctuations between currencies. These contracts are valued at their fair value in the balance sheet. Valuation of the derivatives is based on observable data such as fixing rates and swap rates for the currency in question. The change in value for derivatives to hedge sales is recognised in other comprehensive income until the hedged flow is entered in the income statement and for as long as the criteria for hedge accounting and efficiency are satisfied. When the hedged flow meets the income statement, the change in value is recognised as net sales in relation to the way the hedged flow has been recognised as income, and in addition as exchange rate differences in net profit for the year. For other currency derivatives aimed at reducing the impact of interest rate fluctuations, the change in value is recognised in other comprehensive income as long as the criteria for hedge accounting and effectiveness are met. The ineffective portion is recognised at fair value as a financial item in net profit for the year.

XANO uses borrowings in foreign currency to hedge net investments in foreign enterprises. The portion of the borrowings' translation differences that is deemed to be an effective hedge is recognised as a translation difference in other comprehensive income. The portion of the borrowings' translation differences attributable to the ineffective part is recognised as a financial item in net profit for the year.

Convertible bonds are a compound financial instrument with both debt and equity characteristics. They are recognised partly as a financial liability and partly as an equity instrument.

When settlement or disposal is expected to take place more than 12 months after the closing day, a financial asset is recognised as a non-current asset. Financial liabilities expected to be settled more than 12 months after the closing day are recognised as non-current liabilities.

DISTRIBUTION BY CATEGORY **2024**	Loan and accounts receivable valued at accrued acquisition value	Financial liabilities measured at fair value through the income statement	Financial assets measured at fair value through other comprehensive income	Other financial liabilities measured at accrued acquisition value	Total carrying amount	Fair value [1]
Financial assets						
Accounts receivable [2]	461,894		–		461,894	461,894
Derivative instruments [3, 4]	–		5,314		5,314	5,314
Cash and cash equivalents	226,601		–		226,601	226,601
Total financial assets	**688,495**		**5,314**		**693,809**	
Financial liabilities						
Borrowings		–		933,202	933,202	933,202
Lease liabilities [5]		–		162,389	162,389	
Convertible loan		–		32,838	32,838	34,999
Bank overdraft facilities		–		17,874	17,874	17,874
Total interest-bearing liabilities		*–*		*1,146,303*	*1,146,303*	
Accounts payable		–		222,841	222,841	222,841
Total financial liabilities		**–**		**1,369,144**	**1,369,144**	

DISTRIBUTION BY CATEGORY **2023**	Loan and accounts receivable valued at accrued acquisition value	Financial liabilities measured at fair value through the income statement	Financial assets measured at fair value through other comprehensive income	Other financial liabilities measured at accrued acquisition value	Total carrying amount	Fair value [1]
Financial assets						
Accounts receivable [2]	531,468		–		531,468	531,468
Derivative instruments [3, 4]	–		7,892		7,892	7,892
Cash and cash equivalents	308,936		–		308,936	308,936
Total financial assets	**840,404**		**7,892**		**848,296**	
Financial liabilities						
Borrowings		–	–	988,460	988,460	988,460
Lease liabilities [5]		–	–	122,551	122,551	
Bank overdraft facilities		–	–	4,020	4,020	4,020
Total interest-bearing liabilities		*–*	*–*	*1 115 031*	*1 115 031*	
Accounts payable		–	–	231,673	231,673	231,673
Total financial liabilities		**–**	**–**	**1,346,704**	**1,346,704**	

1) The fair value of financial assets and liabilities, with the exception of convertible loans and lease liabilities, is estimated to be the same as their carrying amount in all material respects.

2) Bad debt losses recognised as expenses for the year amount to SEK 37,991 thousand (738), of which SEK 90 thousand (42) constitutes realised losses. Required closing accumulated provision for outstanding claims amounts to SEK 41,834 thousand (5,326), see also Note 35.

3) Derivative instruments refer to forward exchange contracts that are measured at fair value and belong to Level 2 under IFRS 13. The change in value for the year totals SEK – thousand (-3,797) excluding tax. The item is effectively hedged and recognised as "Change in hedging reserve" in the consolidated statement of comprehensive income.

4) Derivative instruments refer to interest rate swaps that measured at tfair value and belong to Level 2 under IFRS 13. The change in value for the year totals SEK -2,894 thousand (-9,315) excluding tax. The item is effectively hedged and recognised as "Change in hedging reserve" in the consolidated statement of comprehensive income.

5) For details on lease contracts, see Note 32.

CAPITALISED IMPAIRMENT OF OUTSTANDING ACCOUNTS RECEIVABLE	2024	2023
Opening balance	5,326	5,978
Acquisition of subsidiaries	–	653
Provision for anticipated bad debt losses	37,708	645
Reversal of anticipated bad debt losses	-1,288	-1,935
Translation differences for the year	88	-15
Closing balance	**41,834**	**5,326**

Impairment has been assessed on the basis of a historical perspective at 0.1% of total revenue, see also Note 35.

AGE ANALYSIS

FINANCIAL ASSETS 2024-12-31	Maturity –30 days	31–90 days	91–360 days	Total
Accounts receivable [1]	309,936	133,117	18,841	**461,894**
Derivative instruments	1,245	–	4,069	**5,314**
Cash and cash equivalents	226,601	–	–	**226,301**
Total financial assets	537,782	133,117	22,910	**693,809**

FINANCIAL ASSETS 2023-12-31	Maturity –30 days	31–90 days	91–360 days	Total
Accounts receivable [1]	373,161	113,699	44,608	**531,468**
Derivative instruments	929	–	6,963	**7,892**
Cash and cash equivalents	308,936	–	–	**308,936**
Total financial assets	683,026	113,699	51,571	**848,296**

1) Of recognised accounts receivable, overdue amount totals SEK 86,195 thousand (75,582), see also Note 35.

FINANCIAL LIABILITIES 2024-12-31	Maturity							Total
	–30 days	31–90 days	91–360 days	Total within 1 year	Between 1 and 3 years	Between 3 and 5 years	After 5 years	
Borrowings and lease liabilities	4,517	9,533	42,254	56,304	969,939	27,177	42,171	1,095,591
Convertible loan	–	–	–	–	32,838	–	–	32,838
Bank overdraft facilities	17,874	–	–	17,874	–	–	–	17,874
Total interest-bearing liabilities	*22,391*	*9,533*	*42,254*	*74,178*	*1,002,777*	*27,177*	*42,171*	***1,146,303***
Accounts payable	165,789	48,376	8,676	222,841	–	–	–	222,841
Total financial liabilities	188,180	57,909	50,930	**297,019**	1,002,777	27,177	42,171	**1,369,144**
Total non-discounted flows [1]	*188,180*	*57,909*	*56,746*	*302,835*	*1,098,519*	*27,669*	*52,977*	*1,482,000*

FINANCIAL LIABILITIES 2023-12-31	Maturity							Total
	–30 days	31–90 days	91–360 days	Total within 1 year	Between 1 and 3 years	Between 3 and 5 years	After 5 years	
Borrowings and lease liabilities	3,655	4,309	35,887	43,851	1,029,278	19,990	17,892	1,111,011
Bank overdraft facilities	4,020	–	–	4,020	–	–	–	4,020
Total interest-bearing liabilities	*7 675*	*4 309*	*35 887*	*47 871*	*1 029 278*	*19 990*	*17 892*	***1 115 031***
Accounts payable	171,879	42,731	17,063	231,673	–	–	–	231,673
Total financial liabilities	179,554	47,040	52,950	**279,544**	1,029,278	19,990	17,892	**1,346,704**
Total non-discounted flows [1]	*179 554*	*47 040*	*54 320*	*280 914*	*1 166 558*	*23 002*	*18 874*	*1 489 348*

[1] Includes estimated future interest payments.

In June 2022, new credit agreements were signed with the Group's main banks. The agreements ran for three years with an option to extend for a further one plus one year. All agreements have been extended until June 2027.

For fixed interest rates, interest rate risks and credit risks, see Note 35.

DISTRIBUTION BY CURRENCY	Financial assets		Financial liabilities			
			Non-current		Current	
	2024-12-31 [1]	**2023-12-31 [1]**	**2024-12-31**	**2023-12-31**	**2024-12-31**	**2023-12-31**
DKK	29,981	33,398	287,934	251,181	16,490	36,999
EUR	282,405	659,059	334,533	335,205	-198,316	120,284
SEK	213,429	233,005	350,067	345,101	162,883	79,423
USD	83,094	-16,187	84,727	110,649	129,180	7,954
Other currencies	84,900	-60,979	14,864	25,024	186,782	34,884
	693,809	**848,296**	**1,072,125**	**1,067,160**	**297,019**	**279,544**

[1] Include utilised bank overdraft facilities with multi-currency accounts.

NOTE 20 Cash and cash equivalents

Cash and cash equivalents consist of cash and bank balances and investments with a maturity of three months or less, and include balance in bank overdraft facilities, Group currency accounts.

CASH AND CASH EQUIVALENTS	2024	2023
Cash and bank balances	226,596	308,329
Investments in securities etc.	5	607
Amount at year-end	**226,601**	**308,936**

NOTE 21 Earnings per share

BASIC EARNINGS PER SHARE	2024	2023
Net profit for the year, SEK thousands	100,055	175,397
Average number of outstanding shares, thousands	59,264	58,302
Basic earnings per share, SEK	**1.69**	**3.01**

DILUTED EARNINGS PER SHARE	2024	2023
Net profit for the year, SEK thousands	100,055	175,397
Interest expense on convertible bonds, SEK thousands [1]	566	3,562
Issue expenses for convertible bonds, SEK thousands	20	128
Adjusted income, SEK thousands	100,641	179,087
Average number of outstanding shares, thousands	59,264	58,302
Adjustment for presumed conversion of convertible bonds, thousands	83	830
Average number of shares at the calculation of earnings per share, thousands	59,347	59,132
Diluted earnings per share, SEK	**1.69**	**3.01**

[1] Constitutes current interest for convertible loan adjusted to market interest rate.

For details on number of shares and convertible bonds, see Note 22.

NOTE 22 Share capital etc.

DISTRIBUTION OF SHARE CAPITAL	2024-12-31	2024-01-01
Class A shares	14,577,600	14,577,600
Class B shares	45,062,698	45,062,698
Total number of shares	**59,640,298**	**59,640,298**
Quota value, SEK	0.625	0.625
Share capital, SEK	37,275,186.25	37,275,186.25

The total number of shares is 59,640,298, of which 329,690 was held by the company at year-end. The average number of outstanding shares during 2024 amounted to 59,264,032. Class A shares give entitlement to ten votes and class B shares entitlement to one vote. The number of votes, following deductions for the company's own holding, was 190,509,008 at year-end.

In connection with business combinations, 179,442 treasury shares were transferred on 5 April 2024.

On 1 October 2024, convertibles for a nominal value of SEK 34,999 thousand, corresponding to 330,180 Class B shares, were issued.

The Board of Directors and the CEO propose that the surplus of the Parent Company, SEK 658,826,626, is carried forward.

NOTE 23 Reserves

CUMULATIVE TRANSLATION DIFFERENCE	2024	2023
Opening balance	44,924	57,213
Translation differences for the year	27,910	-15,148
Hedging of currency risk in non-Swedish operations	-15,067	2,859
Closing balance	57,767	44,924

Investment in shares in subsidiaries in Denmark, the Netherlands and Norway has been partially hedged by raising loans in DKK, EUR and NOK, respectively.

HEDGING RESERVE	2024	2023
Opening balance	5,529	15,940
Changes for the year, including tax	-2,298	-10,411
Closing balance	3,231	5,529

The amounts refer to the effective component of value change in derivative instruments used for hedge accounting. There were no reclassifications recognised in net profit for the year.

	2024	2023
Total reserves	**60,998**	**50,453**

NOTE 24 Bank overdraft facilities

Utilised overdraft facilities are recognised as current interest-bearing liabilities.

	2024	2023
Bank overdraft facilities granted	309,095	308,938
Unutilised amount	-291,221	-304,918
Utilised amount	17,874	4,020

NOTE 25 Convertible loan

The Parent Company has an outstanding convertible loan reported at SEK 32,838 thousand (–). The nominal value for the outstanding loan is SEK 34,999 thousand. The convertible loan runs until 30 September 2027 with an annual interest rate corresponding to STIBOR 3M plus 2.00 percentage points (at present 4.56 per cent). During the period 1–12 September 2027, convertible bonds can be redeemed against Class B shares at a conversion rate of SEK 106.00. Given that the loan is subordinate to other liabilities and the Group's financial position in general, the interest rate cannot be regarded as corresponding to a market interest rate. The market interest rate for this loan was assessed at 8.15 per cent (government bonds interest rate at the time of issue, 1.65 per cent, with a 6.50 per cent supplement for risk premium). Borrowings that accrue interest at a rate that differs from the market interest rate are recognised at the market value and the difference is added to the company's share premium reserve. Interest is charged to the income statement at the market interest rate over the term of the loan. At the same time, the reported liability will increase in the balance sheet so that it corresponds to the nominal sum at the end of the loan term. The market value for the convertible loan has been calculated by a present value computation of future interest payments and the loan's nominal value.

Recorded interest expense on convertible loan for the year is SEK 662 thousand (4,029). The result is also charged with issue costs incurred in connection with raising the convertible loan.

NOTE 26 Other non-current liabilities

One Group company has an incentive programme with issued synthetic options. The programme constitutes a cash-settled share-based remuneration. The premium for these options has been calculated at market value using the Black & Scholes model. The valuation is based on the market value of the relevant subsidiary, the agreed strike price, the risk-free interest rate, the volatility (assessed on the basis of comparable companies) and the current maturity of three years.

Other non-current liabilities include an option liability measured at fair value. During the term of the option, the liability is remeasured at market value and the change is recognised as a financial item in net profit for the year.

	2024	2023
Conditional purchase price	–	20,083
Option liability	542	–
	542	**20,083**
Estimated maturity time		
Between one and five years after the closing day	542	20,083
More than five years after the closing day	–	–

NOTE 27 Other provisions

Provisions are recognised in the balance sheet when the company has a legal or informal commitment as a result of an event that has occurred, and it is more probable than not that an outflow of resources is required to satisfy the obligation, and a reliable assessment of the amount can be made. The amounts are regularly assessed based on both historical experience and reasonable expectations for the future. XANO's operations include products covered by guarantees that are normally limited to between 12 and 36 months. The Group's provisions mainly refer to guarantee and pension commitments.

NON-CURRENT	2024	2023
Guarantee commitments	7,115	9,210
Pension commitments	501	546
Other commitments	2,966	536
	10,582	**10,292**
Estimated maturity time		
Between one and five years after the closing day	10,461	10,068
More than five years after the closing day	121	224

CURRENT	2024	2023
Guarantee and complaint commitments	5,673	5,723
Other commitments	4,684	33
	10,357	**5,756**

CHANGES IN OTHER PROVISIONS	Non-current			Current
	Guarantee commitments	Pension commitments	Other commitments	Other commitments
Opening balance	9,210	546	536	5,756
Provisions for the year	1,678	–	2,419	4,405
Acquisition of subsidiaries	–	–	–	–
Payments/utilisation for the year	-4,008	-45	–	–
Translation differences for the year	235	–	11	196
Closing balance	**7,115**	**501**	**2,966**	**10,357**

NOTE 28 Deferred tax

TEMPORARY DIFFERENCES

Temporary differences arise if the recognised and taxable values of assets or liabilities are different. Temporary differences for the following items have resulted in deferred tax liabilities and deferred tax assets.

	2024	2023
Immateriella anläggningstillgångar [1]	21,575	18,667
Materiella anläggningstillgångar [1]	19,132	20,624
Obeskattade reserver		
Överavskrivningar, maskiner och inventarier	22,193	19,453
Periodiseringsfonder	5,992	13,802
Derivat	838	1,434
Other temporary differences in non-Swedish subsidiaries	38,852	31,851
Other items	-1,035	-2,301
Deferred tax liabilities	**107,547**	**103,530**
Deferred tax assets [2]	**-20,219**	**-7,294**
Net deferred tax liabilities	87,328	96,236
Deferred tax liabilities brought forward	-96,236	-108,407
Acquisition of subsidiaries	-6,756	-10,133
Sale of subsidiaries	-1,733	–
Other temporary differences	12,224	363
Translation differences	-396	-425
Deferred tax expense relating to temporary differences	-5,569	-22,366
– of which recognised in		
Net profit for the year	-4,973	-19,665
Other comprehensive income	-596	-2,701

[1] Relates primarily to consolidated carrying amounts as a result of fair value measurement in connection with acquisition of subsidiaries.

[2] SEK 11,233 thousand (6,009) relates to operations in non-Swedish subsidiaries. In view of expected future development, these operations are expected to generate positive results in coming years and the loss carry-forward is recognised at the amount judged to be utilised. If there is no legal right of offset, the asset is recognised as a deferred tax asset in the balance sheet.

DEFERRED TAX

CHANGES IN DEFERRED TAX LIABILITIES	2024	2023
Deferred tax liabilities brought forward	103,530	111,145
Non-current assets	-8,176	-3,089
Untaxed reserves		
Excess depreciation, machinery and equipment	2,740	1,487
Tax allocation reserves	-7,810	-7,744
Derivative instruments	-596	-2,701
Other items	1,266	-273
Acquisition of subsidiaries	8,593	10,133
Sale of subsidiaries	1,733	–
Non-Swedish items with diverging tax rate	6,394	-5,517
Translation differences	-127	89
Deferred tax liabilities carried forward	**107,547**	**103,530**

CHANGES IN DEFERRED TAX ASSETS	2024	2023
Deferred tax assets brought forward	7,294	2,738
Tax reductions for investments in Sweden	–	-652
Other items	5,559	998
Acquisition of subsidiaries	1,837	–
Non-Swedish items with diverging tax rate	5,224	4,447
Translation differences	305	-237
Deferred tax assets carried forward	**20,219**	**7,294**

The Group's judgement is that deferred tax is not covered by the disclosure requirement regarding maturity according to IAS 1.61, since there is often uncertainty as to when a deferred tax triggers a payment.

NOTE 29 Accounts payable and other liabilities

	2024	2023
Advance payments from customers	95,364	89,691
Accounts payable	222,841	231,673
Salary and holiday pay liabilities	108,707	109,652
Accrued social security contributions	23,884	24,884
Other accrued expenses	30,942	41,152
Other non-interest-bearing liabilities	82,305	54,282
Contract liabilities	220,215	293,578
	784,258	**844,912**

NOTE 30 Pledged assets

	2024	2023
For own liabilities		
Property mortgages	43,131	34,660
Floating charges	7,150	7,650
Shares in subsidiaries	1,060,548	1,149,036
Other collaterals	34,712	40,745
	1,145,541	1,232,091
Other pledged assets		
Pledged endowment insurance with pension commitments	501	546
	501	546
Total	**1,146,042**	**1,232,637**

NOTE 31 Contingent liabilities

	2024	2023
Contingent liabilities in respect of advance payment and work guarantees	53,319	46,482
Other obligations	165	–
	53,484	**46,482**

NOTE 32 Leases

Leases mean that the right of use for the object in question is recognised as a right-of-use asset. At the same time, the corresponding commitments are reported as interest-bearing liabilities. Assets and liabilities are valued at the start of the lease period at the current value of agreed lease payments, discounted using the lessee's incremental borrowing rate. Lease payments included in the calculation cover fixed fees, variable lease payments that depend on an index or a price initially valued using an index, amounts expected to be paid under residual value guarantees, exercise prices for options to buy, etc. An option to extend a lease or an option to buy is taken into account in the calculation, if the lessee is reasonably sure of utilising such an opportunity. In subsequent periods, the asset is recognised at acquisition value less depreciation and impairment, and the liability is revalued to reflect the effect of interest and lease payments performed. Depreciation for the non-current asset/right-of-use asset and interest expenses for the lease liability are recognised in the income statement.

The Group assesses whether a contract is or contains a lease at the start of the agreement. The Group reports all leases in which the Group is the lessee, apart from short-term leases (leases with a lease term of less than 12 months) as well as leases where the underlying asset is of a low value. For leases that satisfy the requirements for the relief rules (short-term agreements and assets of a low value), lease payments are recognised as operating expenses on a straight-line basis over the lease term. Variable lease payments that are not dependent on an index or a price are not included in the valuation. Such lease payments are recognised as expenses in the operating profit in the period in which they arise.

Items covered by lease contracts are recognised in the consolidated financial statements as below. Standard terms for the Group's lease contracts related to machinery are variable interest rate and a lease term of seven years, with a residual value of 25 per cent of the acquisition value. An average incremental borrowing rate of 3 per cent has been applied when calculating lease liabilities.

RIGHT-OF-USE ASSETS	2024	2023
Premises	124,533	98,145
Plant and machinery	3,244	6,942
Equipment, tools, fixtures and fittings	20,715	17,131
	148,492	**122,218**

INTEREST-BEARING LIABILITIES	2024	2023
Current component, within 1 year	52,352	42,063
Non-current component, between 1 and 5 years	83,973	80,460
Non-current component, over 5 years	26,064	28
	162,389	**122,551**

CONTRACTED FUTURE LEASE PAYMENTS	Lease contracts	Short-term leases	Low-value leases
Current component, within 1 year	58,216	1,357	341
Non-current component, between 1 and 5 years	86,062	–	172
Non-current component, over 5 years	36,145	–	–
Non-discounted amounts	**180,423**	**1,357**	**513**

AMOUNTS RECOGNISED IN CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME	2024	2023
Depreciation	-51,208	-43,837
Interest expenses	-4,982	-4,433
Leasing expenses on short-term leases	-2,370	-2,932
Leasing expenses on low-value leases	-261	-218

DEPRECIATION DISTRIBUTED BY THE UNDERLYING CLASS OF ASSET	2024	2023
Premises	-37,755	-31,403
Plant and machinery	-3,391	-4,931
Equipment, tools, fixtures and fittings	-10,062	-7,503
	-51,208	**-43,837**

AMOUNTS RECOGNISED IN CONSOLIDATED CASH FLOW STATEMENTS	2024	2023
Interest paid	-4,982	-4,433
Repayment by instalments	-48,867	-39,882
Total leasing fees paid	**-53,849**	**-44,315**

The value of leases that have not yet begun, but to which the lessee is contracted, does not come to any noteworthy sum.

The effect on lease liabilities in the event of a 1 per cent change in the discount rate is SEK 1.6 million.

NOTE 33 Cash flow

Cash flow is reported by applying the indirect method. This means that the net profit/loss is adjusted for transactions that have not resulted in deposits or withdrawals during the period and for any income and expenses related to the cash flow of investing or financing activities.

In the cash flow statement, purchase prices for companies that are either acquired or sold are presented on a separate line. The assets and liabilities that the acquired or sold company held at the time of the acquisition/disposal are therefore not included in the cash flow.

INTEREST

During the financial year, interest paid amounted to SEK 77,991 thousand (66,978) and interest received to SEK 10,541 thousand (11,627).

BUSINESS COMBINATIONS

IFRS 3 is applied to business combinations. This means, amongst other things, that transaction fees on business combinations are recognised as expenses and that conditional purchase prices are set at the fair value at the time of acquisition and that the effects of revaluations of these purchase prices are recognised in net profit for the year.

Graniten Engineering AB is included in the consolidated results from 22 March 2024. Dansk Rotations Plastic ApS is included in the consolidated results from 5 April 2024. All shares in XANO Fastigheter Ljungarum AB were sold on 28 October 2024.

In 2023, Lundgren Machinery AB and Integrated Packaging Solutions, LLC (IPS) were acquired.

According to preliminary acquisition calculation, the total value of acquired assets and liabilities, purchase prices and the effect on the Group's liquid assets are as follows:

ACQUISITIONS 2024	Reported values in subsidiaries	Fair value adjustment	Consolidated fair value
Intangible assets	61,054	76,125	137,179
Property, plant and equipment	22,275	13,630	35,905
Financial assets	1,836	–	1,836
Right-of-use assets	–	7,387	7,387
Current assets [1]	48,814	–	48,814
Non-current liabilities	-11,698	-12,166	-23,864
Current liabilities	-87,417	-3,309	-90,726
Net assets/purchase price	34,864	81,667	116,531
Transfer of treasury shares with no cash-flow effect			-15,432
Liquid assets in acquired businesses			-6,442
Transaction costs			1,779
Cash flow attributable to acquired businesses			**96,436**

[1] Accounts receivable are recognised in the amount of SEK 14,520 thousand and are expected to be received in full. Cash and cash equivalents are recognised in the amount of SEK 6,442 thousand.

According to preliminary acquisition calculation, the total value of divested assets and liabilities, purchase price and the effect on the Group's liquid assets are as follows:

DIVESTMENT	2024
Property, plant and equipment	38,316
Current assets	8
Non-current liabilities	-1,836
Current liabilities	-30,955
Reported value in subsidiary	5,533
Capital gain excluding transaction costs	67,395
Total purchase price	72,928
Transaction costs	-1,329
Cash flow attributable to divested business	**71,599**

ACQUISITIONS	2024	2023
Intangible assets	137,179	228,424
Property, plant and equipment	35,905	5,969
Financial assets	1,836	195
Right-of-use assets	7,387	15,953
Current assets	48,814	64,109
Non-current liabilities	-23,864	-45,143
Current liabilities	-90,726	-48,423
Total purchase price	116,531	221,084
Transfer of treasury shares with no cash-flow effect	-15,432	–
Liquid assets in acquired businesses	-6,442	-11,221
Transaction costs	1,779	3,401
Total cash flow attributable to acquired businesses	**96,436**	**213,264**

Transaction costs with regard to acquired entities amounted to SEK 1,779 thousand (3,401) and were recognised as administrative expenses in net profit for the year.

CHANGES IN LIABILITIES RELATED TO FINANCING ACTIVITIES	2023-12-31	Cash flow	Changes with no cash-flow effect					2024-12-31
			Translation differences	Capitalisation effect	Acquisition of subsidiaries	Additional lease liabilities IFRS 16	Other	
Non-current interest-bearing liabilities								
Borrowings and lease liabilities	1,067,160	-74,135	30,991	–	15,271	–	–	1,039,287
Convertible loan	–	34,999	–	-2,161	–	–	–	32,838
	1,067,160							*1,072,125*
Current interest-bearing liabilities								
Borrowings and lease liabilities	43,851	6,313	1,128	–	5,309	-297	–	56,304
Bank overdraft facilities	4,020	33,417	-1,124	–	-18,439	–	–	17,874
	47,871							*74,178*
	1,115,031							**1,146,303**

NOTE 34 Business combinations

In March 2024, the automation company Graniten Engineering AB, based in Uddevalla, Sweden, was acquired. Graniten develops and produces high technology solutions for automation processes. Its customers are leading players in pharma, medtech and healthcare, mainly located in Europe. The company has 60 employees and annual sales of SEK 125 million. Graniten is a part of XANO's Industrial Solutions business unit. The total purchase price amounted to SEK 13 million and was paid in cash.

In April 2024, the renowned rotational moulding company Dansk Rotations Plastic ApS (DRP) was acquired. Based in Kalvehave, Denmark, DRP has been developing and manufacturing rotomoulded polymer products for over 50 years. The company's services include everything from design and toolmaking to production and post-processing. Its customers are leading companies involved in cleantech, chemical industry, lighting and furniture manufacturing, mainly located in Denmark. DRP's sales are evenly distributed between customer-specific assignments and in-house developed products in industry, agriculture, cleantech and leisure. The company has 25 employees and annual sales of DKK 40 million. DRP is a part of XANO's Industrial Products business unit. The total purchase price amounted to DKK 67 million. Within the framework of the acquisition, treasury shares corresponding to an amount of DKK 10 million were transferred. The remaining amount, DKK 57 million was paid in cash.

The acquisitions preliminary bring surplus values totalling SEK 90 million distributed between goodwill (SEK 50 million), customer relations (SEK 26 million) and property, plant and equipment (SEK 14 million). The transaction costs are estimated at SEK 2.0 million. Goodwill relates to synergy effects. The expectation is that synergies will mainly be achieved by means of the acquisition adding adjacent technical skills and introducing new market niches to existing operations. The utilisation of common resources will also entail coordination advantages.

The acquired units contributed SEK 134 million in net revenue and approx. SEK -11 million in net profit after the deduction of write-offs from surplus values and financial expenses attributable to the acquisitions. If the acquired units had been included in the Group throughout the whole year, revenue would have amounted to SEK 3,354 million, while net profit would have been approx. SEK 102 million.

In October, all shares in XANO Fastigheter Ljungarum AB were sold. The company owns an industrial property in Jönköping, Sweden. The purchase price, which was paid in cash, amounted to SEK 73 million and brought a capital gain of SEK 66 million, recognised in net profit for year in accordance with IFRS 10. In connection with the divestment, a new ten-year lease was signed for the subsidiary NPB Automation AB, which continues to operate on the property.

In 2023, Lundgren Machinery AB and Integrated Packaging Solutions, LLC (IPS) were acquired. Of the purchase price for IPS, USD 1 million is contingent on continued employment and agreed to be paid in cash in 2025.

Acquired assets and liabilities are specified in Note 33 Cash flow.

NOTE 35 Risks

FINANCIAL RISKS

XANO is exposed to financial risks through its international activities. Financial risks refer to changes in the Group's cash flow resulting from changes in exchange rates and interest levels as well as liquidity, financing and credit risks.

The Group's policy for managing financial risks is determined by the Board and creates a framework for risk management. The aim is to reduce the cost of capital procurement as well as the financial risk in a cost-effective manner. The Parent Company has a central role in managing financial activities, which means that the Group can make use of economies of scale and better examine financial risks.

CURRENCY RISKS

The Group's activities are exposed to currency risks mainly within the following three areas:

» Transaction risks
» Risks from translation of subsidiaries' income statements
» Risks from translation of subsidiaries' balance sheets

TRANSACTION RISKS

The transaction risk arises due to the commercial payment flows that take place in a currency other than the local currency of each subsidiary. According to Group policy, these commercial flows are not typically hedged. Due to any changes made to the Group's structure and their impact on currency flows, this policy may be amended. The flows are monitored continuously in order to minimise transaction risks.

The proportion of invoicing in foreign currency in 2024 was 64 per cent (66). 39 per cent (41) of the Group's manufacturing took place in Sweden. The majority of the Group's products are sold in countries other than the countries where manufacturing is performed. A transaction risk arises as a result of deliveries from the manufacturing units to foreign end customers, as well as when purchasing materials.

A simplified breakdown by currency of the Group's income and cost structure for 2024 is shown in the table below.

Share (%) of	SEK	EUR	DKK	Other
Invoicing	36	42	3	19
Cost of goods sold	34	37	15	14

Koncernen är framför allt exponerad för förändringar i EUR och USD. Härutöver innehar dotterföretag fordringar och låneskulder i annan valuta än funktionell valuta, främst EUR och USD. En genomsnittlig förändring med fem procent av alla valutor gentemot den svenska kronan skulle för motsvarande flöde medföra en resultateffekt före skatt om ca 60 MSEK, varav ca 37 MSEK är hänförliga till EUR.

Currency derivatives are utilised to hedge sales in a currency other than the relevant entity's functional currency. On the closing day, there were forward exchange contracts for hedging EUR 3.8 million.

RISK FROM TRANSLATION OF SUBSIDIARIES' INCOME STATEMENTS

Translation of non-Swedish subsidiaries' income statements into SEK takes place at an average rate. If invoicing and net profit are the same as in 2024, a 5 per cent change to the SEK against all other currencies would affect invoicing by around SEK 93 million and net profit by around SEK 2 million.

RISK FROM TRANSLATION OF SUBSIDIARIES' BALANCE SHEETS

Translation risks are attributable to changes caused by currency fluctuations for net assets in foreign currencies, which are translated into SEK. Foreign subsidiaries' net assets were valued at SEK 1,528 million (1,491) at year-end. On translation of the subsidiaries' balance sheets, exchange rate fluctuations have affected other comprehensive income for 2024 by SEK 13 million (-12). The currency exposure that arises through investments in foreign net assets is partially hedged by raising loans in the corresponding currency. The Group's translation risks relate primarily to changes in EUR and CNY against SEK. A change of 5 per cent in either EUR or CNY against the SEK would have an impact on Group equity of SEK 6 million and SEK 4 million respectively, based on the current net assets.

INTEREST RATE RISKS

Interest rate risks refer to the risk that changes in the interest rate level will affect the Group's financial results negatively through increased borrowing costs. Financing mainly takes place through borrowing from banks. In 2024, the average interest rate (interest expenses in relation to the average interest-bearing liabilities) was 6.9 per cent (5.9). On the closing day, the Group's interest-bearing liabilities, excluding operating lease liabilities, amounted to SEK 987 million (996), of which SEK 507 million (846) is financed at a variable interest rate. The average interest rate on borrowings with variable interest rates was 4.6 per cent (5.4) at year-end. The net result of a 1 percentage point increase in interest rates is approx. SEK 5.1 million on an annual basis. The Group's liabilities related to operating leases amount to SEK 160 million (119).

Interest rate swap agreements are used to change the fixed-rate interest period in the desired direction as well as reducing the effect of interest rate fluctuations. As of the closing day, interest rate swap agreements of a nominal sum of SEK 480 million (150) were in place.

Currency swap agreements are used to reduce the interest charges within the Group's multi-currency accounts. As of the closing day, there were no running currency swap agreements.

FIXED INTEREST RATE PERIOD FOR BORROWINGS

Maturity date	Amount (SEK 000)	Average interest rate (%) [1]	Share (%)
2025	50,000	0.42	2
2026–2029	330,189	2.39	82
2030 and later	100,000	1.48	16
Total	**480,189**	**2.00**	**100**

[1] Exclusive of margin incurred on variable-rate loans underlying swap contracts.

The average fixed interest rate period is 42 months.

LIQUIDITY AND FINANCING RISKS

Liquidity and financing risks refer to not being able to fulfil payment obligations as a result of insufficient liquidity or difficulty in taking out external loans. XANO actively seeks to ensure a high level of financing preparedness and effective capital procurement by always having confirmed lines of credit. The majority of the Group's borrowing comes from banks and with the loans in each company's local currency. Parent companies also lend funds within the Group at market terms, usually at a variable interest rate. The payment capacity (liquid assets including credit that has been granted but not utilised relative to net revenue) amounted to 41 per cent (41) on the closing day.

CREDIT RISKS

Credit risks refer to the risk of a contracting party being unable to fulfil its undertakings in a financial transaction. For XANO, credit risks are primarily associated with accounts receivable. The risk of customer losses (bad debt) is managed through defined procedures for credit controls and claims management. The Group's customers are primarily large, well-established companies with a good ability to pay, spread across a number of industries and geographic markets, which has meant that customer losses have historically been low. The maximum credit risk concerning the Group's accounts receivable corresponds to the recognised value of SEK 462 million (531). On the closing day, there was no customer for which outstanding accounts receivable exceeded SEK 50 million in total.

AGE ANALYSIS OF ACCOUNTS RECEIVABLE

On the closing day	Not yet due	Time from maturity 6 – 30 days	31 – 90 days	> 90 days	Total
2024-12-31	375,699	48,484	22,209	15,502	**461,894**
2023-12-31	455,874	22,768	28,613	24,213	**531,468**

Bad debt losses recognised as expenses for the year amount to SEK 37,991 thousand (738), of which SEK 90 thousand (42) constitutes realised losses. Required closing accumulated provision for outstanding claims amounts to SEK 41,834 thousand (5,326), see also Note 19.

A credit risk also exists for contract assets. The maximum credit risk attributable to contract assets corresponds to the recognised value of SEK 175 million (164). On the closing day, there is no customer for which outstanding contract assets exceed SEK 25 million. Impairment testing for losses for the year has not entailed any reserve, as these are not deemed to amount to a significant sum.

OPERATIONAL RISKS

Operational risks are associated with both customers and suppliers, as well as other external factors and the Group's own activities. From a Group perspective, the customer base is broad and varied in terms of both industry and size. The Group has attempted to minimise the risks that exist in connection with customers' requests for production in low-cost countries by offering production at its own foreign units. Project deliveries to the packaging industry account for a large part of the Group's revenue. The high proportion of project-based sales entails an increased risk of volume fluctuations.

As regards input goods, metal represents a dominant raw material together with plastic, often produced from oil-based products. Raw material prices are dependent on world market prices and exchange rate fluctuations, as well as production capacity. The number of raw materials is large, as metals and plastic raw materials occur in many variants. However, price fluctuations for raw materials have a limited effect on the Group's results, as many agreements with customers include raw material clauses. The management of price risks forms part of the daily work and imposes demands concerning ongoing cost rationalisation and productivity improvements.

Within the Group's product area there is always a risk that products may need to be recalled due to faults. To avoid these risks, Group companies have implemented quality control systems.

The Group has satisfactory protection against the traditional insurance risks such as fire, theft, liability, stoppages, etc., through the insurance policies taken out.

The Group's operations span many different sectors and customer segments, which generally entails a good spreading of risk. The level of preparedness to make adjustments at short notice is also high. The willingness to invest on the part of some of the Group's major customers is closely linked to the development of the global economy. We are not witnessing any quick turnaround and recovery in the established markets, where we have been experiencing declining trends. Geopolitical unrest in several parts of the world could contribute to higher inflation and price risks, as well as delivery and supply chain disruptions. In addition, there are, among other things, threats from the US to introduce higher import tariffs. XANO works with proactive price and contract management to meet cost increases. By offering manufacturing in its own units outside Sweden, trade barriers can be countered.

NOTE 36 Capital management

XANO's objective, during strong and stable growth, is to achieve a good return on equity with limited financial risk. In order to achieve this, a stable cash flow and a strong balance sheet are required with an equity/assets ratio greater than 30 per cent. At the end of the year, the equity/assets ratio was 45 per cent (44).

The Group's financing is dependent on certain financial key ratios agreed with the Group's main bank being achieved. The relevant key ratios relate to the Group's risk capital participation and net liabilities in relation to profit. The outcome for the year has meant that the key ratios concerned are within the agreed levels.

It is the aim of the Board of Directors that dividends over an extended period will follow the earnings trend and correspond to at least 30 per cent of profit after tax. The annual dividend proportion must however be viewed in relation to investment needs and any repurchase of shares.

NOTE 37 Related party transactions

XANO's related parties consist of senior executives, Board members and companies that are subject to the controlling interest of XANO's Board members or senior executives in subsidiaries.

In addition to the payments referred to in Note 5, Board members and senior executives have received customary share dividends. Senior executives have also received the right to acquire personnel convertibles in accordance with decision made at the Annual General Meeting. The share and convertible holdings of Board members and senior executives as of the closing day are presented on pages 144–146.

Viem Invest AB, controlled by board member Anna Benjamin, and Pomona-gruppen AB, under the controlling interest of Board member Fredrik Rapp, are major XANO shareholders. In 2024, no transactions have taken place between these holding companies and XANO.

Transactions take place between XANO's subsidiaries and companies which are subject to the controlling interest of XANO's Board members or senior executives in subsidiaries. These transactions constitute part of the companies' normal activity and take place under market conditions. During 2024, purchases from ITAB Shop Concept AB with subsidiaries to XANO's subsidiaries amounted to SEK 0.0 million (0.0) and purchases from AGES Industri AB with subsidiaries to XANO's subsidiaries amounted to SEK 1.4 million (0.4). Sales to ITAB totalled SEK 0.8 million (0.4). At an overall assessment, ITAB is considered to be under the controlling interest of Pomona-gruppen AB and Board members Petter Fägersten and Anna Benjamin. AGES is under the controlling interest of Viem Invest AB and Pomona-gruppen AB. Sales to INEV AB with subsidiaries, which are under the controlling interest of Board member Per Rodert, amounted to SEK 0.7 million (0.6). Other related party transactions do not come to any noteworthy sum. As of the closing day, amounts payable to and receivable from related parties do not come to any noteworthy sum.

NOTE 38 Items affecting comparability

In this annual report, the Group presents certain financial indicators that are not defined in IFRS. These indicators aim to provide supplementary information as they contribute to the understanding of the Group's financial development.

ITEMS AFFECTING COMPARABILITY	2024	2023
Costs for restructuring activities [1]	-35,174	–
Items related to business combinations [2]	74,848	-3,339
Other items [3]	-31,077	9,716
Total	**8,597**	**6,377**

[1] Includes, inter alia, redundancy costs for personnel, impairment of right-of-use assets and relocation costs when transferring production between units.

[2] Includes adjusted conditional purchase price for Integrated Packaging Solutions, LLC amounting to SEK 10.5 million and capital gain of SEK 66 million from divestment of XANO Fastigheter Ljungarum AB.

[3] Refers to impairment of accounts receivable totalling SEK -31 million (–) and electricity support of SEK – million (10) to Swedish companies.

NOTE 39 Händelser efter årets slut

In February 2025, Marilyn Lindh, Chief Sustainability Officer at XANO, was appointed member of the Group Management, which since before included Lennart Persson, President and CEO, and Marie Ek Jonson, CFO. There are no other individual events of major significance to report after the closing day.

Definitions

ADJUSTED EBITDA
Operating profit less items affecting comparability plus depreciation and amortisation of tangible and intangible non-current assets.

ADJUSTED OPERATING MARGIN
Operating profit less items affecting comparability in relation to net revenue.

ADJUSTED PROFIT MARGIN
Profit before tax less items affecting comparability in relation to net revenue.

AVERAGE NUMBER OF EMPLOYEES
Average number of employees during the period based on working hours. Employees who are covered by short-term work/temporary layoffs are only included to the extent that relates to actually worked time.

BASIC EARNINGS PER SHARE
Net profit in relation to the average number of outstanding shares.

CAPITAL EMPLOYED
Balance sheet total less non-interest-bearing liabilities.

CASH FLOW FROM OPERATING ACTIVITIES PER SHARE
Cash flow from operating activities in relation to the average number of outstanding shares.

DILUTED EARNINGS PER SHARE
Net profit plus costs relating to convertible loan in relation to the average number of outstanding shares plus the average number of shares added at conversion of outstanding convertibles.

DIRECT YIELD
Proposed dividend in relation to the share price on the closing day.

EBITDA
Operating profit plus depreciation and amortisation of tangible and intangible non-current assets.

EQUITY PER SHARE
Equity in relation to the number of outstanding shares on the closing day.

EQUITY/ASSETS RATIO
Equity in relation to total capital.

GROSS MARGIN
Gross profit in relation to net revenue.

INTEREST COVERAGE RATIO
Profit before tax plus financial expenses in relation to financial expenses.

ITEMS AFFECTING COMPARABILITY
Events or transactions that have a material financial impact and whose effects on earnings are important to note when comparing the financial results for the period with results for previous periods.

NET INVESTMENTS
Closing balance less opening balance plus amortisation/depreciation, impairment costs and translation differences relating to non-current assets.

OPERATING MARGIN
Operating profit in relation to net revenue.

ORGANIC GROWTH
Growth in net revenue generated by the Group's own efforts and in existing structure. The amount has not been adjusted for exchange rate fluctuations.

PROFIT MARGIN
Profit before tax in relation to net revenue.

RETURN ON CAPITAL EMPLOYED
Profit before tax plus financial expenses in relation to average capital employed.

RETURN ON EQUITY
Net profit in relation to average equity.

RETURN ON TOTAL CAPITAL
Profit before tax plus financial expenses in relation to average total capital.

REVENUE GROWTH
Net revenue for the period in relation to net revenue for a comparative period.

TOTAL CAPITAL
Total equity and liabilities (balance sheet total).

Key figures

Key figures included in this report derive primarily from the disclosure requirements according to IFRS. Other measures, known as alternative key figures, describe e.g. the profit trend, financial strength and how the Group has invested its capital. Key figures included in this report derive primarily from the disclosure requirements according to IFRS. Other measures, known as alternative key figures, describe e.g. the profit trend, financial strength and how the Group has invested its capital.

Presented key figures take the nature of the business into account and are deemed to provide relevant information to shareholders and other stakeholders for assessing the Group's potential to carry out strategic investments, fulfil financial commitments and provide yield for shareholders at the same time as achieving comparability with other companies. The margin measures are also presented internally for each segment.

The calculation of the Group's primary alternative key figures is found on page 90.

Reconciliation of alternative key figures

Key figures included in this report derive primarily from the disclosure requirements according to IFRS. With the aim of illustrating the Group's profit trend and financial strength, as well as how the Group has invested its capital, reference is also made to a number of alternative key figures that are not defined within the IFRS regulatory framework or directly in the income statement and balance sheet. The calculation of the Group's primary alternative key figures is presented below. The definition of each key figure is found on page 89.

INTEREST COVERAGE RATIO

Relate to financial resistance and shows how much the Group's profit can fall without jeopardising interest payments.

	2024	2023
Profit before tax plus financial expenses, SEK thousands	226,001	322,480
Financial expenses, SEK thousands	111,071	95,810
Interest coverage ratio, multiple	**2.0**	**3.4**

ORGANIC GROWTH

Shows the growth in net revenue generated by the Group's own efforts.

	2024	2023
Net revenue for the period less revenue generated through acquisitions less net revenue for the previous period, SEK thousands	-352,216	-110,067
Net revenue for the previous period, SEK thousands	3,431,455	3,508,706
Organic growth, %	**-10.3**	**-3.1**

RETURN ON CAPITAL EMPLOYED

Shows how well the operational capital is used to create profitable growth.

	2024	2023
Profit before tax plus financial expenses, SEK thousands	226,001	322,480
Average [1] capital employed, SEK thousands	2,848,880	2,772,013
Return on capital employed, %	**7.9**	**11.6**

RETURN ON EQUITY

Shows the Group's capacity to generate return on shareholders' equity.

	2024	2023
Net profit for the year attributable to shareholders of the Parent Company, SEK thousands	100,055	175,397
Average [1] equity attributable to shareholders of the Parent Company, SEK thousands	1,671,598	1,594,794
Return on equity, %	**6.0**	**11.0**

RETURN ON TOTAL CAPITAL

Quantifies how much return the Group generates through the use of its capital structure.

	2024	2023
Profit before tax plus financial expenses, SEK thousands	226,001	322,480
Average [1] total capital, SEK thousands	3,855,642	3,810,219
Return on total capital, %	**5.9**	**8.5**

[1] Average capital is calculated as an average of the opening balance and reported quarterly data during the current year. For 2024, this means that the closing balances as of 31 December 2023, 31 March 2024, 30 June 2024, 30 September 2024 and 31 December 2024 were added together and divided by 5.

Income statements

PARENT COMPANY (SEK thousands)	Note	2024	2023
Net sales		33,015	29,680
Cost of goods sold		–	–
Gross profit		**33,015**	**29,680**
Selling expenses	3, 4, 6	-6,221	-6,083
Administrative expenses	3, 4, 5, 6	-35,301	-34,515
Other operating income		111	272
Other operating expenses		–	–
Operating profit/loss		**-8,396**	**-10,646**
Profit from participations in Group companies [1)]	7	91,887	142,104
Interest income and similar profit/loss items	8	81,973	57,527
Interest expense and similar profit/loss items	9	-60,575	-57,409
Resultat efter finansiella poster		**104,889**	**131,576**
Appropriations [1)]	10	30,834	28,992
Profit before tax		**135,723**	**160,568**
Tax	11	-6,736	-10,474
NET PROFIT FOR THE YEAR		**128,987**	**150,094**

[1)] Reporting of Group contribution received has been adjusted compared with the 2024 year-end report.

Statements of comprehensive income

PARENT COMPANY (SEK thousands)	Note	2024	2023
Net profit for the year		128,987	150,094
Other comprehensive income		–	–
COMPREHENSIVE INCOME FOR THE YEAR		**128,987**	**150,194**

Balance sheets

PARENT COMPANY (SEK thousands)	Note	2024-12-31	2023-12-31
ASSETS			
Non-current assets			
Property, plant and equipment	12		
Equipment, tools, fixtures and fittings		564	193
		564	193
Financial non-current assets			
Participations in Group companies	13	168,344	206,757
		168,344	206,757
Total non-current assets		**168,908**	**206,950**
Current assets			
Current receivables			
Receivables from Group companies		1,305,606	1,087,352
Other receivables		4,051	7,196
Prepayments and accrued income		7,849	5,231
		1,317,506	1,099,779
Current investments		5	5
Cash and bank balances	16	6	8,673
Total current assets		**1,317,517**	**1,108,457**
TOTAL ASSETS		**1,486,425**	**1,315,407**

Balance sheets

PARENT COMPANY (SEK thousands)	Note	2024-12-31	2023-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	14	37,275	37,275
Statutory reserve		8,899	8,899
		46,174	46,174
Non-restricted equity			
Share premium reserve		163,041	145,250
Profit brought forward		366,799	276,016
Net profit for the year		128,987	150,094
		658,827	571,360
Untaxed reserves		**705,001**	**617,534**
Obeskattade reserver	15	**28,185**	**59,019**
Liabilities			
Non-current liabilities			
Non-current interest-bearing liabilities	16, 17	282,838	250,000
		282,838	250,000
Current liabilities			
Bank overdraft facilities		14,148	–
Accounts payable		1,195	1,505
Liabilities to Group companies		438,615	374,869
Current tax liabilities		608	167
Other liabilities	16	2,769	2,306
Accruals and deferred income		13,066	10,007
		470,401	388,854
Total liabilities		**753,239**	**638,854**
TOTAL EQUITY AND LIABILITIES		**1,486,425**	**1,315,407**

Statement of changes in equity

PARENT COMPANY (SEK thousands)	Note	RESTRICTED EQUITY Share capital	 Statutory reserve	NON-RESTRICTED EQUITY Share premium reserve	 Other non-restricted equity	TOTAL EQUITY
Equity, 1 January 2023		**36,559**	**8,899**	**76,055**	**378,349**	**499,862**
Net profit for the year		–	–	–	150,094	150,094
Other comprehensive income		–	–	–	–	–
Comprehensive income for the year		–	–	–	150,094	150,094
Conversion of personnel convertibles		716	–	69,195	–	69,911
Cash dividends paid		–	–	–	-102,333	-102,333
Equity, 31 December 2023		**37,275**	**8,899**	**145,250**	**426,110**	**617,534**
Net profit for the year		–	–	–	128,987	128,987
Other comprehensive income		–	–	–	–	–
Comprehensive income for the year		–	–	–	128,987	128,987
Effect of convertible loan issued		–	–	2,359	–	2,359
Transfer of treasury shares		–	–	15,432	–	15,432
Cash dividends paid		–	–	–	-59,311	-59,311
EQUITY, 31 DECEMBER 2024	14	**37,275**	**8,899**	**163,041**	**495,786**	**705,001**

Cash flow statements

PARENT COMPANY (SEK thousands)	Note	2024	2023
OPERATING ACTIVITIES			
Operating profit/loss		-8,396	-10,646
Adjustments for non-cash items etc.			
Depreciation		48	44
Group contribution received		26,756	123,406
Dividend received		125,000	130,000
Interest paid/received, net value	19	20,115	14,436
Income tax paid		-6,354	-20,937
Cash flow from operating activities before changes in working capital		157,169	236,303
Changes in working capital			
Increase (-) / decrease (+) in current receivables		-239,889	-206,464
Increase (+) / decrease (-) in current liabilities		69,105	59,956
Cash flow from operating activities		**-13,615**	**89,795**
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		-419	-145
Cash flow from investing activities		**-419**	**-145**
FINANCING ACTIVITIES			
Dividend paid		-59,311	-102,333
Increase (+) / decrease (-) in interest-bearing liabilities	19		
Borrowings		34,999	–
Repayment of borrowings		–	-87
Change in bank overdraft facilities		14,148	–
Transfer of treasury shares		15,432	–
Cash flow from financing activities		**5,268**	**-102,420**
CASH FLOW FOR THE YEAR		**-8,766**	**-12,770**
Cash and cash equivalents at the beginning of the year		8,678	21,721
Exchange rate differences in cash and cash equivalents		99	-273
Cash and cash equivalents at the end of the year	19	**11**	**8,678**

Notes

NOTE 1 General information

XANO Industri AB (publ), with corporate identity number 556076-2055, is a public limited liability company with its registered office in Jönköping, Sweden. The company's class B shares are listed on Nasdaq Stockholm.

All amounts are reported in SEK thousands unless otherwise indicated.

NOTE 2 Accounting policies

The annual report has been prepared in accordance with the Swedish Annual Accounts Act and recommendations and statements of the Swedish Financial Reporting Board.

GENERAL

The Parent Company applies the same accounting policies as the Group except for the cases described below. The Parent Company's financial statements are prepared in accordance with recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Financial Reporting Board. The deviations that occur between the Parent Company's and the Group's policies are caused by limitations in the scope to apply IFRS to the Parent Company as a result of the Swedish Annual Accounts Act and, in some cases, for tax reasons. Applied accounting principles are unchanged compared to the previous year, with the exception of new or revised standards, interpretations and improvements that are to be applied from 1 January 2024.

RECEIVABLES AND LIABILITIES

Receivables have been recognised at the amount they are expected to accrue. Receivables and liabilities in foreign currency have been translated at the closing day rate. Translation differences relating to operating receivables and liabilities are reported under operating profit, while translation differences attributable to financial receivables and liabilities are included under net financial income.

RELATED PARTY TRANSACTIONS

100 per cent (100) of the Parent Company's net sales came from invoicing to subsidiaries. Of the Parent Company's operating expenses, 3 per cent (4) was invoicing from subsidiaries.

There are significant financial receivables and liabilities between the Parent Company and its subsidiaries which accrue interest at the market rate.

In addition to that referred to in Note 3, Board members and senior executives have received customary share dividends. Senior executives have also received the right to acquire personnel convertibles in accordance with decision made at the Annual General Meeting.

As the owner, the Parent Company has a related party relationship with its subsidiaries, see Note 13. Viem Invest AB, controlled by Board member Anna Benjamin, and Pomona-gruppen AB, under the controlling interest of Board member Fredrik Rapp, are major XANO shareholders. Apart from the share dividend, no transactions have taken place between these holding companies and XANO.

PARTICIPATING INTERESTS IN GROUP COMPANIES

Participating interests are valued according to the cost method. Dividends from subsidiaries are recognised as income. The items are tested for impairment annually and the interests are valued at the highest consolidated value, i.e. the subsidiary's adjusted equity with a supplement for consolidated surplus values.

NON-CURRENT ASSETS

Non-current assets are valued at the acquisition value less accumulated depreciation and any impairment costs. If there is an indication that an asset has reduced in value, the asset's recoverable amount is calculated. If the reported value exceeds the recoverable amount, the asset is written down to a value corresponding to the recoverable amount.

Depreciation is included in the costs for each function. Depreciation is calculated systematically over the expected utilisation period as follows:

Machinery and equipment	3–10 years

LIQUID ASSETS

Liquid assets (cash and cash equivalents) constitute cash and bank balances as well as investments with a term of no more than three months.

CASH FLOW

Cash flow is reported by applying the indirect method. This means that the net profit/loss is adjusted for transactions that have not resulted in deposits or withdrawals during the period and for any income and costs related to the cash flow of investing or financing activities.

FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities are generally reported at the acquisition value. Impairment costs concerning financial non-current assets are recognised if a permanent reduction in value has been confirmed.

XANO uses currency derivatives and interest rate swaps to control the uncertainty in currency flows and future interest rate streams in regard to Group borrowings with variable interest rates. Since these derivatives are not hedged effectively in the company, they are valued at their fair value via the income statement in accordance with Section 14 in Chapter 4 of the Swedish Annual Accounts Act. The interest coupon share is regularly reported as either interest income or interest expense in the income statemen

Convertible bonds are compound financial instruments with the character of both liability and equity. These are reported partly as a financial liability and partly as an equity instrument.

INCOME

The Parent Company offers its subsidiaries services relating to business development, organisation, finance, etc. Income from services is reported under the period in which the service is performed. Intra-Group sales are made at market prices.

GROUP CONTRIBUTION

Group contributions received from subsidiaries are recognised as financial income.

TAXES

Reported income taxes include tax that will be paid for the current year and any changes to deferred tax. Tax assets and liabilities are valued at nominal amounts and in accordance with the current tax rules and tax rates. Deferred tax is calculated on temporary differences that arise between reported values and taxable values of assets and liabilities.

Deferred tax liabilities are normally reported for all taxable temporary differences, while deferred tax assets are reported to the extent it is likely that the sums may be utilised.

In the Parent Company, due to the link between reporting and taxation, deferred tax liabilities associated with untaxed reserves are reported as part of untaxed reserves.

BANK OVERDRAFT FACILITIES, GROUP CURRENCY ACCOUNTS

The subsidiaries' claims on and debts to internal lines of credit are recognised as liabilities to and receivables from Group companies. The Group's total claim on/debt to the bank is recognised as an asset/liability in the Parent Company. Interest at the market rate is applied to the subsidiaries' claims and debts.

LEASE CONTRACTS

The parent company recognises all leases, both financial and operational, as operating leases. Expenses for the leases are recognised in the income statement on a straight-line basis over the lease term. Leases refer primarily to the leasing of premises and cars.

NOTE 3 Employees and personnel costs

AVERAGE NUMBER OF EMPLOYEES	2024	of which men	2023	of which men
Sweden	12	33%	11	45%

PROPORTION OF MEN AMONGST BOARD MEMBERS AND SENIOR EXECUTIVES	2024	2023
Board members	57%	67%
Senior executives	50%	50%

SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS	2024	2023
Salaries and remuneration	20,093	18,305
Social security costs	12,219	11,607
(of which pension costs [1, 2])	*(4,696)*	*(4,672)*
	32,312	***29,912***

[1] Of the Parent Company's pension costs, SEK 3,073 thousand (3,225) relates to Board members and senior executives. The company's outstanding pension commitments for these amount to SEK 0 thousand (0).

[2] Pension costs do not include special employer's contribution.

BREAK-DOWN OF SALARIES AND OTHER REMUNERATION	2024	2023
Board members and senior executives	12,202	11,911
(of which bonuses [1])	*(1,628)*	*(1,740)*
Other employees	7,891	6,394
	20,093	**18,305**

[1] Bonuses do not include holiday pay.

REMUNERATION FOR BOARD MEMBERS AND SENIOR EXECUTIVES

The full guidelines for remuneration and other terms of employment for senior executives are described in Note 5 for the Group on pages 75–76.

The guidelines are applied to employment contracts entered into after the 2022 Annual General Meeting and to changes made thereafter to ongoing employment contracts. With the exception of restriction principles for variable remuneration and the definition of pensionable salary, the guidelines are applied in existing agreements with senior executives.

Terms of remuneration for the CEO and other senior executives cover basic cash salary, variable cash remuneration, other benefits and pension premiums. Other senior executives refer to the CFO who, together with the CEO, makes up the Group management.

The AGM decided that the Board's fee of SEK 1,925 thousand should be distributed with SEK 365 thousand payable to the Chair and SEK 260 thousand payable to each of the other ordinary Board members for the period up to and including the next annual general meeting. The AGM further decided that remuneration for tasks undertaken in the remuneration committee should amount to SEK 20 thousand per person and remuneration for tasks undertaken in the audit committee should amount to SEK 35 thousand per ordinary member and SEK 55 thousand to the committee chair. During 2024, SEK 185 thousand was carried as an expense for these tasks.

In 2024, the Group management consisted of CEO Lennart Persson and CFO Marie Ek Jonson. The CEO received salary and benefits totalling SEK 8,012 thousand (7,672), of which SEK 1,455 thousand (1,404) constitutes variable remuneration. Other senior executives received salary and benefits totalling SEK 2,389 thousand (2,570), of which SEK 173 thousand (336) constitutes variable remuneration. The 2024 AGM decided on issue of personnel convertibles which also included members of the Group management. There are no outstanding share or share price-related incentive schemes.

Senior executives have a defined contribution pension plan with a retirement age of 65. According to the contract, the pension premium for the CEO is 30 per cent (30) of the pensionable salary. There is a pension agreement for other senior executives corresponding to the collectively agreed ITP plan. In addition to this, there is an option to reallocate salary withdrawals (known as salary sacrifice) to additional pension contributions. The pension premium for other senior executives amounted to an average of 31 per cent (31) of the pensionable salary. According to existing agreement, "Pensionable salary" refers to the basic salary and car benefits plus an average of the last three years' variable remuneration. The pension costs for the CEO amounted to SEK 2,427 thousand (2,597). Pension costs for other senior executives amounted to SEK 646 thousand (628).

The company and CEO have a mutual six-month period of notice. In the event of notice on the part of the company, severance pay totalling 18 months' salary is payable. Severance pay will be offset against other income. In the event of notice on the part of the CEO, no severance pay is payable. For other senior executives, there is a period of notice of 6 months by either party. In the event of notice on the part of the company, severance pay totalling 6 months' salary is payable. Severance pay will be offset against other income. In the event of notice on the part of the senior executive, no severance pay is payable.

NOTE 4 Depreciation

DEPRECIATION BY FUNCTION	2024	2023
Försäljningskostnader	–	–
Administrative expenses	-48	-44
	-48	**-44**

DEPRECIATION BY CLASS OF ASSET	2024	2023
Equipment, tools, fixtures and fittings	-48	-44
	-48	**-44**

NOTE 5 Auditors' remuneration

	2024	2023
KPMG		
Audit assignment	-556	-575
Audit activities other than audit assignment	-18	–
Tax consultancy services	–	-15
Other services	-60	-4
Total	**-634**	**-594**

"Audit assignment" refers to the review of the annual report, interim reports, the administration by the Board and CEO and the corporate governance report.

NOTE 6 Operating leases

	2024	2023
Lease fees recognised as expenses	1,217	1,063
Future minimum lease payments related to operating leases		
to be paid within 1 year	1,917	1,240
to be paid between 2 and 5 years	2,731	512

NOTE 7 Profit from participations in Group companies

	2024	2023
Dividends from Group companies	125,000	130,000
Impairment losses on shares in subsidiaries	-38,413	-14,652
Group contributions received	5,300	26,756
	91,887	**142,104**

NOTE 8 Interest income and similar profit/loss items

	2024	2023
Interest income, Group companies	63,828	44,926
Interest income, other	16,799	12,601
Exchange rate differences	1,346	–
	81,973	**57,527**

NOTE 9 Interest expense and similar profit/loss items

	2024	2023
Interest expense, Group companies	-16,245	-12,018
Interest expense, other	-43,083	-41,321
Exchange rate differences	-1,247	-4,070
	-60,575	**-57,409**

Other interest expense includes a change in value of SEK -2,894 thousand (-9,315) relating to interest rate swaps measured at their fair value.

Exchange rate differences include a change in value of SEK – thousand (-3,797) relating to currency derivatives measured at their fair value.

NOTE 10 Appropriations

	2024	2023
Change in excess depreciation	-166	-8
Tax allocation reserve, change for the year	31,000	29,000
	30,834	**28,992**

NOTE 11 Tax on profit for the year

	2024	2023
Current tax	-6,736	-10,474
	-6,736	**-10,474**

The difference between the income tax rate 20.6% (20.6) and the effective tax rate arises as follows:

	2024		2023	
Reported profit before tax	135,723		160,568	
Tax according to current income tax rate	-27,959	21%	-33,077	21%
Tax effect of				
Non-deductible expenses	-479	0%	-3,582	2%
Other tax-exempt income	22,252	-16%	26,895	-17%
Standard income and deviating tax rate for tax allocation reserves	-550	0%	-710	1%
Reported tax	**-6,736**	**5%**	**-10,474**	**7%**

NOTE 12 Property, plant and equipment

EQUIPMENT, TOOLS, FIXTURES AND FITTINGS	2024	2023
Accumulated acquisition values		
Opening balance	1,459	1,314
New acquisitions	419	145
Closing balance	1,878	1,459
Accumulated scheduled depreciation		
Opening balance	-1,266	-1,222
Depreciation according to plan for the year	-48	-44
Closing balance	-1,314	-1,266
Closing residual value according to plan	**564**	**193**

NOTE 13 Participations in Group companies

	2024	2023
Accumulated acquisition values		
Opening balance	228,667	228,667
Acquisition of subsidiaries	–	–
Closing balance	228,667	228,667
Accumulated impairment costs		
Opening balance	-21,910	-7,258
Impairment losses for the year	-38,413	-14,652
Closing balance	-60,323	-21,910
Carrying amount	**168,344**	**206,757**

PARENT COMPANY HOLDINGS

BUSINESS NAME	CORPORATE IDENTITY NUMBER	REGISTERED OFFICE	NUMBER OF SHARES	SHARE OF EQUITY	CARRYING AMOUNT
Ackurat Industriplast AB	556076-4564	Växjö, Sweden	10,000	100%	14,855
Blowtech Fastigheter AB	556606-9042	Gnosjö, Sweden	1,000	100%	24,327
Blowtech Group AB	556978-1205	Gnosjö, Sweden	1,000	100%	76,400
Cipax Industri AB	556261-0096	Jönköping, Sweden	1,000	100%	3,483
XANO Automation AB	556432-6329	Jönköping, Sweden	5,000	100%	17,153
XANO Evolution AB	556412-4070	Jönköping, Sweden	46,200	100%	5,499
XANO Fastigheter AB	556237-3265	Jönköping, Sweden	30,500	100%	4,541
XANO Precision AB	556620-3294	Jönköping, Sweden	1,000	100%	22,086
					168,344

DOTTERBOLAGENS INNEHAV

BUSINESS NAME	CORPORATE IDENTITY NUMBER	REGISTERED OFFICE	NUMBER OF SHARES	SHARE OF EQUITY
Ackurat Sp. z o. o	0000404285	Gdansk, Poland	34,227	100%
Ackurat Suomen Oy	0535817-5	Helsinki, Finland	630	100%
Batteryline Sweden AB	559452-6740	Jönköping, Sweden	250	100%
Blowtech GP AB	556560-1712	Gnosjö, Sweden	2,000	100%
Blowtech GT AS	994841270	Kongsvinger, Norway	250,000	100%
Canline Holding B.V.	17270976	Eersel, the Netherlands	180	100%
Canline Systems B.V.	17270973	Eersel, the Netherlands	180	100%
Case Packing Systems Australia Pty Ltd	36 668 944 152	Kilmore VIC, Australia	50,000	100%
Case Packing Systems B.V.	13039933	Stramproy, the Netherlands	400	100%
Case Packing Systems USA Inc	92-3009398	Chicago IL, USA	100	100%
CIM Industrial Systems A/S	24210022	Aarhus, Denmark	860,000	100%
Cipax AB	556065-7875	Norrtälje, Sweden	200	100%
Cipax Eesti AS	10092500	Taebla, Estonia	400	100%
Cipax Nederland B.V.	06066255	Rijssen, the Netherlands	400	100%
Cipax Norge AS	928 432 025	Bjørkelangen, Norway	1,778	100%
Cipax Oy	2188914-4	Helsingfors, Finland	1,000	100%
CPS Onroerende Zaak B.V.	13039319	Stramproy, the Netherlands	400	100%
Dansk Rotations Plastic ApS	35021310	Vordingborg, Denmark	240	100%
Fredriksons Industry (Suzhou) Co Ltd	022735	Suzhou, China	–	100%
Fredriksons Verkstads AB	556420-7537	Vadstena, Sweden	5,000	100%
Graniten Engineering AB	556628-2298	Uddevalla, Sweden	5,000	100%
Holtermoen Eiendom AS	928 432 009	Bjørkelangen, Norway	1,873	100%
Holtermoen Eiendom Vest AS	928 432 017	Bjørkelangen, Norway	269	100%
Integrated Packaging Solutions, LLC	26-4774454	Denver CO, USA	–	100%
Jorgensen Engineering A/S	51 45 22 16	Odense, Denmark	30,000,000	100%
Jorgensen Engineering USA Inc.	87-1389636	Houston TX, USA	100	100%
AB Kuggteknik	556122-2992	Leksand, Sweden	2,500	100%
Kungsörs Mekaniska Verkstad AB	556141-4243	Kungsör, Sweden	1,500	100%
Lasertech LSH AB	556559-2887	Karlskoga, Sweden	500	100%
AB LK Precision Invest	556258-1644	Stockholm, Sweden	1,000	100%
AB LK Precision Parts	556237-5377	Stockholm, Sweden	2,000	100%
Lundgren Machinery AB	556207-9359	Staffanstorp, Sweden	2,000	100%
Mikroverktyg AB	556020-8828	Södertälje, Sweden	1,000	100%
Modellteknik i Eskilstuna AB	556504-4996	Eskilstuna, Sweden	5,000	100%
Nordic Plastic Recycling AS	918 069 283	Åndalsnes, Norway	370,765	35%
NPB Automation AB	556266-7948	Jönköping, Sweden	1,000	100%
NPB Automation USA Inc. *under likvidation*	87-1409833	Chicago IL, USA	100	100%
Pelarstället AB	556572-2716	Eskilstuna, Sweden	1,000	100%
Pioner Boat AS	990 374 031	Bjørkelangen, Norway	6,180	100%
PiWi Beheer B.V.	12052152	Stramproy, the Netherlands	180	100%
Polyketting B.V.	54154782	Zelhem, the Netherlands	1,800	100%
Polyketting Holding B.V.	54154065	Zelhem, the Netherlands	7,502	100%
Resinit AB	556332-1263	Västervik, Sweden	1,000	100%
Tussenholding Lankamp B.V.	81213166	Rijssen, the Netherlands	100,000	100%
VIAB Konsult AB	556506-0802	Jönköping, Sweden	1,000	100%
XANO Automation Inc.	35-2764388	Denver CO, USA	1,000	100%

NOTE 14 Share capital and number of shares

DISTRIBUTION OF SHARE CAPITAL	2024-12-31	2024-01-01
Class A shares	14,577,600	14,577,600
Class A shares	45,062,698	45,062,698
Total number of shares	**59,640,298**	**59,640,298**
Quota value, SEK	0.625	0.625
Share capital, SEK	37,275,186.25	37,275,186.25

The total number of shares is 59,640,298, of which 329,690 was held by the company at year-end. The average number of outstanding shares during 2024 amounted to 59,264,032. Class A shares give entitlement to ten votes and class B shares entitlement to one vote. The number of votes, following deductions for the company's own holding, was 190,509,008 at year-end.

In connection with business combinations, 179,442 treasury shares were transferred on 5 April 2024.

On 1 October 2024, convertibles for a nominal value of SEK 34,999 thousand, corresponding to 330,180 Class B shares, were issued.

The Board of Directors and the CEO propose that the surplus of the Parent Company, SEK 658,826,626, is carried forward.

NOTE 15 Untaxed reserves

	2024	2023
Tax allocation reserve, allocated 2018	–	31,000
Tax allocation reserve, allocated 2019	28,000	28,000
	28,000	59,000
Accumulated excess depreciation	185	19
	28,185	**59,019**

Deferred tax liabilities represent SEK 6,030 thousand (12,816) of untaxed reserves.

NOTE 16 Liabilities

	2024	2023
Non-current liabilities		
Maturity date between one and five years after closing day	282,838	250,000
Maturity date more than five years after closing day	–	–
	282,838	250,000
Current liabilities	–	–
Total interest-bearing liabilities	**282,838**	**250,000**

BANK OVERDRAFT FACILITIES	2024	2023
Bank overdraft facilities granted, Group currency accounts	300,000	300,000
Unutilised amount	-285,852	-300,000
Utilised amount	**14,148**	**0**

Liquid assets, including lines of external credit granted but not utilised, totalled SEK 1,132 million (1,096) on the closing day.

The Parent Company has an outstanding convertible loan reported at SEK 32,838 thousand (–). The nominal value for the outstanding loan is SEK 34,999 thousand. The convertible loan runs until 30 September 2027 with an annual interest rate corresponding to STIBOR 3M plus 2.00 percentage points (at present 4.56 per cent). During the period 1–12 September 2027, convertible bonds can be redeemed against Class B shares at a conversion rate of SEK 106.00. Given that the loan is subordinate to other liabilities and the Group's financial position in general, the interest rate cannot be regarded as corresponding to a market interest rate. The market interest rate for this loan was assessed at 8.15 per cent (government bonds interest rate at the time of issue, 1.65 per cent, with a 6.50 per cent supplement for risk premium). Borrowings that accrue interest at a rate that differs from the market interest rate are recognised at the market value and the difference is added to the company's share premium reserve. Interest is charged to the income statement at the market interest rate over the term of the loan. At the same time, the reported liability will increase in the balance sheet so that it corresponds to the nominal sum at the end of the loan term. The market value for the convertible loan has been calculated by a present value computation of future interest payments and the loan's nominal value.

Cash and bank deposits include the balance in the bank overdraft facilities, Group currency accounts, amounting to SEK 6 thousand (8,673).

NOTE 17 Pledged assets

	2024	2023
Shares in subsidiaries	133,977	170,592
	133,977	**170,592**

NOTE 18 Contingent liabilities

	2024	2023
Guarantees in favour of subsidiaries	730,723	795,979
	730,723	**795,979**

NOTE 19 Cash flow

INTEREST

Interest paid amounted to SEK 61,218 thousand (42,555) and interest received to SEK 81,333 thousand (56,991).

LIQUID ASSETS	2024	2023
Cash and bank balances	6	8,673
Current investments	5	5
Amount at year-end	**11**	**8,678**

NOTE 20 Risks

The Parent Company is exposed to financial risks through its international activities. Financial risks refer to changes in exchange rates and interest levels. A statement on the Group's main financial and operational risks can be found in Note 35 on pages 87–88.

NOTE 21 Proposal for the appropriation of profits

The Board of Directors and the CEO propose that the surplus be distributed as follows:

	2024	2023
Payment of a cash dividend of SEK 0.00 (1.00) per share to shareholders, calculated on 59,310,608 (59,131,166) shares	–	59,131
To be carried forward	658,827	512,229
	658,827	**571,360**

After deduction for the company's own holding, the number of outstanding shares is 59,310,608 on the closing day.

NOTE 22 Events after the end of the year

In February 2025, Marilyn Lindh, Chief Sustainability Officer at XANO, was appointed member of the Group Management, which since before included Lennart Persson, President and CEO, and Marie Ek Jonson, CFO. There are no other individual events of major significance to report after the closing day.

The undersigned certify that the consolidated financial statements and the annual report have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and generally accepted accounting policies respectively, and give a true and fair view of the financial positions and results of the Group and the Company, and that the Directors' report gives a fair review of the development of the operations, financial positions and results of the Group and the Company and describes substantial risks and uncertainties that the Group companies face.

The annual report and consolidated financial statements for XANO Industri AB (publ) for 2024 have been approved for publication by the Board of Directors.

The financial statements will be presented to the Annual General Meeting on 15 May 2025 for adoption.

Jönköping, 19 March 2025

Fredrik Rapp *Chair of the Board*	Anna Benjamin *Vice Chair of the Board*	Petter Fägersten *Board member*	Per Rodert *Board member*
Jennie Hammer Viskari *Board member*	Pontus Cornelius *Board member*	Vibeke Gyllenram *Board member*	Lennart Persson *President and CEO*

Our audit report was submitted on 21 March 2025.

KPMG AB

Olle Nilsson
Authorised public accountant

Auditor’s report

To the general meeting of the shareholders of XANO Industri AB, corporate identity number 556076-2055

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of XANO Industri AB (publ) for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 61-101 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act, and present fairly, in all material respects, the financial position of the Parent Company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the Parent Company and the statement of comprehensive income and statement of financial position for the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the Parent Company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor’s Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its Parent Company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Key Audit Matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

VALUATION OF GOODWILL

See disclosure 15 and accounting principles on page 72 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

As of 31 December 2024, recorded value of goodwill amounts to SEK 1,204 million (1,136) in the Group’s report of its financial position. Goodwill corresponds to the difference between the value of net assets and the purchase price paid in the event of an acquisition.

In contrast to other fixed assets, there is no depreciation of goodwill, instead the value is tested on an annual basis, or when there is an indication of a decrease in value, meaning that the recorded values do not exceed the calculated recoverable amount.

The recoverable amount is determined for each cash generating unit through a present value calculation of future cash flows. The present value calculation of future cash flows is complex and is based on the management’s business plans and forecasts. Key assumptions include earnings, growth, investment requirements and discount rate.

Future events and new information can change these assumptions and have a major impact on the calculation of the recoverable amount. An impairment test contains by nature a greater element of estimates and judgments, which is why we have assessed that valuation of goodwill is a key audit matter in the audit.

Response in the audit

In our audit, we have devoted particular focus to the Group’s assessment of the need for write-down requirements in the asset goodwill.

We have assessed whether the performed impairment tests for goodwill are prepared in accordance with the prescribed discounted cash flow technique.

We have also evaluated the company's process and internal controls for establishing impairment testing and how management identifies cash-generating units. We have also evaluated the reasonableness of the assumptions made, by evaluating the previous accuracy of forecasts and assumptions.

With the assistance of internal valuation specialists, we have tested the selected discount rate and assumptions regarding long-term growth. Another important part of our work has been to take part of and evaluate the company's sensitivity analyses in order to be able to assess how reasonable changes in assumptions can affect the valuation.

We have also evaluated the disclosures provided in the annual report regarding goodwill and impairment testing.

REVENUE RECOGNITION

See disclosure 4 and accounting principles on page 72 in the annual account and consolidated accounts for detailed information and description of the matter.

Description of key audit matter

The Group’s revenue from sales for the year 2024 amounts to SEK 3,315 million (3,431). Of the Group’s revenue from sales for 2024, SEK 1,201 million (1,387) consists of project deliverables to customers, where the Group records revenue over time in compliance with IFRS 15. For these project deliverables, revenue is recorded based on the company's efforts to comply with its performance obligation.

Revenue recognition is therefore based on assessments of the degree of completion in relation to complete compliance, and changes to this assessment imply that future results will be affected. Assessing the result is particularly difficult at the beginning of projects and for projects that are technically complex.

In light of the fact that there is a large measure of assessments that are of significant importance for the accounting of revenue and results linked to revenue that is recorded over time, we have assessed that this is a key audit matter in the audit.

Response in the audit

In our audit, we have assessed the process and internal controls for revenues recorded over time. We have specifically focused on the company’s procedures and evaluations to measure progress towards complete compliance.

In addition, for a selection of projects, we have performed review of underlying documentation and reviewed management’s evaluation of the need for provision regarding onerous contract.

We have reviewed the disclosures in the financial statement.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-60 and 105-148. The other information comprises also of the remuneration report which we obtained prior to the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts The Board of Directors and the Managing Director are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- conclude on the appropriateness of the Board of Directors' and the Managing Director's, use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, measures that have been taken to eliminate the threats or related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Auditor's audit of the administration and the proposed appropriations of profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of XANO Industri AB (publ) for the year 2024 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the Parent Company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the Parent Company's and the Group's equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organisation and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the Group's financial situation and ensuring that the company's organisation is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner.

The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

– has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
– in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined whether the proposal is in accordance with the Companies Act.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for XANO Industri AB (publ) for year 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 *Examination of the Esef report*. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of XANO Industri AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

KPMG AB, Box 214, 551 14, Jönköping, was appointed auditor of XANO Industri AB (publ) by the general meeting of the shareholders on 16 May 2024. KPMG AB or auditors operating at KPMG AB have been the company's auditor since 12 May 2022.

Jönköping, 21 March 2025

KPMG AB

Olle Nilsson
Authorised Public Accountant

Sustainability Report

Introduction

The new EU legislation, the Corporate Sustainability Reporting Directive (CSRD), aims to reinforce and standardise corporate sustainability reporting through extensive transparency and comparability requirements. The Directive mandates that companies subject to the legislation provide more detailed reporting on their environmental, social, and governance (ESG) impacts. It also requires them to conduct a double materiality assessment to identify key sustainability issues within their own operations and across their value chain.

XANO Group started preparing for the CSRD during 2023. This process has contributed to a more structured and thorough sustainability report, and as part of the process, the 2024 Sustainability Report was prepared drawing inspiration from the CSRD framework. This provides an opportunity to refine and optimise reporting processes, strengthen internal capabilities, and ensure that the entire Group is well prepared ahead of the legislation's official implementation in Sweden.

Beginning this work early has been essential for identifying key sustainability aspects, streamlining data collection, and establishing a strong foundation for future reporting. By testing and implementing CSRD-inspired practices today, there will be room to improve internal control mechanisms and create a harmonised structure for managing sustainability data, ensuring more reliable and comparable reporting.

As required by the CSRD, work is ongoing to assess the material impacts, risks and opportunities (IROs) connected to the business. This analysis provides a deeper understanding of how sustainability aspects impact the Group companies' business strategies in the short, medium and long term. It also helps to determine how sustainability-related challenges can be transformed into business opportunities.

Through close collaboration between the Group's business units and the Parent Company, structures have been established to ensure standardised and future-proof sustainability reporting. This initiative is central to the commitment to responsible and sustainable business, aligning with stakeholder expectations and regulatory requirements.

General disclosures

Basis for the preparation of the Sustainability Report

XANO Group's sustainability report for 2024 was prepared on a consolidated basis and covers the Parent Company, XANO Industri AB, and the companies over which the Parent Company has direct influence, with the exception of the companies acquired during the reporting year.

In addition to the Group's own operations, the sustainability report also covers the upstream and downstream value chain where relevant. It is based on data collected from stakeholder analyses and internally gathered insights. Information linked to the value chain is of great importance for the Group's sustainability work, particularly in relation to climate impact, since a significant share of the climate footprint stems from various parts of the value chain.

A key aspect of reporting is identifying the impacts, risks and opportunities relevant to both the business and the value chain. By analysing the impact on the environment and society, along with the risks and business opportunities arising from sustainability matters, it is possible to prioritise actions that drive positive change and create long-term value.

The same principle applies to the design of the policies, actions, and goals. A detailed description of the Group's value chain is provided in the next section.

For information regarding the accounting principles and specific circumstances in the preparation of the sustainability report, please refer to the Sustainability Notes section.

Business model and strategies

Description of our business model and value chain

XANO's business model is based on the acquisition, development and active ownership of technology-based companies within industrial products, automation equipment and precision technology. Our decentralised governance structure allows Group companies considerable independence in their operations, while sustainability efforts are driven collectively to ensure a unified strategy, strengthen synergies, and create clearer momentum across the business.

The Group's operations are divided into three different business units:

1. **Industrial Products**

The business unit focuses on circular material flows and resource-efficient production through the development and manufacturing of plastic components and systems. Industrial Products is made up of Ackurat, Blowtech, Cipax Group, Dansk Rotations Plastic (DRP) and Pioner Boat, each of which holds a strong position in its respective segment.

» **Ackurat** supplies injection-moulded parts such as slide stops, handles and adjustable feet to the furniture and interior design industry.
» **Blowtech** is a leading Nordic player in technical blow moulding, producing plastic components for vehicles, construction machinery and infrastructure equipment
» **Cipax Group** is a market leader within rotational moulding in the Nordic and Baltic regions, with product segments including industrial tanks and infrastructure solutions.
» **DRP** develops and manufactures rotational moulding products in polymeric materials, focusing particularly on the Danish market.
» **Pioner Boat** manufactures boats using rotational moulding with a robust design.

Through the business unit's extensive technical expertise and strong environmental focus, these companies are leading the transition towards more sustainable materials and manufacturing processes.

2. **Industrial Solutions**

The business unit develops and provides innovative automation and production solutions that optimise manufacturing processes and reduce resource consumption. The business unit is made up of Canline, Case Packing Systems (CPS), CIM, Fredriksons, Integrated Packaging Solutions (IPS), Jorgensen, Lundgren Machinery, NPB, Polyketting and Graniten. Specialising in industrial automation, packaging technology and smart production systems, these companies help customers achieve business and sustainability goals.

» **Canline, CPS, Jorgensen, Lundgren Machinery, NPB and Polyketting** supply automation solutions developed in-house for the packaging industry, including conveyor systems, accumulators and highly automated packaging equipment.
» **CIM** develops end-to-end software solutions for Industry 4.0 tailored to customers' needs, focusing on digitalising and optimising production processes.
» **IPS** provides metal packaging manufacturers with machinery and integration technologies as well as production optimisation services.
» **Fredriksons** combines advanced automation with customised manufacturing of industrial products in small and medium-sized batches, with applications in the packaging and food industries, medtech, infrastructure and the environment.
» **Graniten** develops advanced automation solutions for the pharma and medtech industries, specialising in packaging machinery and flexible production.

With strong technical expertise and a growing focus on sustainability and resource efficiency, this business unit drives innovation in automation and production optimisation for the industry of the future.

3. **Precision Technology**

The business unit offers advanced component and system manufacturing using advanced cutting processes, industrial 3D printing and laser welding, with a focus on high precision and quality. The unit is made up of Kuggteknik, Kungsörs Mekaniska Verkstad (KMV), Lasertech, LK Precision, Mikroverktyg, Modellteknik and Resinit, who supply solutions to industries including medtech, manufacturing and transmission parts.

» **KMV** is specialised in the advanced machining of internal surfaces and precision drilling.
» **LK Precision och Resinit** produces parts in small and medium-sized batches, primarily serving the medical device industry.
» **Mikroverktyg** manufactures tools and prototypes as well as precision components and transmission parts in small production batches. **Kuggteknik** complements Mikroverktyg with automated operations for higher volumes.
» **Modellteknik** focuses on prototyping, mould manufacturing and short runs.
» **Lasertech** is a leader in industrial 3D printing and metal laser welding.

Through excellence and advanced technologies, the companies in this business unit offer high-quality solutions for manufacturing companies that demand precision, sustainability and resource efficiency.

Our approach to collecting, developing and securing data

A structured approach is employed to ensure that the relevant data is collected and effectively applied to sustainability governance. This includes:

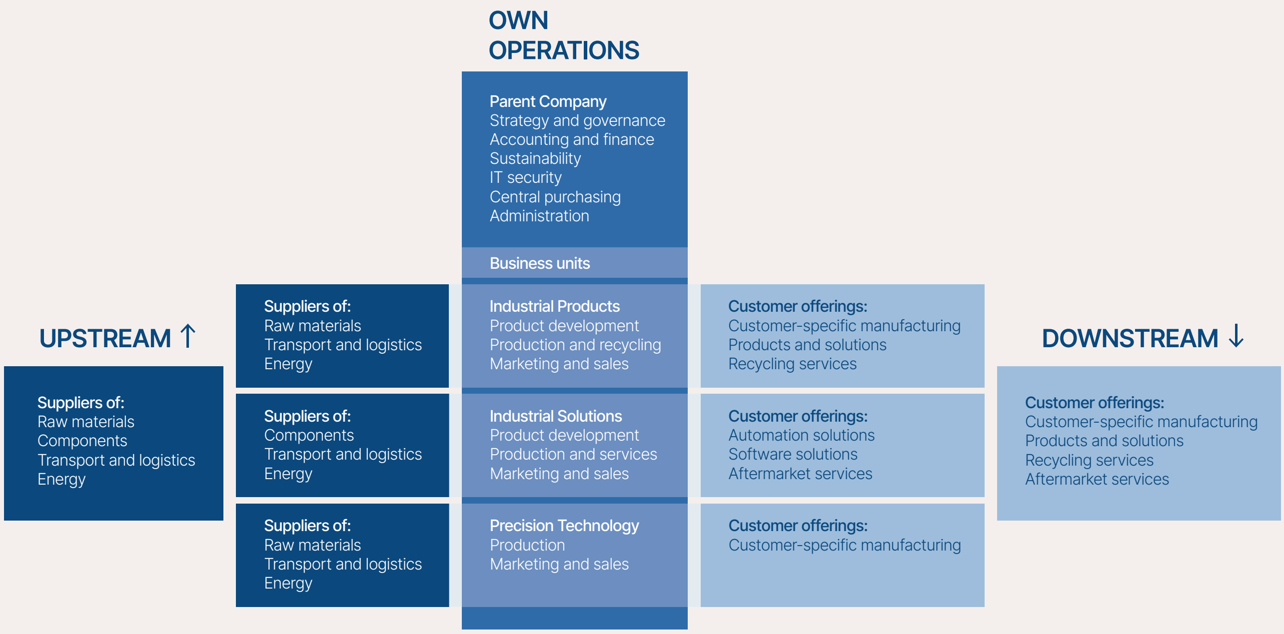
» **Double materiality assessments** to identify both the business's sustainability impact and the sustainability risks to the business.
» **Standardised reporting** through digital monitoring systems, enabling transparency and consistency in the Group companies' sustainability data.
» **Regular communication with our stakeholders,** including customers, employees, investors, and suppliers, to ensure that the data collected is relevant and adapted to the appropriate requirements.

Diversification in the value chain

The Group's value chain is extensive and spans several geographic markets, but at the same time there is a relatively high degree of homogeneity. The procurement structure is mainly concentrated in Europe, with a high proportion of suppliers located in Sweden, Denmark and the Netherlands. However, some raw materials and components are sourced from Asia, particularly China, which poses its own specific sustainability and operational challenges.

The structure of the value chain varies across the three business units, which has an impact on sourcing strategies and the ability to influence sustainability factors. Industrial Products and Precision Technology are primarily focused on sourcing raw materials, meaning their sustainability efforts in the supply chain largely concentrate on the origin of materials, extraction processes, and the environmental and climate impact of production and transportation. In contrast, Industrial Solutions focuses mainly on component sourcing, where suppliers' production techniques and processes have a greater impact on the sustainability performance. This distinction creates somewhat differing conditions for collecting relevant sustainability data and ensuring transparency across the supply chain.

Our downstream customer base is relatively homogeneous, which makes it easier to conduct a collective assessment of sustainability-related aspects and the overall impact of our business activities. This enables a systematic approach to sustainability risk management and the development of coherent strategies to foster sustainable business relationships throughout the value chain.



Material impacts, risks and opportunities

Material sustainability-related impacts, risks and opportunities (IROs) impacting our own operations and value chain have been identified and mapped through a double materiality assessment and business intelligence.

During the year, material IROs had an impact on our business model, value chain, strategy and decision-making. The impact of material opportunities is evident in the increased focus on service-based content, particularly within the Industrial Solutions business unit, which is expected to lay the foundation for the long-term exploration of circular business models. In the Industrial Products business unit, work on increasing the use of circular polymer materials has continued and expanded through the use of recycled materials in production and the collection of plastic materials for recycling.

For XANO, the transition to sustainable business is a long-term commitment, with progress being made continuously. Through incremental target setting, close collaboration across the value chain, and an agile approach to business strategy decisions, the desired reduction of negative impacts, the minimisation of material risks and the exploitation of opportunities are ensured.

TOPIC	OPPORTUNITY	RISK	POSITIVE IMPACT	NEGATIVE IMPACT	VALUE CHAIN	TIME HORIZON
Climate change **Climate change adaptation**		Extreme weather events leading to direct costs and/or disruptions in the value chain.			Own operations Upstream Downstream	Short-term Medium-term Long-term
Climate change **Climate change mitigation**		Increased costs related to greenhouse gas emissions	Provide customers with products and solutions that help them to reduce their negative climate impact	Greenhouse gas emissions in Scope 1, 2 and 3	Own operations Upstream Downstream	Short-term Medium-term Long-term
Climate change **Energy**		Increased energy costs		Use of non-renewable energy sources, including fossil fuels	Own operations Upstream Downstream	Short-term Medium-term Long-term
Pollution **Pollution of air**				From raw material extraction and transport	Upstream Downstream	Short-term Medium-term
Resource use and circular economy **Resource outflows related to products and services**	Transition to circular business models		Recycling, after-sales services, reuse of equipment, longer lifespans	Limited ability to recycle products sold	Own operations Downstream	Short-term Medium-term Long-term
E5 Resource use and circular economy **Resources inflows, including resource use**	Use of recycled and fossil-free materials in production			Raw material extraction, manufacture of materials and components	Own operations Upstream	Short-term Medium-term Long-term
Resource use and circular economy **Waste**	Recycling of production residues, new manufacturing methods that minimise waste			Generate waste in our own operations, and indirectly in the value chain, that is not recycled	Own operations Upstream Downstream	Short-term Medium-term Long-term
Own workforce **Working conditions**	Opportunities related to the recruitment of skilled workers			Physical and/or psychological impact on own workforce	Own operations	Short-term Medium-term Long-term
Own workforce **Equal treatment and opportunities for all**	Increased profitability and benefits from recruiting skilled workers			Lack of diversity in managerial roles	Own operations	Short-term Medium-term Long-term
Workers in the value chain **Working conditions**				Potential physical and/or psychological impact on workers in the value chain	Upstream	Short-term Medium-term Long-term

The consequences of material impacts

The Group's negative environmental impacts consist primarily of climate emissions, predominantly related to material production (in the value chain), energy consumption (own operations), waste management (external) and transport (own and purchased).

The positive environmental impact has been identified as solutions which allow for more efficient production processes for customers worldwide, with the corresponding reductions in energy-related climate emissions, material consumption and the amount of waste generated.

Material impacts related to social aspects include the company's own workforce and employees within the value chain. Within our own operations, work-related incidents and other work-related ill health represent the greatest risk. For employees within the value chain, the risks are considered more diverse, highlighting the need to further strengthen efforts to ensure fair labour practices. This initiative is planned within the framework of the Group's Sustainability Roadmap.

In other words, material actual and potential impacts are present both within the organisation itself and throughout the value chain. The time horizons in question are short, medium and long term as defined under the ESRS standard.

A detailed description of the material impacts, risks and opportunities, as well as their implications for the business, can be found in the respective sections.

Sustainability-related goals and strategies

The sustainability-related targets outlined in the Group's Sustainability Roadmap are based on a comprehensive business mapping, which includes key customer segments, products and solutions, geographical regions, and stakeholders. Balancing these elements with key IROs ensures that the objectives set are relevant.

» **Product and service categories**

A few key features emerge from the mapping exercise. The most evident of these is the environmental impact of the materials and components used in the Group companies' products and solutions. This challenge is addressed from two angles – partly through a gradual transition to more environmentally and climate-friendly materials, such as recycled or bio-based materials, and partly by promoting a circular approach to waste, based on the principles of the waste hierarchy.

The goals to ensure satisfactory progress include increasing the use of more sustainable materials and components, reducing climate emissions from waste management, sustainable innovations, service-based business offerings and collaboration in the value chain.

The existing range of products and services already incorporates several sustainability-related benefits. This includes the increased focus on service offerings in the Industrial Solutions business unit, where various aftermarket services – such as maintenance, repair and upgrades – extend the lifespan of production equipment and reduce resource consumption. Precision Technology uses advanced production methods that optimise material use and reduce waste, which saves resources. In parallel, Industrial Products has made great strides in the development of circular material flows, where it successfully uses recycled plastic materials in its own production, reducing the need for new raw materials.

» **Customer categories**

A fundamental principle across all of the Group's subsidiaries is taking the customers' perspectives into account. Assisting customers with their sustainability challenges is as important as assisting with any other aspect.

Our customer base is primarily composed of industrial companies in the manufacturing and automation sectors, which provides the framework for how best to focus our customer-related sustainability efforts.

For the approximately 50% of the business that involves customer-specific manufacturing, working in close collaboration is the key to making a difference, since this provides an opportunity to contribute knowledge and expertise concerning material selection, production methods and the choice of material supplier. The most relevant goals here are those related to innovation through value chain collaboration and an increase in service-based content.

In terms of proprietary products and solutions, there is a wider range of activities to draw from, including reducing the customer's environmental and climate impact through innovation and development with a focus on efficiency, circular flows, resource savings and service offerings.

In general, there is a marked increase in demand for products, solutions and services that help customers achieve their sustainability goals, incorporating all of the aspects outlined above, and the Group demonstrates a strong ability to meet customer needs while constantly developing new ways to optimise resource use, reduce carbon footprints and drive innovation for more responsible and long-term business development.

Several of the Group's businesses, particularly in the Industrial Solutions business unit, have a customer base with a wide geographical spread. Appropriate adjustments are always made in accordance with national legislation, but sustainability-related objectives are applied consistently across all countries.

The primary area where geographic circumstances have an impact is in supplier collaboration. Goals have been established to ensure appropriate due dilligence based on geographic risk areas, as well as in relation to high-risk industries and materials.

» **Stakeholder relationships**

Ongoing communication with customers, suppliers, investors, and employees is a fundamental part of every aspect of our business. Sustainability matters are included here as an integral part of the ongoing communication, but they are also addressed in a more targeted way in the preparation of the double materiality assessment.

Stakeholder perspectives are fully integrated into the evidence base for all sustainability-related objectives, as detailed in the section on the Group's stakeholder commitments.

IROs' connection to strategy and business model

The more concrete aspects of the Group's sustainability work are addressed in the Sustainability Roadmap, which is based on three pillars:

1. **Sustaining the Planet** – Focuses on reducing climate impact and resource consumption through energy efficiency, sustainable materials and transport, and circular processes.
2. **Owning Social Responsibility** – Ensuring good working conditions, career development opportunities, and gender equality within our own operations and, to some extent, across the value chain.
3. **Driving Sustainable Business** – Developing circular business models, innovation, strategic partnerships and ethical business practices to drive sustainable change.

The aim of this roadmap and the overall corporate strategy is to position XANO as a leader in sustainable manufacturing while enhancing the Group's long-term competitiveness.

A detailed overview of the Group's Sustainability Roadmap can be found in the Sustainability Notes section.

Resilience in our strategy and business model

XANO's business model is based on a long-term approach, acquisitions, technological innovation, decentralised governance and sustainable growth. To ensure that long-term changes are properly managed, strategic work is being carried out with a focus on three time horizons:

» Short-term (1–3 years): Preparing adjustments to the business model to meet the increased regulatory requirements and customers' sustainability expectations.
» Medium-term (4–10 years): Gradual transition to circular business models and investments in sustainable production technology
» Long-term (10+ years): Structural transformation of supply chains, fossil-free production and scalable sustainable business models.

Ensuring long-term resilience
The core business model is designed to address uncertainties and long-term changes in the external environment. The key mechanisms that ensure resilience are described below:

» **Diversified business models to reduce risk exposure**
- The development of service-based business models reduces exposure to material cost increases and regulatory changes.
- A long-term shift of the turnover toward circular business models reduces exposure to resource shortages and price fluctuations.

» **Flexible supply chain to manage uncertainties**
- Long-term strategic partnerships ensure a stable supply of sustainable materials.
- The development of alternative supply networks and regional production reduces vulnerability to global disruptions and geopolitical risks.

» **Technological developments as a resilience factor**
- The target of directing at least 90% of the Group's investments towards sustainable innovation by 2030 provides for a rapid adaptation to changes in the technology market.
- Automated production processes and AI-based resource optimisation improve flexibility in the face of changing raw material and energy costs.

» **Business intelligence and scenario planning**
- In 2025, scenario analysis will begin to model various future scenarios and adapt our strategy accordingly.
- ESG risks and sustainability challenges will be analysed in the short, medium and long term to facilitate proactive adjustments to operations.

Future developments in quantitative resilience analysis
It is very important to include a quantitative resilience analysis and assess its impact on the long-term business model. The following initiatives are planned for future reporting years:

1. Development of resilience indicators linked to sustainability risks and opportunities, such as share of turnover from circular business models or diversification of supplier networks.
2. Carrying out risk simulations to analyse the impact of, for example, price increases for raw materials, new environmental regulations or changes in customer behaviour.
3. Establishment of a structured process for quantitative scenario planning, where future scenarios are analysed to assess their impact on financial and operational stability.

Our goal is to gradually incorporate quantitative analysis into the resilience assessment over the coming years, further enhancing the robustness of the business model.

Stakeholder commitments

The XANO Group continuously liaises with key stakeholders to ensure transparency, identify material sustainability challenges and strengthen trust. Communication fosters a deeper understanding of impacts, opportunities and risks, which is crucial for developing a successful and sustainable business strategy. Stakeholder commitments also provide crucial insights for the double materiality assessment, and integrating stakeholder insights into business development, sustainability work and reporting creates stability and long-term value.

The interests and views expressed in our collaboration with stakeholders constitute a cornerstone of the Group's strategy and business model. The ever increasing demands on all aspects of sustainable business have led to adjustments in the description and direction of XANO's overall business strategy, and have had a decisive impact on the Group's strategic sustainability efforts. These adjustments are part of an ongoing effort to guide the business towards becoming more sustainable. This kind of transformation can only be achieved through collaboration with the Company's key stakeholders.

The Group's basic strategy remains the same as it has been for a long time. XANO develops, acquires, and manages manufacturing businesses that offer unique or market-leading products, systems, and related services. What has changed, and is closely aligned with the interests of the Group's stakeholders – and most importantly, the Planet – is the direction outlined in the vision: becoming a *Market Leader in Sustainable Business*. The sustainable business perspective is now embedded in governance, objectives and activities and is expected to contribute positively to all key stakeholder groups.

The Sustainability Roadmap, linked to the strategy, outlines tangible targets designed to ensure continuous progress and effectively meet the interests of all key stakeholders. It is a comprehensive plan aimed at driving positive change for key stakeholders, with the expectation that a significant portion of them will also take similar actions within the same time frame.

CATEGORY	STAKEHOLDER	COMMITMENT
Affected stakeholders	Employees	Questionnaires and employee surveys Employee performance reviews and follow-ups Meetings
Affected stakeholders	The Planet	Monitoring current science and reporting
User of the Sustainability Statement Affected stakeholders	Customers	Formally and informally through customer relationships Survey of major customers
Affected stakeholders	Suppliers	Formally and informally through supplier relationships Code of Conduct Formally via supplier evaluation and monitoring Survey of major suppliers
User of the Sustainability Statement Affected stakeholders	Shareholders	Survey of major shareholders One-to-one discussions and meetings External reports and communication Annual General Meeting
Affected stakeholders	Society and Legislators	Business intelligence Monitoring of legislation

Expected sustainability-related benefits for stakeholders
XANO's business model creates value for its stakeholders:

» **Employees:** A structured approach to internal social aspects brings direct benefits to employees, while minimising negative environmental impacts and fostering long-term sustainable business practices also creates indirect value for all our employees and their families.
» **The Planet:** Energy-efficient production, emission reductions, and resource-efficient material flows all contribute to a more sustainable industry and a smaller ecological footprint.
» **Customers:** Designing products and services that improve energy efficiency, reduce material waste and increase production capacity provides a range of customer-related benefits. Circular business models and longer product lifecycles help customers to reduce their total cost of ownership and achieve their sustainability goals.
» **Suppliers:** Close collaboration with suppliers provides sustainability-related benefits throughout multiple stages of the upstream value chain. This includes initiatives to ensure sustainable materials, responsible production and reduced transport emissions.
» **Shareholders:** Sustainability as an integral part of the business model strengthens long-term profitability and risk management. Being at the forefront of sustainable industrial production attracts capital and ensures consistent growth.
» **Society and legislators:** A well-established and focused sustainability program minimises negative social impacts, enhances positive benefits, and drives progress in the right direction.

Double materiality assessment

Application of the double materiality assessment

The double materiality assessment process was initiated in 2023. It is a continuous process, with the goal of ensuring thorough and effective implementation across all Group companies. This sustainability report is based on the current results, but the analysis is still ongoing and will continue to be developed and refined in 2025.

Additionally, as a Company involved in acquisitions, there is a heightened need to regularly reassess the double materiality assessment to ensure its continued relevance and alignment with the expansion of the business.

A double materiality assessment is carried out to identify and prioritise a company's key sustainability matters. Impacts, risks, and opportunities are evaluated based on the following criteria:

» **Impact materiality:** How the company's activities affect the environment, society and stakeholders.
» **Financial materiality:** How risks and opportunities related to sustainability matters affect the organisation's financial performance and business model.

Method and analysis tools

The Group's double materiality assessment has so far been carried out in two stages. Initially, a global assessment was performed covering the whole Group. Later on, each subsidiary carried out an individual double materiality assessment based on its own activities. The results of the latter have been consolidated and added to the initial global assessment, resulting in the first comprehensive double materiality assessment for the Group as a whole.

The assessment was performed according to the methodology set out in ESRS 1:

- The assessment criteria specified in the standard has been used and the assessment has been performed using the subject classification presented in ESRS 1, Appendix A.
- A points system has been used where each topic has been assessed on the basis of its impact and financial materiality. An average value based on the scores of the various assessment criteria has been calculated to determine whether a topic is considered material or not.
- The assessments have mainly been made at sub-topic level, taking into account sub-subtopics where they exist.
- The information on which the assessment is based has been derived from stakeholder analyses, business intelligence and internal sources. Expert advice and consultations with key stakeholders have played a crucial role throughout the process. This approach has ensured that material operations, business relationships, geographical areas and other factors that may give rise to positive or negative impacts are taken into account in the assessment.
- The assessment of financial materiality has taken into account the Group's main dependencies together with their actual and potential impacts to identify relevant risks and opportunities.
- To assess the potential financial impact, thresholds linked to the impact on earnings have been applied.

Validation

The work has been reviewed and validated by both Group and business unit management, along with XANO's Board of Directors, to ensure the analysis aligns with the company's strategy and remains consistent.

Continuous process

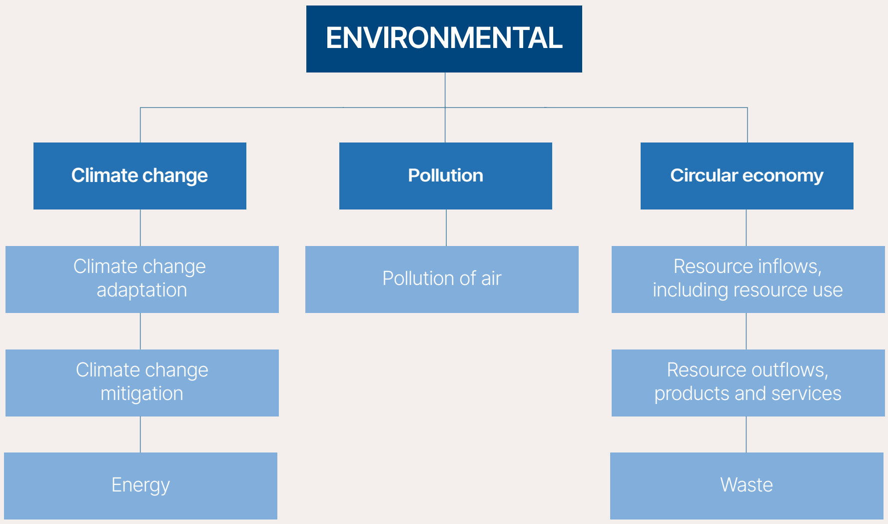
Following finalisation of the double materiality assessment, annual updates will be conducted in order to identify any changes in impacts, risks, and opportunities. The process will remain the same with individual assessments carried out by the subsidiaries and then consolidated together with a overall assessment. This process is carried out alongside the annual update of the Group companies' business plans, which are finalised and presented to the Group Management in Q3.

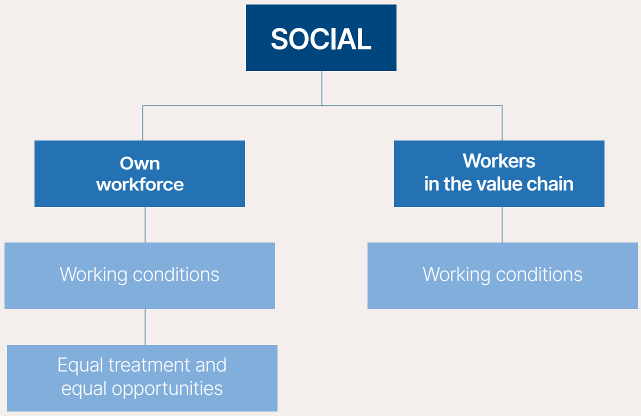
Material topics and sub-topics

The double materiality assessment has currently identified material impacts, risks and opportunities (IROs) in ten sub-topics related to five topics under ESRS 1, Appendix A.

- Climate change
- Pollution
- Resource use and circular economy
- Own workforce
- Workers in the value chain

These material topics and sub-topics collectively cover a significant portion of the business and value chain, influencing and being influenced by various aspects of the business model.





Sustainability governance

Governing, management and supervisory bodies

Board composition and diversity

XANO's Board of Directors has seven members. The composition of the Board of Directors takes into account the principles of The Swedish Corporate Governance Code, in particular with regard to diversity, range of expertise and experience, and gender distribution.

The ratio of women to men on the Board is 43% women (3 out of 7) and 57% men (4 out of 7), calculated as an average ratio according to the guidelines.

In addition, 57% of the Board members (4 out of 7) are independent in relation to major shareholders as well as the company and its management.

The Board is structured to provide effective governance, aligned with the company's operations, growth stage, and future requirements.

Roles and responsibilities

XANO's Board of Directors bears the ultimate responsibility for the Group's strategic work, including sustainability-related matters. As part of this responsibility, the Board ensures that sustainability considerations are integrated into the long-term strategy and decision-making processes of the organisation, and that material sustainability-related impacts, risks and opportunities are dealt with appropriately.

Overall responsibility for sustainability is delegated to the Group Management, who is responsible for managing and monitoring the Group's impacts, risks and opportunities, implementing relevant policies and targets, and integrating sustainability aspects into the Group's strategy and business model. The main operational responsibility is held by the Group's Chief Sustainability Officer, who is also a member of the Group Management.

To ensure effective governance and monitoring, updates on sustainability initiatives are regularly reported to the Group Management. The Board receives relevant sustainability-related analyses and decision-making data to assess risks, opportunities and strategic priorities. The Audit Committee reviews the reporting process and ensures that the sustainability information is transparent, reliable and in line with applicable regulations.

Responsibilities and mandates are based on the principles of The Swedish Code of Corporate Governance and are regulated in the Board's decision-making processes as well as their instructions to the CEO.

XANO works actively to integrate sustainability-related aspects into governance and decision-making processes. Currently, these matters are dealt with within existing strategic and operational decision-making structures, but more formalised processes are being developed constantly.

The Board of Directors and Group Management oversee the implementation of relevant mechanisms to track sustainability performance through regular reporting and follow-ups. The Chief Sustainability Officer is responsible for collecting and analysing data related to the Group's sustainability goals, material impacts, risks, and opportunities. This information will be presented to the Board of Directors and Group Management on a quarterly basis, starting in 2025. The Audit Committee annually reviews the reporting process and ensures that risk management and performance monitoring processes are appropriate. If shortcomings are identified, corrective actions and process updates are discussed. Systems for sustainability-related activities such as reporting of sustainability data and monitoring of performance against targets are continuously evaluated to ensure alignment with regulatory requirements and business needs.

Details of the incentive programmes can be found in the Group's Remuneration Report, which describes the structure and criteria for remuneration.

AREA	OPERATIONAL RESPONSIBILITY	OVERSEEN BY	INFORMATION GIVEN TO EXECUTIVE BOARD	INFORMATION GIVEN TO THE BOARD OF DIRECTORS	INFORMATION GIVEN TO THE AUDIT COMMITTEE
Material impacts, risks and opportunities	Chief Sustainability Officer, XANO	Group Management, Board of Directors, Audit Committee	Ongoing, related to strategic and operational management work	In case of changes, or annually in December	At the time of the Annual Report
Target monitoring and reporting of the submitted sustainability data	Chief Sustainability Officer, XANO	Group Management, Board of Directors, Audit Committee	Quarterly	Quarterly	At the time of the Annual Report
Business model and strategy, including setting targets	Group Management	Board of Directors	-	In case of changes, or annually in September	-
Risk management and assessment	Chief Sustainability Officer, XANO	Group Management, Board of Directors, Audit Committee	Ongoing, related to strategic and operational management work	Annually in September	At the time of the Annual Report
Policies and guidance documents	Chief Sustainability Officer, XANO	Group Management, Board of Directors	In case of changes	In case of changes	-
Sustainability reporting	Chief Sustainability Officer, XANO	Group Management, Board of Directors, Audit Committee	When preparing the Annual Report	At the time of the Annual Report	At the time of the Annual Report
Stakeholders	Chief Sustainability Officer, XANO	Group Management, Board of Directors	Ongoing, related to strategic and operational management work	Annually in December	-

Statement on due diligence

XANO ensures due diligence by identifying, assessing and managing material sustainability-related impacts, risks and opportunities. The adoption of a structured approach across the Group ensures efficiency and a high level of implementation in relation to the identified material IROs. This process is integrated into the Group's governance, strategy and risk management and includes the following:

MAIN PARTS	APPLICATION	SECTION OF THE SUSTAINABILITY STATEMENT
Integrating due diligence into governance, strategy and business model	Due diligence is integrated into corporate governance through the Environmental Policy, Code of Conduct, Climate Transition Plan and Sustainability Roadmap. The Board of Directors monitors ESG risks and ensures that sustainability aspects are included in all business decisions	Section: Sustainability governance
Engage the relevant stakeholders in all the major steps of the due diligence process	Regular communication with the relevant stakeholders to identify and manage ESG risks. Suppliers are required to comply with the Group's Code of Conduct	Section: Stakeholders concerned
Identify and assess the material impacts, risks and opportunities	A double materiality assessment is performed to identify and assess impacts, risks and opportunities	Section: Double materiality assessment
Take action to manage material impacts, risks and opportunities	Sustainability requirements in the Code of Conduct, supplier risk assessments and evaluations, targets and monitoring linked to material IROs	Section: Sustainability-related goals and strategies, and the respective topic-related sections
Monitoring the effectiveness of actions implemented and communicating the outcomes	Sustainability data is reported quarterly by Group companies. The collected data is reviewed and consolidated. Performance against targets is monitored to ensure progress towards Group-wide goals	Section: Risk management and internal controls

Sustainability-related policies and guidance documents

The Group's sustainability-related policies and guidance documents have been designed to cover all material sustainability aspects and ensure compliance throughout the organisation. To facilitate the implementation and monitoring, their number is limited to ensure effective implementation. All material topics are covered by one or more policies or guidance documents, with the Code of Conduct being the primary framework for social governance.

All policies and guidance documents are available in the Group-wide management system. The Code of Conduct and Environmental Policy are also available to external stakeholders on XANO's website.

POLICIES/GUIDANCE DOCUMENTS	DEFINITIONS	MANAGEMENT/MONITORING	STAKEHOLDERS CONCERNED	PERSON RESPONSIBLE FOR IMPLEMENTATION
Code of Conduct	Minimum standards of responsibility internally and in relation to the Group's stakeholders – covers the environment, social responsibility and business conduct	Encompasses all Group companies, departments and employees, as well as suppliers. The MD of each Group company ensures compliance. Monitoring via internal control	Shareholders Customers Suppliers Employees The Planet	Chief Sustainability Officer, XANO
Environmental Policy	Minimum requirements for environmental aspects related to the Group's material topics as well as biodiversity and hazardous substances	The MD of each Group company ensures compliance. Monitoring in the Group companies at business review meetings with the respective business unit manager	Shareholders Customers Suppliers Employees The Planet	Chief Sustainability Officer, XANO
Climate Transition Plan	Consolidated guidance document for the Group's climate-related work	The MD of each Group company ensures compliance. Monitored through sustainability reporting to the Parent Company and internal controls related to performance against targets.	Shareholders Customers Suppliers Employees The Planet	Chief Sustainability Officer, XANO
Sustainability Roadmap	Guiding document containing the minimum requirements for targets linked to all aspects of the Group's sustainability initiatives	The MD of each Group company ensures compliance. Monitored through sustainability reporting to the Parent Company and internal controls related to performance against targets.	Shareholders Customers Suppliers Employees The Planet	Chief Sustainability Officer, XANO
Decision-making process	Authority framework for each corporate body (General Meeting, Board of Directors, Chairman and MD)	Determined annually by the Board of Directors. Monitoring in the Group companies at business review meetings with the respective business unit manager	Employees	Chair of the Board of Directors of each Group company
MD mandate	The MD's responsibilities and powers	Determined annually by the Board of Directors. Monitoring in the Group companies at business review meetings with the respective business unit manager	Employees	Chair of the Board of Directors of each Group company
Sanctions policy	Restrictions on financial transactions and commitments	The MD of each Group company ensures compliance. The business unit manager and the Executive Board have the power to stop transactions	Shareholders Customers Suppliers Employees	MD of the respective Group company
IMM's Code to prevent corruption in business	Preventing corruption in business	Employees with customer and/or supplier contacts are trained annually in anti-corruption, compliance is followed up via internal control, a whistleblowing scheme is available	Shareholders Customers Suppliers Employees	MD of the respective Group company

Risk management and internal controls

The sustainability reporting process includes the following elements:

ACTIVITY	EXECUTED BY
Establishment of material metrics based on the Group's strategy and material sustainability-related impacts, risks and opportunities	Parent Company
Production of emission factors, templates and allocation formulae	Parent Company
Collection of relevant data from suppliers and own organisation	Respective Group company
Reporting of data in the Group's sustainability reporting system	Respective Group company
Control and consolidation of the collected data	Parent Company
Reporting of the consolidated data	Parent Company

All of the data collected is verified by the Parent Company, both on an ongoing basis and prior to the compilation of the Group's annual sustainability reporting. It is compared with the previous reporting and subjected to a reasonability assessment. The system used for reporting ensures a reliable structure. All reporters receive detailed task instructions and relevant training from the Parent Company.

Regular internal controls linked to sustainability reporting will be formalised in 2025 and will follow standard internal control practices.

For risk assessment linked to the Group's sustainability reporting, an analysis is carried out annually in the form of a risk matrix in which relevant risks are evaluated based on the parameters of *likelihood*, *impact* and *priority*.

The responsibility for risk mitigation lies with the Parent Company's sustainability department, which ensures the implementation of appropriate measures across relevant departments and processes, either through direct execution of activities or delegation of responsibility.

The most recent risk analysis identified the following key risks:

RISK	LIKELIHOOD	IMPACT	PRIORITY	ACTION
Incorrect or incomplete data from internal or external sources	High	High	High	Detailed instructions on data quality control for reporters
Misunderstanding of the ESRS standards or local legal requirements	Medium	High	High	Provide training to the responsible teams and call on external experts when needed, working closely with the auditors
Issues with IT systems for data collection and consolidation	Medium	Medium	Medium	Perform system tests and ensure access to complementary data collection solutions
Insufficient time to review and validate data	Medium	High	High	Careful planning of reporting cycles and allocation of sufficient resources

Climate change

Introduction

The XANO Group is committed to minimising its climate impact while actively aligning its operations with and contributing to the transition towards a sustainable economy. The Group integrates climate action into its core strategy, combining emission reduction measures with business model adaptations to maintain long-term competitiveness in a net-zero emissions economy.

Through a systematic approach, the Group has identified key climate-related impacts, risks, and opportunities (IROs), which serve as the foundation for its climate strategy. The results of this analysis guide efforts to reduce greenhouse gas emissions and strengthen the Group's resilience to climate change.

Impacts, risks and opportunities

Method

By working in a structured manner, XANO has identified material climate-related impacts, risks and opportunities (IROs). This analysis serves as the foundation for the frameworks, processes, and objectives outlined in this section.

To ensure a transparent and science-based process, a combination of quantitative and qualitative analysis is used. The focus so far has been on:

- Identifying and accounting for Scope 1, 2 and 3 greenhouse gas emissions
- Assessing the physical and transition-related risks and opportunities based on the organisation's current impact and external factors
- Identifying locked-in greenhouse gas emissions and analysing fossil-dependent activities (ongoing)

As a next step, a more detailed analysis of future risks and opportunities is planned through the use of scenario analyses. This will take established climate scenarios into account and be integrated into the strategic sustainability work.

Further, our efforts to integrate climate-related objectives into financial planning will be intensified. While specific allocations of capital and operating expenditure have yet to be set, a process is underway to develop a structured methodology that ensures investments and resources align with the Group's long-term climate transition.

Material impacts, risks and opportunities

IRO	TYPE	VALUE CHAIN			TIME HORIZON		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Extreme weather events leading to direct costs and/or disruptions in the value chain.	Potential risk	x	x	x	x	x	x
Increased costs related to greenhouse gas emissions	Transition risk	x	x	x	x	x	x
Increased energy costs	Actual risk	x	x	x	x	x	x
Provide customers with products and solutions that help them to reduce their negative climate impact	Actual opportunity		x	x	x	x	x
Greenhouse gas emissions in Scope 1, 2 and 3	Actual negative impact	x	x	x	x	x	x
Use of non-renewable energy sources, including fossil fuels	Actual negative impact	x	x	x	x	x	x

Climate Transition Plan

Summary

The Climate Transition Plan is designed to align the Group’s strategy and business model with a sustainable economy and the goal of limiting global warming to 1.5°C, as outlined in the Paris Agreement. The Plan is a dynamic tool and as such it is continuously refined to remain in step with the Group’s long-term goals and evolving demands from the external environment for climate change mitigation and adaptation.

The Transition Plan has been approved by the Group's management and Board of Directors and is partly integrated into XANO's overall business strategy and financial planning. The plan covers all Group companies and is based on the double materiality assessment and CSRD-related guidance.

Climate targets and compatibility with the Paris Agreement

As the work to define overarching climate targets in line with the Paris Agreement is ongoing and the Group plans to join the Science Based Targets initiative (SBTi), the Climate Transition Plan currently includes preliminary targets.

» **Scope 1 & 2:** 50% reduction of emissions by 2030 (base year 2020)
» **Scope 3:** 30% reduction of emissions by 2030 (base year 2024)
» **Net zero:** 2045 for Scope 1, 2 and 3

The targets will be revised as part of the SBTi process and, if necessary, at a later stage, based on science-based scenarios and insights.

Drivers and key actions for phasing out fossil fuels

Key actions in the Group's efforts to meet the climate targets are as follows:

» **Change of machinery:** Long-term investment plan for conversion to electric power
» **Heating of buildings:** Evaluation of alternatives to natural gas in units where applicable
» **Transport:** Transition to electric and hybrid vehicles and travel management via digital systems
» **Transport of goods:** Optimisation of logistics and increased use of fossil-free transport options
» **Electricity use:** Gradual transition to 100% renewable electricity

Forecast for reduced emissions from fossil fuels.

Category	Emissions in 2023 (tonnes CO_2e)	Forecast for 2030 (tonnes CO_2e)	Reduction (%)
Oil and gas	3,079	1,540	50%
Business travel	907	635	30%
Transport of goods	1,134	794	30%
Electricity	1,465	732	50%
Total	6,585	3,701	44%

Investments and financing of the transition plan

XANO plans to increase the percentage of sustainable investments and to define indicators to monitor the impact of climate-related investments over the coming years. The target is for at least 90% of investments to be sustainable (based on an internally developed definition) by 2030.

At present, external financing and climate targets are not linked.

Locked-in emissions

Potential locked-in emissions have been identified in the following areas:

» Production facilities for rotational moulded products
» Natural gas dependent properties in the Netherlands
» Transport and logistics flows

The Transition Plan will be extended to include detailed data and action plans for locked-in emissions during 2025.

Alignment with EU taxonomy

The latest mapping exercise revealed that only 1.5% of the Group’s total turnover falls under the EU taxonomy for sustainable activities. The Group has therefore chosen to prioritise other transition measures over taxonomy-related investments.

At present, there is no significant capital expenditure linked to coal, oil or gas related activities.

Integrating the Transition Plan into our business strategy

The Group-wide Sustainability Roadmap, integrated into the Group's business strategy, ensures alignment between climate goals and business objectives.

Progress and monitoring

Regular monitoring of climate-related targets is performed through:

» Quarterly reporting of climate-related key performance indicators from all Group companies
» Annual reporting of target attainments and climate data under the GHG Protocol
» Progressive development of Scope 3 measurements

The Climate Transition Plan was adopted at the end of 2024, making progress evaluation limited at this stage. However, a comparison with previous years shows significant progress in both the transition to renewable energy and in strengthening sustainability awareness across the organisation. A more structured and systematic approach to integrating sustainability and climate considerations into business strategy and operational management has been established and is continuously refined.

Policies and activities

Environmental Policy

A new Environmental Policy was implemented in 2024, which addresses the management of material climate-related impacts, risks and opportunities. This Policy forms part of XANO's broader sustainability strategy and is supported by other relevant policies and processes. The Policy has been approved by the Group Management and Board of Directors. Its implementation and monitoring are carried out through the established management structure, with operational responsibility resting with the MD of each Group company.

The Environmental Policy covers the following climate-related areas:

Climate change mitigation

XANO is committed to actively reducing its greenhouse gas emissions by switching to renewable energy, optimising transport logistics and implementing circular material flows.

Precise and measurable emission reduction targets have been set. These are regularly evaluated to ensure relevance and target attainment.

Climate reporting is conducted according to the GHG Protocol, and all Group companies are reponsible for reporting data according to established instructions.

Climate change adaptation

XANO identifies and manages climate-related risks, including the potential impact of extreme weather events on facilities and supply chains.

Strategic sourcing is used to minimise risk in the value chain, taking factors such as geographical proximity and diversifying supply sources into account.

Regular analyses of material flows are conducted to identify and phase out materials with a high climate impact.

Energy efficiency

The use of energy-efficient technologies and processes is prioritised to reduce energy consumption.

When applicable, Group companies are working to develop energy-efficient solutions for their customers.

Developing renewable energy

XANO sources renewable energy where possible and works with suppliers and partners to ensure its availability.

Link between the Environmental Policy and climate-related IROs

The Group’s climate-related impacts, risks and opportunities are covered in the Environmental Policy.

» **Extreme weather events and disruptions in the value chain** (Potential physical risk)

- Addressed through climate adaptation and risk mitigation measures in the supply chain, including geographic diversification and requiring suppliers to take preventive measures.

» **Increased costs related to greenhouse gas emissions** (Transition risk)

- XANO is actively working to reduce its emissions through renewable energy and optimised processes, supported by the environmental policy's focus on circular material flows and energy efficiency.

» **Increased energy costs** (Actual risk)

- Energy efficiency and renewable energy are prioritised, which addresses this risk by both reducing energy use and ensuring a stable supply of renewable energy.

» **Provide customers with products and solutions that help them to reduce their climate impact** (Actual opportunity)

- The Group's strategy includes developing products and solutions with a lower carbon footprint, as described in The Environmental Policy under Energy and Resource Efficiency.

» **Greenhouse gas emissions in Scope 1, 2 and 3** (Actual negative impact)

- The policy underscores the importance of regularly reporting GHG emissions in accordance with the GHG Protocol and emphasises that each Group company is accountable for reducing its own climate impact.

» **Use of non-renewable energy sources, including fossil fuels** (Actual negative impact)

- XANO is committed to gradually replacing fossil fuels with renewable energy sources, which is a key element of both the Environmental Policy and the Climate Transition Plan.

Actions

XANO operates under a decentralised governance model, where each Group company is primarily accountable for for identifying, planning, and implementing climate transition activities. In parallel, follow-up and overarching strategic governance at Group level ensure that efforts aline with the Group's Climate Transition Plan, Environmental Policy and the targets defined in the Sustainability Roadmap. This approach balances localised initiatives with a shared, Group-wide strategy.

Completed and ongoing actions

During the reporting year, Group companies have implemented a number of initiatives to reduce climate impact and increase resource efficiency, in line with the Group's overall strategy:

» **Transition to renewable energy:** Several Group companies have started or intensified the transition to fossil-free electricity and more energy-efficient production processes.

» **Optimising transport and logistics:** Efforts to reduce the climate impact of transportation have been strengthened through better route planning and enhanced partnerships with sustainable logistics partners.

» **Energy efficiency:** Mapping of the Swedish Group companies' energy consumption to identify opportunities for energy efficiency improvements.

» **Material and resource efficiency:** Developing more circular material flows and replacing carbon-intensive materials in production processes.

Planned actions and future developments

Based on the Climate Transition Plan, the following activities will be further developed in the coming years:

» **Quantification of GHG emissions and climate impacts:** Further work to ensure comprehensive mapping of Scope 1, 2 and 3 emissions and define mitigation targets.

» **Scenario analysis and risk assessment:** Work on scenario analyses according to established frameworks will be undertaken to better understand long-term climate risks.

» **Integrating climate targets into financial planning:** Methods to align investments and resource allocation with climate actions will be developed, including a strategy for financing the climate transition.

» **Phasing out fossil fuels:** Continue the efforts to reduce the use of fossil fuels in the Group's operations and value chain.

Group companies have a broad mandate to adapt and implement activities based on their specific circumstances, but are expected to act in line with the Group's overall climate work. A centralised monitoring structure ensures that the initiatives contribute to the Group's long-term climate goals and Sustainability Roadmap.

Climate-related targets

In addition to the overarching climate targets outlined in the Climate Transition Plan, the Group has established more specific greenhouse gas emission reduction targets in the Sustainability Roadmap:

» 50% reduction of climate emissions from purchased electricity by 2030

» 50% reduction in climate emissions from gas and oil incineration by 2030

» 30% reduction of climate emissions from transporting goods and people 2030

» 40% reduction in production waste and 30% reduction in climate emissions from incinerating waste by 2030

» 30% increase in the share of sustainable materials and components in production by 2030

These targets are designed to drive the Group's climate-related work and ensure constant progress. Targets are measured in both absolute terms (tonnes of CO_2e) and in intensity values where relevant.

Data reporting

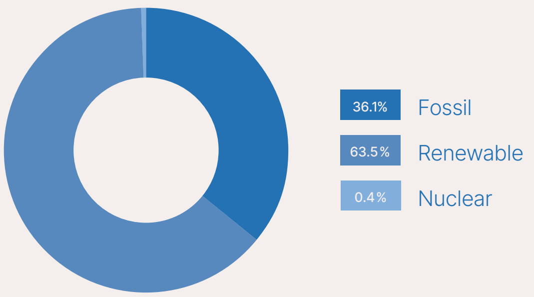
Energy

Energy use and energy mix

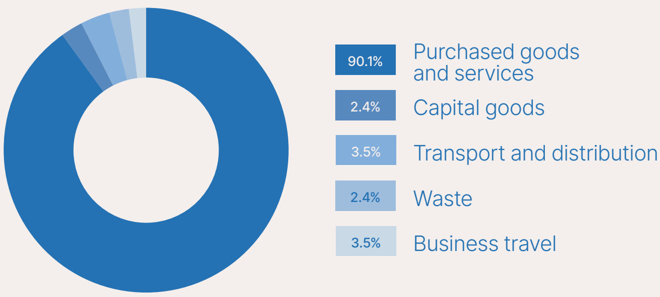
The Group's total energy consumption increased by 3.32% from 48,117 MWh to 49,714 MWh. The main reason for the increase is the companies acquired in 2023, which are now included in the reporting for 2024. The overall percentage of renewable energy improved by 6.2 points, from 57.3 % to 63.5 %.

Energy use and energy mix	2024	2023
Fuel consumption from coal and coal products (MWh)	0	0
Fuel consumption from crude oil and petroleum products (MWh)	2,164	1,974
Fuel consumption from natural gas (MWh)	8,183	8,941
Fuel consumption from other fossil sources (MWh)	4,510	5,313
Consumption of purchased or acquired electricity, heating, steam and cooling from fossil sources (MWh)	3,091	4,182
Energy consumption from fossil sources (MWh)	**17,948**	**20,409**
Percentage of fossil fuels in total energy use	**36.1%**	**42.4%**
Energy consumption from nuclear sources (MWh)	**211**	**124**
Share of nuclear energy sources in total energy use	**0.4%**	**0.3%**
Fuel energy consumption from renewable sources, including biomass (MWh)	0	0
Consumption of purchased or acquired electricity, heating, steam and cooling from renewable sources (MWh)	31,555	27,584
Use of self-generated renewable non-fuel energy (MWh)	0	0
Total use of renewable energy (MWh)	**31,555**	**27,584**
Percentage of renewable sources in total energy use	**63.5%**	**57.3%**
Total energy use (MWh)	**49,714**	**48,117**

Energy use by source



Breakdown of Scope 3 emissions (2024)



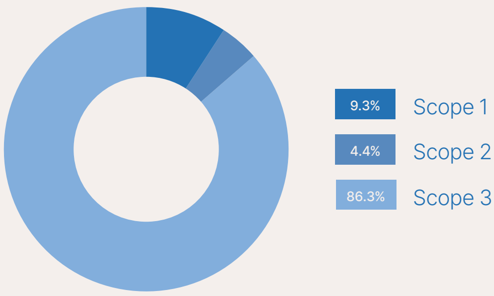
Climate emissions

GHG intensity per net revenue	2024	2023	2022
Total greenhouse gas emissions (location based) per net revenue (tonnes CO_2eq/SEK million)	2.0	2.0	2.2
Total greenhouse gas emissions (market based) per net revenue (tonnes CO_2eq/SEK million)	2.0	1.9	2.1

For comparability, 2024 only includes the categories reported in Scope 3 in previous years. Turnover data relate to amounts before elimination of internal sales. Turnover for 2022 and 2023 in currencies other than SEK has been translated into SEK using the average exchange rates for the year.

Total greenhouse gas emissions by country (tCO_2eq)	2024
China	700
Denmark	1,045
Estonia	5,526
Finland	3
The Netherlands	8,066
Norway	6,498
Poland	52
Sweden	11,880
USA	80

Emissions by scope



Total gross emissions Scope 1, 2 and 3 and total GHG emissions	2024	2023	2022	%
Scope 1 GHG emissions				
Gross Scope 1 GHG emissions (tCO_2eq)	3,145	3,542	3,410	-7.8
Scope 2 GHG emissions				
Gross Scope 2 location-based GHG emissions (tCO_2eq)	1,610	2,180	2,638	-39.0
Gross Scope 2 market-based GHG emissions (tCO_2eq)	1,502	1,594	2,242	-33.0
Significant Scope 3 GHG emissions				
Total Scope 3 indirect gross emissions (tCO_2eq)	29,203	1,881	2,571	–
1. Purchased goods and services	26,300	–	–	–
2. Capital goods	695	–	–	–
4. Upstream transportation and distribution	1,032	1,023	1,374	-24.9
5. Waste generated in operations	617	284	536	+15.1
6. Business travel	559	574	661	-15.4
Total GHG emissions				
Total GHG emissions (location based) (tCO_2eq)	**33,958**	7,603	8,619	**–**
Total GHG emissions (market based) (tCO_2eq)	**33,850**	7,017	8,223	**–**

Scope 1

During the year, the Group's Scope 1 emissions decreased by 11.2%, dropping from 3,542 tonnes of CO_2eq in 2023 to 3,145 tonnes of CO_2eq in 2024. The largest share of emissions stems from gas and oil consumption, which decreased by 10.2%, from 3,079 tonnes of CO_2eq in 2023 to 2,764 tonnes of CO_2eq in 2024. Emissions from transport and business travel using company-owned vehicles also decreased during the year.

One of the most important steps taken to reduce Scope 1 emissions during the year was the introduction of an electric rotational moulding machine at Pioneer Boats.

88% of the Group's electricity consumption is covered by Guarantee of Origin.

Scope 2

Scope 2 location-based emissions decreased by 26.1%, from 2,180 tonnes CO_2eq in 2023 to 1,610 tonnes CO_2eq in 2024, while market-based emissions decreased by 5.8%, from 1,594 tonnes CO_2eq in 2023 to 1,502 tonnes CO_2eq in 2024. This decrease is primarily driven by a lower share of electricity from emission-intensive sources and changes in electricity sourcing, with an increased share of renewable energy.

Scope 3

Reported gross emissions within Scope 3 increased from 1,881 tonnes CO_2e in 2023 to 29,203 tonnes CO_2e in 2024. As the categories Purchased Goods and Services and Capital Goods were added to the reporting in 2024, it is not possible to make a year-on-year comparison of the total Scope 3 emissions.

Explanation by category

- **Purchased goods and services:** The Purchased Goods and Services category has not previously been reported but has been prioritised this year based on the assumption that it likely constitutes the predominant share of the Group's total emissions. The calculation provides a valuable indication of emission levels, but there is a need for further process development to obtain a more complete picture.
- **Capital goods:** The category Capital Goods has not previously been reported, and a comparison with the previous year is therefore not possible.
- **Upstream transportation and distribution:** Emissions increased by 0.9% compared to the previous year, rising from 1,023 tonnes CO_2eq to 1,032 tonnes CO_2eq. This increase is attributed to normal operational variations.
- **Waste generated in operations:** Emissions increased by 117% compared to the previous year, rising from 284 tonnes CO_2eq to 617 tonnes CO_2eq. The increase is mainly attributed to increased measurement precision.
- **Business travel:** Emissions decreased by 2.6% compared to the previous year, falling from 574 tonnes CO_2eq to 559 tonnes CO_2eq. This increase is attributed to normal operational variations.

Circular economy

Introduction

The Group aims to integrate circular business models into its operations to optimise resource use, reduce environmental impact and strengthen the long-term capacity to conduct profitable and sustainable business. The Group is focusing on recycling, reducing dependence on virgin raw materials and innovation in sustainable product solutions.

By way of a structured analysis, material impacts, risks and opportunities (IROs) related to resource use and circular economy have been identified. These form the foundation of the Group's strategic initiatives in this area and guide efforts in product development, material selection and waste reduction.

Impacts, risks and opportunities

Method

Using a structured approach, material IROs related to the circular economy have been identified. This analysis serves as the foundation for the frameworks, processes, and objectives outlined in this chapter.

Methods, assumptions and screening tools

To map resource flows and identify circular opportunities, a combination of qualitative and quantitative methods has been used, including:

- **Data on material types and volumes**, based on life cycle assessments from material suppliers and internal data collection.
- **Knowledge gained from existing circular processes**, with the main focus on recycling within the organisation.
- **Internally collected data related to waste management** including volumes and the handling of residual materials.
- **Business systems and the Group's internal reporting tools for sustainability-related reporting**, which are used to analyse resource flows, material use, waste management and recycling.

The analysis focused on identifying the Group's dependency on critical resources, opportunities for improving resource efficiency and risks related to changing legal requirements or material supply. At the same time, business opportunities linked to circular solutions and innovations have been assessed for their potential to generate profitability and strengthen competitiveness. Potential negative impacts were also assessed.

Consultation and stakeholder communication

As part of the analysis, consultations with relevant stakeholders, including suppliers, customers and trade organisations were conducted to ensure a holistic understanding of resource use and the circular economy.

These consultations took place as part of the standard stakeholder programmes. Collaboration with external experts and research institutes were also conducted.

Identification of key material resources

The Group companies' business systems and the Group-wide sustainability reporting tool provide a good overview of major material flows. Using these, as well as experience-based expertise and operational knowledge, the most critical material resources have been identified. Although a structured prioritisation process has not yet been implemented across the entire Group, the assumptions used in the materiality assessment rely on the extensive expertise available within the organisation. The assessment was based on existing knowledge of the environmental impact of materials, along with circular economy principles and relevant business factors.

Resource use in the various parts of the value chain

The value chain mapping has shown that the main resource flows and resource-related risks are concentrated to the following areas:

- Upstream: raw material production and material suppliers.
- Own operations: production and material efficiency in the manufacturing process.
- Downstream: recycling, waste management and the products' life cycle.

Material impacts, risks and opportunities

IRO	TYPE	VALUE CHAIN			TIME HORIZON		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Transition to circular business models	Actual opportunity	x	x	x	x	x	x
Use of recycled and fossil-free materials in production	Actual opportunity	x	x	x	x	x	x
Recycling of production residues, new manufacturing methods that minimise waste	Actual opportunity		x	x	x	x	x

Policies and activities

Environmental Policy

The Group's Environmental Policy sets out principles and guidelines for the sustainable use of resources and the transition to a circular economy. The Policy highlights the importance of minimising environmental impacts through resource efficiency, recycling and reducing the use of primary raw materials.

The Environmental Policy promotes a gradual transition from primary and fossil-based materials to recycled and fossil-free alternatives wherever it is technically and commercially achievable. Group companies are expected to work actively to identify opportunities to increase the percentage of secondary raw materials in their products and solutions. This includes requiring suppliers to provide sustainable materials and to prioritise recycled content.

The Environmental Policy uses the waste hierarchy as a tool for resource management:

1. **Prevention measures:** Working to minimise the quantity of materials and waste through efficient production methods and thoughtful product and solution design.
2. **Reuse:** Striving to design products and solutions with long lifespans that can be reconditioned and reused. In the Group's own operations, maintenance is carried out to increase service life and efforts are made to purchase reused equipment wherever possible.
3. **Recycling:** Striving to use materials that can be recycled when products and solutions can no longer be used. A high level of recycling is targeted across the organisation's own operations for the waste it generates.
4. **Other recovery:** In cases where the Group's own waste cannot be recycled, energy recovery or other recovery methods are utilised.
5. **Disposal:** The Group ensures that any waste that cannot be reused or recycled is disposed of in an environmentally responsible manner.

In addition to measures aligned with the waste hierarchy, circular business models are also prioritised as a way to avoid and minimise waste, rather than falling back on waste treatment.

Link between the Environmental Policy and IROs related to the circular economy

The Environmental Policy addresses the Group's significant IROs as follows:

- **Transition to circular business models:** The Policy promotes circular solutions through product design for long lifespans, reuse and resource efficiency, and supports actions that enable reduced material consumption.
- **Use of recycled and fossil-free materials in production:** The Policy promotes a gradual transition to recycled and fossil-free materials where technically and commercially feasible, and requires suppliers to provide sustainable materials.
- **Recycling of production residues, new manufacturing methods that minimise waste:** Through use of the waste hierarchy, the recycling of production waste and optimised manufacturing processes are prioritised to minimise waste volumes and resource consumption.

Actions

The XANO Group operates under a decentralised governance model, where each Group company is primarily responsible for identifying, planning and implementing activities related to the circular economy. In parallel, follow-up and overall strategic management is carried out at Group level to ensure that the initiatives are in line with the Group's Environmental Policy and the targets defined in the Sustainability Roadmap. This approach balances localised initiatives with a shared, Group-wide strategy.

Completed and ongoing actions

» **Increased resource efficiency**

- Group companies are working to optimise material use through improved product design, efficient production processes and by minimising residual materials.
- Production techniques are used that allow lower material consumption per unit produced.
- The Industrial Solutions business unit develops solutions that help customers achieve greater resource efficiency.
- The Precision Technology business unit has developed a resource-saving production method linked to long-hole drilling.

» **Increased use of secondary raw materials**

- Recycled materials are increasingly used in plastic-based products in the Industrial Products business unit.
- Within the Industrial Products business unit, offcut materials are directly reused in production, and internally discarded plastic products are recycled.
- Carbon footprint calculations are used for comparative purposes to encourage customers to choose more sustainable options.
- Participation in research projects specialising in recycled plastic materials.

» **Recycling**

- Recovery of plastic-based boats for recycling
- Structured internal processes and partnerships with recycling companies to recycle production waste.

Targets

The Group's Sustainability Roadmap defines targets related to materials and waste management. These include increasing the use of sustainable materials and reducing production waste, which has a direct impact on resource inflows and outflows.

Circular material use and product development

The Group strategically integrates circular principles into both product development and material use, aiming to reduce negative impacts and enhance business resilience.

» **Circular product development and minimisation of primary raw materials** is promoted through targets linked to sustainable innovation and the use of recycled and recyclable materials.

» **Increased circular material use** is regulated by a target for the use of sustainable materials. Sustainable materials are defined here as recyclable and recycled, bio-based or with a significantly lower carbon footprint than traditional alternatives. A target focused on reducing the amount of waste sent to energy recovery further supports this objective.

Targets for waste management

The XANO Group aims to reduce production waste by 40% and reduce the climate impact of waste incineration by 30% by 2030.

Actions include increasing recycling, optimising resource use and implementing circular material flows.

The Sustainability Roadmap takes the waste hierarchy into consideration, prioritising waste prevention and reuse over recycling and finally disposal.

The targets aim to reduce the need for virgin raw materials and increase resource efficiency in the Group's operations.

Data reporting

Inflow

Resource inflows (tonnes)	2024
Steel and iron	3,057
Aluminium	63
Plastic	6,996
Copper	82
Wool felt	1
Chemicals	1
Cutting fluid	67
Plastic packaging	89
Paper packaging	173
Wooden packaging and pallets	2,135
Total weight	**12,664**

Outflow

XANO works strategically to optimise resource use and integrate circular principles into product design and material selection. The Group is increasingly using recyclable and fossil-free materials wherever it is technically and commercially feasible. Strategies include designing products with a long lifespan, using materials more efficiently and enabling recycling.

Within the Group's three business units, specific initiatives are applied to strengthen resource efficiency, such as:

» **Industrial Solutions:** The entire business unit focuses on after-sales services such as the sale of spare parts and maintenance to extend the products' lifespan. To a lesser extent, they also recover and remanufacture production equipment.

» **Industrial Products:** Here, all companies are involved in recycling and increasing the use of recycled plastics in production in various ways.

» **Precision Technology:** One of the companies in the business unit has developed a new production method that offers significant resource savings through more efficient material utilisation.

Data collection related to product durability and reparability is managed at subsidiary level as relevant, as the Group is currently prioritising other strategic sustainability initiatives. XANO continues to develop its work on circular processes and resource efficiency, with the ambition of gradually improving the transparency of its reporting.

The total share of recyclable material in products and packaging totalled 62%.

Resource outflows	2024		
	Hazardous waste (tonnes)	Non-hazardous waste (tonnes)	Collected waste (tonnes)
Diverted from disposal	**78**	**1,099**	**1,177**
Preparing for reuse	0	0	0
Recycling	64	878	942
Other recycling procedures	14	221	235
Waste disposed of	**106**	**1,904**	**2,010**
Incineration	6	18	24
Landfill	18	1,032	1,050
Other disposal method	82	854	936
Total waste	**184**	**3,003**	**3,187**
Non-recycled waste	120	2,125	2,245
Percentage of non-recycled waste	65%	71%	70%

Own workforce

Introduction

A safe, inclusive and stimulating working environment for all staff is fundamental to the success of any organisation. The Group's work with its own workforce aims to ensure good working conditions, promote skills development and create a sustainable work culture based on safety, commitment and diversity.

Using a systematic approach, material impacts, risks and opportunities (IROs) related to the Group's own workforce have been identified. These form the foundation of the Group's strategies and initiatives in this area.

Impacts, risks and opportunities

Description of XANO's own workforce

The Group has a diversified workforce consisting of permanent and temporary staff, as well as interim staff hired through an agency. Due to the decentralised structure of the Group's operations, workforce matters are primarily addressed at the subsidiary level, taking local circumstances into account.

In the process of identifying material IROs, all categories of employees have been taken into account.

Within the Group, certain occupational groups are more exposed to work-related risks, especially in production environments where safety aspects are crucial. To minimise these risks and improve working conditions, systematic health and safety procedures are in place at subsidiary level. Meanwhile, the shift towards more sustainable operations is creating new opportunities for skills development and innovation in a number of roles.

Having access to skilled workers is a key factor in XANO's success, making talent supply a priority. To attract and retain talent, the Group invests in the training and development of its employees and provides good working conditions. It also closely monitors legislation and labour market changes to identify potential risks and manage them promptly, ensuring minimal impact on its operations.

Material impacts, risks and opportunities

IRO	TYPE	VALUE CHAIN			TIME HORIZON		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
The shift towards sustainability creates opportunities for attracting skilled talent.	Potential opportunity		x		x	x	
Increased profitability and benefits from recruiting skilled workers through increased diversity	Potential opportunity		x		x	x	x
Physical and/or psychological impact on own workforce	Actual negative impact		x		x	x	x
Lack of diversity in managerial roles	Actual negative impact		x		x	x	x

Potential opportunities

- **The shift towards sustainability creates opportunities for attracting skilled talent.**
  The transition to a more sustainable economy is creating new business opportunities but also changing the skills needed. The Group recognises an opportunity to attract and retain qualified employees by positioning itself as a sustainable and responsible employer. This opportunity primarily affects the organisation's own operations and has a medium to long-term horizon.
- **Increased profitability and benefits from recruiting skilled workers through increased diversity**
  A more diverse workforce could contribute to improved innovation, higher productivity levels and increased profitability. The Group therefore views diversity as a key strategic factor in its talent supply and management efforts. Increasing the representation of diverse backgrounds and experiences is a long-term endeavour but one that may also benefit the business in both the short and medium term.

Actual negative impacts

- **Physical and/or psychological impact on own workforce**
  Occupational health and safety risks are a big priority within the Group. Repetitive strain injuries, ergonomic issues and psychosocial work environment factors can all negatively affect the health and well-being of employees. In order to mitigate these risks, the Group works actively on health and safety initiatives and preventive measures. This impact affects the organisation's own activities and is deemed to be relevant in both the short and long term.
- **Lack of diversity in managerial roles**
  Diversity in management teams and other key positions is essential to ensuring broader perspectives and maintaining long-term competitiveness. The double materiality assessment has identified representation in senior management – with regards to gender, background, and experience – as a key area for improvement. This negative impact is primarily linked to its own operations and is considered relevant in the short, medium and long term.

Policies

Code of Conduct

Social and labour matters concerning the Group's own workforce are regulated by the Group's Code of Conduct, which constitutes the Group's overarching policy on ethical business practices. The Code of Conduct applies to all employees, contractors, management and the Board of Directors. Its principles also apply to suppliers and other business partners. The Code of Conduct sets out the basic principles that govern how the Group deals with material IROs related to its own workforce.

Working conditions and respect of human rights

XANO's Code of Conduct ensures that the Group complies with international guidelines, including the UN’s Guiding Principles on Business and Human Rights, the ILO’s Core Conventions and the OECD Guidelines for Multinational Enterprises. The Code states that:

- Child labour and forced labour are not accepted in any part of the operations or value chain.
- Fair working conditions shall be ensured, including fair wages and working hours in accordance with local laws and collective agreements.
- Freedom of association and the right to collective bargaining is respected.

Occupational health and safety

Occupational health and safety are priority areas within the Group, and each Group company is responsible for implementing safety measures to minimise risks. The occupational health and safety approach follows national and international standards, and systematic efforts are made to create a safe working environment.

Diversity, equity, and inclusion

The Group is committed to fostering an inclusive organisation where everyone is treated fairly and has equal opportunities. The Code of Conduct prohibits discrimination based on gender, ethnicity, religion, disability, sexual orientation, age or other protected characteristics. The Policy also covers:

- Measures to promote diversity and gender equality throughout the organisation.
- Efforts to ensure equal pay for equal work.
- A working environment free from harassment and discrimination.

Skills development and just transitions

The Group invests in training and skills development to strengthen the long-term competitiveness of its workforce.

Compliance and monitoring

To ensure accessibility and compliance internally, the Code of Conduct is incorporated into every new employment contract. It is also published on the Group-wide management system and available on the official XANO website. The MD of each Group Company is accountable for implementing and ensuring compliance with the Code within their own organisation, as well as communicating it to and enforcing it among external partners. Regular monitoring is carried out as part of the routine internal control process, and employees can report deviations anonymously through the whistleblowing scheme.

Collaboration within XANO's own workforce

Collaboration

Within XANO, commitment to employees is mainly managed at the subsidiary level, where companies have the operational responsibility for maintaining communication and contact with their employees. Each Group company tailors its approach to employee engagement according to its specific operating conditions and local needs. This includes regular health and safety meetings, appraisals, employee surveys and other forms of communication to ensure that employee perspectives are taken into account in decision-making processes.

In order to gain a broader understanding of employees' views across the Group, an employee survey was conducted in parallel with the Group-wide double materiality assessment. The survey was targeted at representative companies within each business unit and aimed at capturing key matters. These included matters related to the working environment and the working conditions of the Group's own workforce. The results have contributed to the Group's understanding of key workforce-related risks and opportunities and are being used to guide strategic decisions at Group level.

Group companies are responsible for ensuring that employee views are taken into account and that relevant information is communicated to the groups concerned. Responsibility for workforce-related matters is delegated to each Group company's MD, who is accountable for implementing commitment initiatives and ensuring their outcomes inform decision-making.

Regarding strategic transitions and sustainability initiatives, including measures to reduce climate impact and strengthen circular business models, each subsidiary is responsible for communicating with employees about potential impacts, such as the need for skills development or changes to roles and work tasks.

Communication with the workforce takes place through established channels such as internal intranets, meetings and appraisals. Where employee representatives serve on the Executive Boards of Group companies, they are also included in the consultation process.

Complaints handling mechanism

The Group applies a decentralised approach to governance, with individual Group companies holding primary responsibility for employee commitment and workforce initiatives. To ensure that employees' perspectives are considered in relevant decisions, each company within the Group uses various communication channels. For example, these may include regular staff meetings, appraisals and other communication channels, as well as regular surveys. Through these various forums, companies maintain ongoing communication with employees, fostering active dialogue at the subsidiary level.

In addition to the ongoing communication within the individual Group companies, there is also a central whistleblowing scheme where employees can anonymously report any complaints or improper actions. This scheme ensures that all employees have a safe and confidential channel to raise issues that they feel require attention at Group level.

Actions

XANO takes a strategic approach to managing significant negative impacts related to its workforce. At Group level, this is mainly done through objectives in the Group-wide Sustainability Roadmap, while the operational responsibility for implementation lies with the respective Group companies. Under the decentralised governance model, the Companies take action based on their specific circumstances and needs. Actions may include initiatives aimed at ensuring a positive working environment, fostering skills development, and promoting long-term employability. Monitoring is performed through communication at business unit level, and by follow-up on target attainment using the Group's internal reporting tools.

Targets

Efforts to set targets related to the Group's own workforce are guided by the Group's decentralised governance model, where individual Group companies are responsible for defining and monitoring relevant targets based on their own specific operating conditions. At Group level, overarching targets are defined within the framework of the Sustainability Roadmap, while each Group company works on tangible initiatives in areas such as health and safety, skills development and diversity.

The focus areas related to the Group's own workforce in the Sustainability Roadmap are as follows:

- **Occupational health and safety** – Targets related to minimising work-related incidents and improving health and safety in production environments.
- **Talent supply and development** – Efforts to promote employee skills development and enhance the organisation's attractiveness as an employer.
- **Diversity and inclusion** – Work to increase the inclusion of under-represented groups, especially in senior positions.

The Group-wide targets are defined at a central level on the basis of data collected, conversations with stakeholders, material IROs, current legislation, best practices and business-related factors. All targets related to the workforce must be incorporated into each Group company's own operations. This is achieved by implementing relevant processes and developing concrete actions, and each Group company is also free to add its own targets, which they do frequently.

These targets are monitored internally by each Group company and centrally using the Group's internal reporting tools.

Learnings and areas for improvement are identified through data analysis, employee surveys, and industry benchmarking.

Data reporting

Group employees

Number of employees by gender	2024
Men	1,120
Women	208
Other	0
Not indicated	0
Total employees (number)	**1,328**

Geographical breakdown of number of employees

Geographical breakdown of number of employees	2024
China	52
Denmark	197
Estonia	86
Finland	4
The Netherlands	223
Norway	115
Poland	10
Sweden	604
USA	37

Employee turnover

Employee turnover	2024
Total employee turnover (number)	**280**
Employee turnover rate (%)	21

Gender composition at executive level

Gender composition at executive level (headcount as of the last day)	Number (people) 2024	Share as a % 2024
Men	114	80%
Women	28	20%
Total	**142**	**100%**

Age breakdown

Age breakdown (headcount as of the last day)	Total 2024	Share as a % 2024	Total 2023	Share as a % 2023
16–25 years	82	6%	91	6%
26–35 years	264	20%	301	21%
36–45 years	280	21%	296	21%
46–55 years	334	25%	365	26%
56 and older	368	28%	360	25%
Total	**1,328**	**100%**	**1,413**	**100%**

Occupational health and safety

Occupational health and safety	2024	
	Employees	Non-employees
Number of people covered by the occupational health and safety programme	**1,313**	**35**
Percentage covered by the occupational health and safety programme	99%	100%
Number of work-related accidents	52	0
Accident frequency rate (number/1 million hours worked)	21	0
Number of fatalities resulting from work-related injuries or ill health	0	0

Reported cases of discrimination and formal complaints filed

Reported cases of discrimination and formal complaints filed	2024
Reported cases of discrimination	1
Reported cases of sexual harassment	0
Reported cases of other forms of harassment	0
Complaints filed through internal channels from own workforce	3
Material fines, penalties and compensation for damages as a result of violations regarding social and human rights	0

Workers in the value chain

Introduction

The Group depends on the value chain's workforce to ensure sustainable and responsible operations. These workers include employees of suppliers, subcontractors and other external partners. Through the Group's decentralised approach to governance, individual Group companies are responsible for ensuring good working conditions within their respective supply chains. This focuses on identifying and managing risks and opportunities related to labour conditions, in line with the Group's overarching policies and Code of Conduct.

Impacts, risks and opportunities

Description of workers in the value chain

In this instance, workers in the value chain includes employees of suppliers, subcontractors and other external partners upstream who contribute to the Group's operations. They may be involved in production, distribution, logistics and other tasks in support of the business model.

Material impacts, risks and opportunities

IRO	TYPE	VALUE CHAIN			TIME HORIZON		
		Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
Potential physical and/or psychological impact on workers in the value chain	Potential negative impacts	x			x	x	x

Conducting a double materiality assessment of the workforce in the value chain is particularly challenging in a decentralised group. Even greater knowledge of and communication with the value chain is required in this area than in other areas covered by the assessment. Due to the dispersion of the Group companies, this is an extensive exercise which is still ongoing. This is therefore an area where insights, actions and reporting are expected to be further improved in the coming years.

Policies

Code of Conduct

Social and labour matters concerning the workforce in the value chain are regulated by the Group's Code of Conduct, which constitutes the Group's overarching policy on ethical business practices. The Code of Conduct requires all suppliers to ensure good working conditions, as well as complying with local legislation and international guidelines such as ILO conventions and the UN's Guiding Principles on Business and Human Rights. The Code of Conduct includes specific requirements to address potential physical and psychological stresses on workers in the value chain. This includes ensuring a safe working environment, implementing measures to prevent discrimination, harassment, and excessive workloads, as well as establishing requirements for access to adapted working conditions. Suppliers are expected to implement policies and processes to prevent work-related incidents, stress and other negative work environment factors. To ensure compliance, regular monitoring and, where necessary, additional audits are conducted.

Collaboration with workers in the value chain

Collaboration

Group companies have independent responsibility for their supplier collaborations in line with the Group's decentralised approach to governance. In general, Group companies have close and fruitful collaborations with their suppliers, but direct interaction with workers in the value chain is a particularly challenging area. This is therefore identified as an area for improvement, requiring further action to ensure more systematic monitoring, improved processes and enhanced collaboration. The Group is dedicated to enhancing transparency and accountability within its supply chain. This is an ongoing effort that aligns with its overarching strategy.

Complaints

Workers in the value chain are able to report work-related issues through the suppliers' internal mechanisms or through the Group's central whistleblowing scheme. This scheme is designed to allow the anonymous reporting of any breaches or grievances and is accessible through XANO's website.

Counteracting negative impacts

If actual negative impacts are identified, Group companies are expected to take corrective actions in collaboration with the supplier. This may include monitoring working conditions, requiring improvement plans and, if necessary, terminating collaborations, as stipulated in the Group's Code of Conduct.

Targets

XANO aims to progressively enhance the control and monitoring of working conditions within the value chain, with a particular focus on identified risk areas. As direct control over the supply chain is limited in a decentralised governance model, the emphasis is on assisting and guiding Group companies to ensure responsible supplier relationships.

Current targets that regulate the Group's work with suppliers:

» Percentage of suppliers complying with the Group's Code of Conduct.

» Enhanced control initiatives for suppliers in high-risk geographical areas or sectors – this target will be implemented in 2025.

Ethical business practices

Introduction

Anti-corruption and ethics is one of four identified focus areas within the 'Driving Sustainable Business' pillar of XANO's Sustainability Roadmap. This is a key priority for the Group, with a strong focus on maintaining the highest ethical standards in business conduct.

Policies and regulations

Within the Group, the use of corporate gifts, rewards and other benefits to promote its activities is governed by the rules of The Swedish Anti-Corruption Institute. Employees concerned are regularly trained in anti-corruption matters and this is monitored in the Group's reporting tools and through internal control.

The Group's Code of Conduct sets out the principles that each Group company and individual employee is expected to follow to ensure ethical and responsible business conduct. Compliance with these principles is also regulated at the supply chain level.

Targets

The Group's Sustainability Roadmap includes targets for ethical business practices under the focus area of ethical business practices and anti-corruption:

- Compliance with the Group's Code of Conduct at supplier level.
- All employees with customer and/or supplier contact are required to take annual anti-corruption training.
- No confirmed ethical breaches.

Incidents

An independent whistleblowing service is used to ensure that any unethical behaviour is revealed. In 2024, three cases were reported, two of which qualified as whistleblowing matters. These have been addressed and resolved during the year. None of the cases concerned the behaviour of a person in a senior position.

Reporting of key performance indicators according to taxonomy

The EU taxonomy regulation
The EU taxonomy regulation is a key component of the EU's sustainable finance framework, established to classify environmentally sustainable economic activities conducted within the EU. The taxonomy aims to create market transparency and enable investment in economic activities that contribute to the EU's net-zero emissions target for 2050, as well as other EU environmental targets. The economic activities included in the taxonomy relate to the six EU environmental targets:

1. Climate change mitigation
2. Climate change adaptation
3. Sustainable use and protection of water and marine resources
4. Transition to a circular economy
5. Pollution prevention and control
6. Protection and restoration of biodiversity and ecosystems

An economic activity is classified as sustainable if it makes a substantial contribution to one or more environmental objectives, does not significantly harm any other objectives, and complies with defined minimum safeguards.

Activities included
The Group's comprehensive economic activities for the financial year 2024 were:

1. Climate change mitigation
   - 3.18. Manufacture of automotive and mobility components
   - 5.1. Construction, extension and operation of water collection, treatment and supply systems
3. Sustainable use and protection of water and marine resources
   - 2.2 Urban wastewater treatment

Analysis of outcomes
Overall, 0% of turnover for 2024 falls under the Taxonomy regulation. The same applies to capital and operating expenditure. At present, the Group's operations fall under the taxonomy to a very limited extent. Around half of the operations concern manufacturing on behalf of customers. In addition to the commercial aspects, new collaborations are assessed based on the potential for shared sustainability initiatives. Customers impose high standards on subcontractors, and Group companies support their sustainability targets by collaborating to develop technological innovations and enhance expertise. Regardless of the economic activities outlined in the Taxonomy regulation, the Group is committed to advancing sustainability across all areas of its business on an ongoing basis.

Proportion of turnover from products or services associated with taxonomy-aligned economic activities

Financial year 2024	Year			Substantial contribution criteria						Do No Significant Harm ('DNSH') criteria									
Economic activities (1)	Code (2)	Turnover (3)	Proportion of turnover 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) turnover 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		kSEK	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*%*	*Enabling*	*Transitional*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0		
Of which enabling activities		0	0.0	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0	–	
Of which transitional activities		0	0.0	–						–	–	–	–	–	–	–	0.0		–
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Manufacture of automotive and mobility components	CCM 3.18	10,461	0.3	–	–	–	–	–	–								0.3		
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	16,714	0.5	–	–	–	–	–	–								0.1		
Urban wastewater treatment	WTR 2.2	35,609	1.1	–	–	–	–	–	–								0.9		
Data-driven solutions for GHG emissions reductions / Provision of IT/OT data-driven solutions	CCM 8.2/ CE 4.1	0	0.0	–	–	–	–	–	–								0.1		
Sale of spare parts	CE 5.2	0	0.0	–	–	–	–	–	–								0.1		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**62,784**	**1.9**	–	–	–	–	–	–								1.5		
A. Turnover of Taxonomy-eligible activities (A.1 + A.2)		**62,784**	**1.9**	–	–	–	–	–	–								1.5		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		3,251,947	98.1																
Total		**3,314,731**	**100.0**																

	Proportion of turnover / Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	0.8%
CCA	0.0%	0.0%
WTR	0.0%	1.1%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Proportion of CapEx from products or services associated with taxonomy-aligned economic activities

Financial year 2024	Year			Substantial contribution criteria						Do No Significant Harm ('DNSH') criteria									
Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) CapEx 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		kSEK	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*Yes/No*	*%*	*Enabling*	*Transitional*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0		
Of which enabling activities		0	0.0	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0	–	
Of which transitional activities		0	0.0	–						–	–	–	–	–	–	–	0.0		–
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		**0**	**0.0**	–	–	–	–	–	–								0.0		
A. CapEx of Taxonomy-eligible activities (A.1 + A.2)		**0**	**0.0**	–	–	–	–	–	–								0.0		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		310,954	100.0																
Total		**310,954**	**100.0**																

	Proportion of CapEx/Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	0.0%
CCA	0.0%	0.0%
WTR	0.0%	0.0%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Nuclear and fossil gas related activities

	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Proportion of OpEx from products or services associated with taxonomy-aligned economic activities

Financial year 2024	Year			Substantial contribution criteria						Do No Significant Harm ('DNSH') criteria									
Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx 2024 (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water (7)	Pollution (8)	Circular economy (9)	Biodiversity (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water (13)	Pollution (14)	Circular economy (15)	Biodiversity (16)	Minimum safeguards (17)	Proportion of Taxonomy-aligned (A.1) or -eligible (A.2) OpEx 2023 (18)	Category enabling activity (19)	Category transitional activity (20)
		kSEK	*%*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Y; N; N/EL*	*Yes/ No*	*Yes/ No*	*Yes/ No*	*Yes/ No*	*Yes/ No*	*Yes/ No*	*Yes/ No*	*%*	*Enabling*	*Transitional*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.0	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0		
Of which enabling activities		0	0.0	–	–	–	–	–	–	–	–	–	–	–	–	–	0.0	–	
Of which transitional activities		0	0.0	–						–	–	–	–	–	–	–	0.0		–
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*	*EL; N/EL*										
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1	0	0.0	–	–	–	–	–	–								0.3		
Urban wastewater treatment	WTR 2.2	549	2.7	–	–	–	–	–	–								6.3		
Data-driven solutions for GHG emissions reductions / Provision of IT/OT data-driven solutions	CCM 8.2/ CE 4.1	0	0.0	–	–	–	–	–	–								40.3		
Sale of spare parts	CE 5.2	0	0.0	–	–	–	–	–	–								0.7		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		**549**	**2.7**	–	–	–	–	–	–								47.6%		
A. OpEx of Taxonomy-eligible activities (A.1 + A.2)		**549**	**2.7**	–	–	–	–	–	–								47.6%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of taxonomy-non-eligible activities		19,504	97.3																
Total		**20,053**	**100.0**																

	Proportion of OpEx/Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0.0%	0.0%
CCA	0.0%	0.0%
WTR	0.0%	2.7%
CE	0.0%	0.0%
PPC	0.0%	0.0%
BIO	0.0%	0.0%

Sustainability notes

NOTE 1 General reporting principles

VALUE CHAIN DATA ESTIMATED USING INDIRECT SOURCES

Emissions calculations within the value chain are based on an integrated approach, utilising both primary and secondary data, in line with the established methods for emissions assessment as recommended by the GHG Protocol. Primary data was used where available and includes data collected directly from suppliers. Where specific data was not available, secondary data was used in the form of average and general emission factors. The secondary data was sourced from public databases, industry organisation reports, scientific articles, and values developed in collaboration with reputable consultants with industry-specific expertise.

ESTIMATION SOURCES AND OUTCOME UNCERTAINTY

The XANO Group is committed to ensuring the highest possible accuracy and reliability in reported data at all times. However, due to circumstances such as difficulties in obtaining accurate data from the value chain, limitations in system support and prioritisation of resources, some reporting uses estimated data.

This means that the accuracy of the reported data varies depending on the data source. Primary data in the form of supplier-specific elements is more precise, while secondary data, in the form of average and generalised indicators, may lead to some variations and reduce calculation reliability. To improve data quality and reduce uncertainty, work is ongoing to increase the use of primary data by strengthening supplier collaboration and developing processes for data collection. This work has resulted in some adjustments to previously reported climate data for 2023. In this year's reporting, the adjusted outcome is used in comparisons.

Any sources where there is measurement uncertainty, or based on assumptions and estimates, are disclosed in the accounting policies for each reporting item.

CHANGES TO THE PREPARATION AND PRESENTATION OF SUSTAINABILITY INFORMATION COMPARED TO THE PREVIOUS REPORTING PERIOD

In preparation for this year's reporting, the Group has significantly expanded its reported sustainability data. This primarily concerns the reporting of climate impacts under the GHG Protocol framework, with two additional measurement points introduced in Scope 3 (indirect emissions) and a restructuring to ensure alignment with key ESRS standard requirements. The scope of a number of the Group's material topics has also been extended compared to the previous sustainability report.

To ensure a more comprehensive and accurate picture of the Group's emissions, the data for the previous year was adjusted for the categories of purchased goods and services and waste generated in operations.

For purchased goods and services, previous categories have been adapted and have a new structure with a more detailed breakdown. Previous (internal) reporting for the category only included volumes. Emission factors have now been added to allow for climate calculations and transparent and comparable reporting.

The reporting of waste generated in operations was improved by restructuring previous categories to separate hazardous and non-hazardous waste. The distribution of these waste types across different treatment methods was determined using generalised allocation factors and updated, geographically differentiated emission factors, ensuring a consistent and comparable methodology.

SPECIAL CIRCUMSTANCES IN THE PREPARATION OF THE SUSTAINABILITY STATEMENT

Although significant impacts, risks and opportunities (IROs) related to air pollution have been identified in the double materiality assessment, the 2024 Sustainability Statement does not include this topic. This is because there are currently significant uncertainties related to data, methodology and impacts across the value chain. To ensure reliable and meaningful reporting, further analysis and more detailed work is needed. Our aim is to integrate this information into future reporting cycles once a more robust assessment is performed.

INFORMATION DERIVED FROM OTHER LEGISLATION

The XANO Group ensures that its sustainability reporting fulfils all requirements under Swedish legislation, which is primarily the Annual Accounts Act. Otherwise, the report's structure is largely based on the guidance in the European Sustainability Reporting Standards (ESRS).

NOTE 2 Double materiality assessment

REPORTING OF TOPICS CONSIDERED TO BE NON-MATERIAL

Topic	Reasoning
Water and marine resources	Due to the nature of the business, the impact on the Water and marine resources topic is not considered sufficient to be material.
Biodiversity and ecosystems	Due to the nature of the business, the impact on the Biodiversity and ecosystems topic is not considered sufficient to be material.
Affected communities	Due to the geographical location and the nature of the business, the impact on the Affected communities topic is not considered sufficient to be material.
Consumers and end-users	The Group's products and solutions are not considered to have a sufficiently high direct impact on the topic Consumers and end users to be considered material.
Business conduct	Business conduct is not classified as a material issue, as the Group primarily operates in regulated industries with low risk exposure, is supported by robust governance systems, and has no history of incidents in this area.

DEFINING MATERIAL INFORMATION

The results of the double materiality assessment provide the basis for the information which is included in the sustainability report. A GAP analysis was carried out based on the topics, subtopics and sub-subtopics deemed material for the Group. The GAP analysis was performed by comparing the datapoints outlined by EFRAG with the Group's previous sustainability report, along with sustainability-related data points that are internally reported but have not yet been publicly disclosed.

Since the 2024 reporting serves as a transitional phase toward full CSRD compliance in the coming years, certain reporting requirements have been excluded from this year's sustainability report. This is primarily due to the workload within the Group companies and the need to ensure a sufficient level of expertise regarding the reporting of sustainability-related information. No precise thresholds were set – instead a situation-based assessment was made in each individual case.

Aside from that, ESRS 1 assessment criteria was applied to ensure that the reporting is in line with the standard's principles for materiality and information quality.

The data on material topics was gathered from internal and external sources, including stakeholder consultations and company data.

To ensure that the reporting is comprehensive, both qualitative descriptions and quantitative data have been included, mainly based on available guidance in the ESRSs and from EFRAG.

SPECIAL CIRCUMSTANCES IN THE PREPARATION OF THE SUSTAINABILITY STATEMENT

In carrying out the Group's double materiality assessment, the following assessment criteria – taken from ESRS 1 – was used to evaluate the impacts, risks and opportunities:

» **Impact materiality**
- **Scale:** The number of people, ecosystems or geographical areas that are affected.
- **Scope:** Extent of actual or potential impact.
- **Irremediable character:** How difficult it is to remedy the impact.
- **Likelihood:** The likelihood of the impact occurring.

» **Financial materiality**

- **Consequence:** How much of an impact a sustainability-related risk or opportunity may have on the Group's financial position.
- **Likelihood:** How likely it is that an identified risk or opportunity will materialise within a relevant timeframe.

For the identified IROs in each section of the double materiality assessment, all assessment criteria was evaluated on a five-point scale, where higher scores indicate greater materiality. An average value was then calculated and compared to a threshold value indicating whether an IRO should be considered material or not. The threshold for impact materiality is 24, and for financial materiality it is 12.

In the financial assessment, the impact on profit was used as a metric linked to the assessment of consequence to ensure a clear link to the Group's financial position.

NOTE 3 Time horizons according to ESRS

Definition of short, medium and long term according to ESRS:

- **Short term:** The period that the entity uses as its financial reporting period.
- **Medium term:** The period from the end of the short-term reporting period lasting up to five years.
- **Long term:** The period exceeding five years from the end of the short-term reporting period.

NOTE 4 XANO Group's sustainability roadmap

The Group's Sustainability Roadmap is a central part of the overall business strategy and focuses on creating measurable sustainability outcomes. Through a combination of internal control and external collaborations, XANO strives to become a market leader in sustainable business. The Company has set clear targets and timelines to reduce its environmental impact, enhance social responsibility, and drive sustainable growth. Most of the targets extend to 2030, with intermediate targets for 2026 and 2028.

Continuous monitoring and strong governance ensure that the Group's sustainability objectives are met in alignment with the business strategy and stakeholder expectations.

The plan is based on three pillars:

- **Sustaining the Planet:** Focus on environmental impact, energy efficiency and material use.
- **Owning Social Responsibility:** Employee well-being, diversity in the organisation and working conditions in the value chain.
- **Driving Sustainable Business:** Circular business models, innovation and ethical business practices.

Each area contains specific targets with clear timeframes and measurable key performance indicators.

FOCUS AREAS AND TARGETS

Sustaining the Planet

Purpose: To reduce negative environmental impacts through more efficient use of resources and reduced climate emissions.

Focus area	Target
Sustainable materials	Increased use of sustainable materials
Energy use	Reduced climate emissions from purchased electricity Reduced climate emissions from gas and oil combustion
Transport	Reduced transport-related emissions
Waste as a resource	Reduction of production waste and lower emissions from waste incineration

Connection to stakeholders, policies and material IROs:

- Affected stakeholders: suppliers, customers, shareholders, society and the Planet.
- This topic is also regulated by the Group's Environmental Policy.
- Related material impacts include extreme weather and increased energy costs that may affect the supply chain, as well as Greenhouse gas emissions in Scope 1, 2 and 3.

Owning Social Responsibility

Purpose: Ensuring good working conditions, gender equality and the responsible management of supplier relationships.

Focus area	Target
Health and safety in our own workforce	Structured approach to health and safety for own workforce No work-related accidents Maximum 2% short-term sick leave
Upstream value chain	At least 80% of the purchase value is governed by XANO's Code of Conduct. Increased due dilligence of suppliers in geographical risk areas and/or risk industries
Equal opportunity	Structured diversity work Annual salary benchmark
Internal people development	Structured approach to development of the Group's workforce

Connection to stakeholders, policies and material IROs:

- Affected stakeholders: employees, suppliers, society and shareholders.
- The Code of Conduct and supplier audits address workforce matters for XANO's own workforce and workers in the supply chain.
- Material impacts include risks related to working conditions in XANO's own workforce and in the value chain, including potential physical and psychological stresses.

Driving Sustainable Business

Purpose: Fostering sustainable innovation, enhancing the business model with circular solutions, and upholding high ethical standards.

Focus area	Target
Circular business models	Share of revenue from service-based business Share of EBIT from service-based business
Sustainable innovation	Share of Group investments that contribute to sustainable development
Collaboration in the value chain	Number of sustainable products/services developed in close collaboration with customers and/or suppliers per year
Anti-corruption and ethics	100% of employees with customer and/or supplier contact receive annual anti-corruption training No confirmed ethical incidents

Connection to stakeholders, policies and material IROs:

- Affected stakeholders: employees, suppliers, customers, shareholders and the Planet.
- Ethical business practices are governed by the Group's Code of Conduct and The Swedish Anti-Corruption Institute's rules.
- Material impacts include limitations in product recycling, material flows and circular business models. Ethical business principles, including anti-corruption measures and value chain responsibility, are also key components of the Group's strategy.

NOTE 5 Analysis and data

STAKEHOLDER ANALYSIS

Stakeholder analysis was carried out by an external consultancy firm, and was designed to capture the views of key stakeholders. The following groups were included in the analysis to ensure a broad representation:

- Employees from three companies in each of the three business units.
- All MDs within the Group.
- The four largest customers and suppliers in each business unit.
- The Group's six biggest investors.

The data was collected through an anonymised digital survey and then compiled into a comprehensive report. The results were compared with the outcomes of previous stakeholder analyses to ensure consistency and relevance over time.

BUSINESS INTELLIGENCE

The business intelligence analysis was carried out in parallel by the same consultancy firm and included an audit of:

- Current and future legislative requirements related to sustainability reporting.
- Trends and changes in market conditions with a potential impact on the Group's operations.
- Industry-specific sustainability challenges and opportunities.

INTERNAL DATA SOURCES

To enhance the analysis and ensure a data-driven assessment of material sustainability aspects, data gathered through the Group's internal reporting system was consolidated and analysed.

NOTE 6 Main dependencies

The Group relies on a number of key factors to ensure its long-term sustainability and competitiveness. These factors affect its ability to deliver high-quality products and services and to fulfil business and sustainability objectives.

1. **Material availability and supply chains**
   The availability of raw materials, such as metals and plastic components, is crucial for the Group's manufacturing operations. Disruptions in the global supply chain, for example due to geopolitical factors or resource constraints, can affect both costs and supply capacity.
2. **Access to a skilled workforce**
   The Group's business relies on technical expertise in areas such as automation, electronics, software development, process engineering and industrial design. In addition, qualified production staff, such as CNC operators, welders, assemblers, maintenance technicians and production planners, are essential to ensure efficient and high-quality manufacturing processes. A shortage of skilled workers could hinder production efficiency and limit innovation capacity.
3. **Technological development and innovation**
   The Group relies on continuous technological progress in society to develop competitive and sustainable solutions. Developments in digitalisation, automation, electrification, and material technologies are creating opportunities to streamline production processes, optimise resource utilisation, and better meet customer demands. To keep pace with technological developments, the Group relies on academic innovation, research and industrial collaborations.
4. **Market demand and customer relationships**
   Demand for the Group's products is influenced by global and industry-led trends. These include the packaging industry, the food sector and medtech. To respond to changing market conditions, product development and production capacity are adapted based on customer needs and long-term business opportunities.
5. **Regulatory requirements and sustainability legislation**
   The Group is subject to national and international laws and regulations, including environmental standards, labour regulations and industry-specific regulations. Evolving demands for sustainability and climate reporting are driving a growing need for transparency and adaptation to new regulations. XANO regularly monitors changes in legislation and integrates relevant requirements into its business strategy.

NOTE 7 Climate change

ENERGY USE AND ENERGY MIX

Accounting principles

- Energy from non-renewable sources includes fuel consumed by the Group's fleet of cars, rental cars and employee vehicles, transport using company-owned vehicles, and consumption of oil, natural gas, LPG, propane and recycled propane. It also includes the use of district heating and electricity consumption at XANO's production facilities and office premises.
- Energy from renewable sources includes electricity and district heating used in production facilities and offices. In addition, energy consumption linked to business travel using electric cars is included.
- Energy from nuclear sources includes electricity and district heating used in production facilities and offices. In addition, energy consumption linked to business travel using electric cars is included.

TOTAL GREENHOUSE GAS EMISSIONS

The Greenhouse Gas Protocol (GHG Protocol) is used as the framework for calculating Scope 1 and Scope 2 greenhouse gas emissions, as well as for material Scope 3 emissions. The calculations are conducted using the Group's internal reporting system, which complies with the Protocol and is capable of managing complex data flows, ensuring accurate and transparent reporting. Opting for the GHG Protocol ensures comparability and transparency. The Group has been reporting Scope 1 and 2 emissions and selected Scope 3 categories since 2020.

As part of efforts to improve data quality and provide a more comprehensive picture of the Group's climate impact, Scope 3 reporting was expanded in 2023 to include the category of waste generated in operations and in 2024 to include capital goods and purchased goods and services. This means a total of five Scope 3 categories are now reported. Work is ongoing and more categories are expected to be added in subsequent reporting years.

Previous years' reporting of waste generated in operations have been adjusted according to current calculation methods to ensure more accurate and comparable reporting.

In Scopes 1, 2 and 3, carbon dioxide equivalents (CO_2eq) have been measured, which include all greenhouse gases. Biogenic CO_2 emissions from biomass are not reported separately.

SCOPE 1

Accounting principles
GHG emissions in Scope 1 of the GHG Protocol refer to direct emissions from sources owned or controlled by the organisation and represent the total amount of greenhouse gases, converted to carbon dioxide equivalents (CO_2eq). For XANO, these emissions arise mainly from fuel consumption in the Group's fleet of vehicles, transport with owned or leased vehicles and the use of oil, natural gas, LPG and propane in production. When calculating GHG emissions from company cars, all vehicles are assumed to be premium cars, reflecting the category of vehicles used almost exclusively in the organisation. The emission factors are taken from the latest version of DEFRA's GHG conversion factors (2024).

SCOPE 2

Accounting principles
Scope 2 emissions of the GHG Protocol refer to indirect emissions arising from the consumption of purchased energy used by an organisation. Scope 2 emissions occur at the facility where the energy is produced and are therefore classified as indirect emissions. Emissions are linked to electricity and district heating consumption related to the Group's production units and office premises.

- Location-based method: Emissions are calculated by applying the average emission factors for electricity, heat and steam from the regional or national grid that the organisation uses. This method takes into account the production mix, the current energy mix in the geographical area where the energy is consumed, but does not take into account any renewable energy purchases or use of emission credits. When calculating GHG emissions for both electricity and district heating consumption, emission factors from AIB (2023) and Carbon Footprint (2023) were used, with the assumption that the emission factors for electricity also reflect the emissions from district heating consumption.
- Market-based method: Emissions are calculated based on the specific energy sources an organisation uses for its purchased electricity, heat or steam. The purchase of renewable energy and emission credits are included in the calculation of indirect greenhouse gas emissions under the market-based approach. Where emission factors from suppliers have been available, these have been used. Where no such factors were available, emission factors from the residual mix according to AIB (2023) and Carbon Footprint (2023) were used, with the assumption that the emission factors for electricity also reflect the emissions from district heating consumption.

SCOPE 3

Scope 3 GHG emissions under the GHG Protocol are the indirect emissions attributable to an organisation's value chain. Scope 3 comprises 15 categories, five of which are included in the Group's reporting for 2024:

PURCHASED GOODS AND SERVICES

This category represents the largest share of the Group's Scope 3 emissions, depending on the volumes purchased and the emission intensity of raw materials such as metals and plastics, as well as components, used to produce the Group companies' products and solutions. There are significant opportunities to reduce these emissions by increasing the use of sustainable and recycled materials. This area is prioritised for both emission reductions and business development, as the purchase of materials and components involves significant financial expenditure and a high strategic impact on the value chain. Growing stakeholder demands for sustainability, coupled with industry trends, are driving further action.

Accounting principles
Purchased goods and services include raw materials and components used in production, as well as packaging materials. GHG emissions from raw materials have been calculated by multiplying the weight (tonnes) or volume (litres) of purchased materials by supplier-specific emission factors where available. Where primary data is not available, generalised emission factors have been used, taken from DEFRA, scientific papers or industry reports. For components and packaging materials, GHG emissions have been calculated through a spend analysis. The cost was translated into SEK using the average exchange rate for each quarter. The weight for each category has been established using conversion factors developed by specialised consultants. These weights were then multiplied by general emission factors. When using general emission factors, emissions are assumed to be equal for all materials and components within the same category. This simplified approach allows emissions to be estimated, as the broad scope of the Group's activities makes it challenging to collect specific data for each individual purchase.

CAPITAL GOODS
Investments in machinery and equipment contribute to emissions mainly linked to the production and transport of these goods. The category is material due to the scale of the Group's capital investments and their long-term impact on greenhouse gas emissions. Prioritising energy-efficient and sustainable procurement choices, along with optimising the lifecycle of capital goods, can lower emissions while reducing energy and maintenance costs. This is particularly important as capital goods represent a significant financial investment and are crucial for managing future transition-related risks and opportunities.

Accounting principles
This category includes land and buildings, plant and machinery, equipment, large tools and installations. Greenhouse gas emissions have been calculated through a spend analysis, where emissions have been estimated based on the economic value of purchases. The cost was converted to SEK using the average exchange rate for each quarter and then multiplied by general emission factors (tonnes of CO_2eq/SEK) developed by specialised consultants. When using general emission factors, all goods within the same category are assumed to have the same level of emissions. This assumption is made because there is not enough data for the individual capital goods.

TRANSPORT AND DISTRIBUTION UPSTREAM
Transport and distribution upstream causes significant emissions, especially in the case of long distance and heavy goods. Logistics and transport costs are directly affected by the choice of supplier and transport method. Opportunities to reduce these emissions are mainly found through optimising logistics flows and working with transport companies to use alternatives with a lower climate impact. In addition, the shift to fossil-free transport reduces risks linked to rising fuel prices and regulations, while strengthening the position of Group companies in a sustainable value chain.

Accounting principles
This category includes transport paid for directly by Group companies, including the transport of purchased materials, components and products from suppliers to Group units and the transport of products sold to customers. The GHG emissions of these transports are 100% based on supplier-specific data.

WASTE GENERATED IN OPERATIONS
Waste generated by the business is a significant part of the Group's environmental impact. Efforts to reduce waste are continuously pursued by emphasising circular processes. An important step in this process is to gradually phase out non-recyclable materials and replace them with more sustainable alternatives. These actions not only minimise the climate impact of operations but also generate value by optimising resource efficiency and enhancing alignment with stakeholders' evolving sustainability expectations.

Accounting principles
This category includes waste generated in production, offices and other activities. Waste is classified as either hazardous or non-hazardous, and then broken down into different waste management methods: Preparing for reuse, recycling, other recycling procedures, incineration, landfill and other disposal operations. The breakdown uses regional data retrieved from Eurostat and the EPA. Consequently, the breakdown of waste within the operations is assumed to mirror the national waste breakdown. This assumption is made because XANO operates in many countries where data availability varies – allowing all companies to report in a standardised way. In some cases, the breakdown for multiple countries was merged and a weighted average based on the previous year's data was used. The weight per waste management method is then multiplied by general emission factors, developed by specialised consultants, based on the assumption that emissions are the same for both hazardous and non-hazardous waste.

BUSINESS TRAVEL
Emissions from business travel, including air and ground transportation, represent a significant impact category. The Company sees opportunities to reduce these emissions by increasing the use of digital meeting solutions, promoting public transport and reducing air travel where alternative options are available.

Accounting principles
This category includes travel by air, rail and car using both rental cars and employees' private cars, broken down by diesel, petrol, plug-in hybrid and electric cars. GHG emissions for air travel are calculated using supplier-specific data. For rail and car journeys, emissions are calculated by multiplying the distance of each journey by general DEFRA emission factors for each transport mode. All rail journeys are assumed to have the same emissions as international trains, in order to cover all journeys regardless of location. In the absence of specific information on car models, the cars used are assumed to be average.

EXCLUDED CATEGORIES IN SCOPE 3

- *Fuel- and energy-related activities not included in Scope 1 or Scope 2*
  This category is not considered to be material because the energy-related activities are mostly covered by Scope 1 and Scope 2, and further activities are considered marginal or irrelevant to the Group.
- *Employee commuting*
  This category was not included due to the limited availability of data on employees' commuting habits. A mapping exercise is planned to evaluate the scope and significance of emissions.
- *Upstream leased assets*
  This category is deemed non-material as the Group does not rent or lease any assets at a scale that would result in significant GHG emissions.
- *Downstream transportation and distribution*
  This category is excluded due to the fact that the Group does not currently have visibility into the logistics chains used after the products leave its hands.
- *Processing of sold products*
  This category is considered non-material as the products are sold as ready-made solutions and do not undergo any further processing by customers.
- *Use of sold products*
  This category is currently excluded due to the lack of comprehensive information on the energy use and life cycle emissions of the products. A more detailed analysis is planned.
- *End-of-life treatment of sold products*
  This category is excluded due to insufficient data on how products are treated at the end of their useful life.
- *Downstream leased assets*
  This category is deemed non-material as Group companies do not lease assets to customers at a scale that would result in significant GHG emissions.
- *Franchises*
  This category is considered non-material as no business is conducted through franchises.
- *Investments*
  This category is considered non-material as the Group does not hold a significant investment portfolio that would result in GHG emissions.

GHG INTENSITY PER NET REVENUE
GHG intensity based on net revenue is calculated as total Scope 1, Scope 2 (location-based/market-based) and Scope 3 emissions divided by the reported net turnover in SEK million. The GHG intensities for the previous years – 2022 and 2023 – are based on the adjusted figures.

NOTE 8 Circular economy

RESOURCE INFLOWS
Water is used in operations, but the extent and types of use are not included in this report. A complete mapping of whether critical raw materials or rare earth elements are used in operations has not been performed.

Accounting principles
Resource inflows are calculated based on a combination of direct measurements and estimations. The weight of consumed steel, iron, aluminium, plastic, copper, glass, carbon fibre, wool felt, and chemicals was determined using available weight data from suppliers. Cutting fluid was measured in litres and converted to kilograms using an estimated conversion factor. For plastic and rubber components, fasteners, major metal components and plastic, paper and wood packaging including pallets, resource inflows were estimated based on financial data. Conversion factors (SEK/tonne) were used to transform this financial data into weight-based estimates. All calculations are based on purchased materials, with the assumption that purchases reflect material consumption.

RESOURCE OUTFLOWS

WASTE COMPOSITION

Metalworking generates waste such as non-ferrous metal filings and turnings (EWC 12 01 03), plastics shavings and turnings (EWC 12 01 05), mineral-based machining oils free of halogens (EWC 12 01 07) and machining emulsions and solutions free of halogens (EWC 12 01 09). In the case of plastics processing, waste includes plastic packaging and plastics (EWC 15 01 02, EWC 20 01 39). In terms of automated solutions, electronic waste is generated, such as discarded electrical and electronic equipment (EWC 20 01 36).

The materials reported as waste include metals, plastics, wood, paper, chemicals, oils, electronics and water-based waste. Metal waste primarily arises from waste generated during manufacturing, while plastic waste includes plastic scraps and packaging plastics. Wood and paper waste consists of wooden packaging, pallets, paper and cardboard waste and office paper. Oil and chemical waste includes used oil, cutting fluids, oily waste, absorbents, rags, oil filters and household chemicals. Electronic and hazardous waste consists of batteries, fluorescent tubes, light bulbs, electronic office equipment, unprocessed e-waste and other electronics. Water-based wastes include alkaline wastes, process water, emulsions and contaminated water. Other waste includes barrel polishing sludge/tumbling sludge, grinding swarf, landfill waste, empty packaging and refrigeration and freezer scrap.

Accounting principles
Calculations of resource outflows are based on a combination of available supplier data and estimates. The total weight and the breakdown between hazardous and non-hazardous waste is determined from data obtained from waste management providers. The breakdown of waste between the different management modes – preparing for reuse, recycling, other recycling procedures, incineration, landfilling and other disposal methods – was according to regional data from Eurostat and the EPA. In cases where the countries' waste distribution was similar, the data was merged and a weighted average based on the previous year's data was used.

NOTE 9 Own workforce

NUMBER OF EMPLOYEES

Accounting principles
The total number of employees in the Group is calculated by adding up the number of employees in all the countries in which the Group operates. This calculation is based on the headcount as of the last day of the reporting period. The gender breakdown is determined by adding up the number of employees in the male and female categories.

GEOGRAPHICAL BREAKDOWN

Accounting principles
The geographical breakdown of employees was calculated by adding up the number of employees in each geographical area in which the Group companies operate. The calculation is based on the headcount as of the last day of the reporting period.

EMPLOYEE TURNOVER

Accounting principles
Employee turnover was calculated by adding up the total number of employees who left the organisation during the reporting period. The employee turnover rate was calculated by dividing the total number of departures by the average number of full-time employees (FTEs) during the period.

GENDER COMPOSITION AT EXECUTIVE LEVEL

Accounting principles
Executive level is defined here as members of the executive management teams of the Group companies.

Gender composition at executive level was calculated by adding up the number of people who are executives and dividing them by gender. The resulting figures, based on the number of people, were then divided by the total number of women and men in the executive team to calculate the breakdown by gender. The calculation is based on the headcount as of the last day of the reporting period.

AGE BREAKDOWN

Accounting principles
The age breakdown of employees was calculated by adding up the total number of employees in the age groups 16–25, 26–35, 36–45, 46–55 and 56–65. The number of employees in each Group is then divided by the total number of employees to calculate the percentage for each age group. The calculation is based on the headcount as of the last day of the reporting period.

GENDER COMPOSITION AT EXECUTIVE LEVEL

Accounting principles
The number of people covered by the occupational health and safety programme within the Group was calculated by adding up the total number of employees and non-employees included in these schemes. The percentage of people covered by occupational health and safety schemes is calculated by dividing the total number of covered individuals by the headcount as of the last day of the reporting period for each category. The number of work-related accidents was compiled based on reported and verified incidents during the reporting period. The rate of work-related incidents was calculated as the number of accidents per million hours worked. The number of deaths due to work-related incidents or ill health is calculated based on confirmed cases where work-related factors have directly or indirectly led to death.

REPORTED CASES OF DISCRIMINATION AND FORMAL COMPLAINTS FILED

Reported cases of discrimination, harassment, and complaints are managed internally within Group companies or through the Group's whistleblowing service, with due respect for the confidentiality of each case. To protect the parties involved, no details of specific incidents are provided. Each report is carefully examined and treated with the utmost confidentiality. The Group's complaints and whistleblowing scheme ensures that employees can report any improper actions confidently and safely.

NOTE 10 EU taxonomy

METHODS TO IDENTIFY TAXONOMY-ELIGIBLE AND TAXONOMY-ALIGNED ACTIVITIES

The XANO Group consists of a number of different types of operations. There is a wide range of activities, which requires a comprehensive analysis of each activity based on the technical screening criteria of the EU taxonomy. This screening was conducted for all six environmental objectives and relevant activities were identified. As none of the identified economic activities are currently considered to be taxonomy-aligned, the principles ‘Do no significant harm’ and ‘Minimum safeguards’ have not been evaluated for 2024.

ACCOUNTING PRINCIPLES – TURNOVER

The majority of reported turnover in taxonomy-eligible activities is attributed to distinct legal entities with separate accounting systems, ensuring that double counting is avoided.

Total turnover refers to the Group's net revenue for the year 2024. The turnover included in the Taxonomy Regulation follows the same definition as in the annual accounts and consists of revenue from the sale of products and systems and the provision of related services after deduction of sales rebates and VAT and other taxes directly related to sales.

The turnover was allocated by analysing deliveries to customers to identify the proportion that meets the taxonomy criteria. If an activity covered by the taxonomy is part of a larger performance obligation without a separate recognisable unit, it was not included as turnover under the taxonomy.

ACCOUNTING PRINCIPLES – CAPITAL EXPENDITURE

Capital expenditure refers to tangible and intangible assets during the financial year, before depreciation, amortisation and revaluations, and excluding changes in fair value. Examples include the cost of moulds and tools and capitalised time spent on development.

ACCOUNTING PRINCIPLES – OPERATING EXPENDITURE

Operating expenditure refers to direct costs that are not capitalised as assets. This includes, for example, the repair and maintenance of fixed assets and direct employee costs related to development work.

Comprehensive taxonomy operating expenditure consists of the relevant direct costs for the following activities covered by the taxonomy:

3. Sustainable use and protection of water and marine resources
    2.2 Urban wastewater treatment

MINIMUM REQUIREMENTS FOR SOCIAL RESPONSIBILITY

The minimum requirements set out in the EU taxonomy are based on four pillars: human rights, taxation, corruption and fair competition, and aim to promote responsible and sustainable economic practices. According to Article 18, these requirements shall include respect for human and labour rights and responsible business conduct, in line with the OECD Guidelines for Multinational Enterprises and the UN’s Guiding Principles on Business and Human Rights. The criteria ensure that economic activities are not only environmentally sustainable but also socially and ethically responsible, contributing to a more sustainable and equitable global economy.

Auditor's opinion regarding the statutory sustainability report

To the general meeting of the shareholders in XANO Industri AB, corporate identity number 556076-2055

ENGAGEMENT AND RESPONSIBILITY

It is the Board of Directors who is responsible for the sustainability report for the year 2024 on pages 105–143, and that it is prepared in accordance with the Annual Accounts Act in accordance with the older wording that applied before 1 July 2024.

THE SCOPE OF THE EXAMINATION

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

OPINION

A statutory sustainability report has been prepared.

Jönköping, 21 March 2025

KPMG AB

Olle Nilsson
Authorised Public Accountant

Board of Directors

Fredrik Rapp
born 1972

Chair of the Board elected 2004.
Principal education Graduate economist.
Principal professional experience MD Pomona-gruppen, MD Talk Telecom.
Other directorships Chair of the boards of Argynnis Group AB, Estinvest AB, Serica Consulting AB, Svenska Handbollförbundet. Member of the boards of ITAB Shop Concept AB, Corem Property Group AB, AGES Industri AB, Pomona-gruppen AB, AB Segulah.
Shareholding in XANO 4,320,000 Class A shares och 12,536,360 Class B shares.

Anna Benjamin
born 1976

Vice Chair of the Board elected 2016.
Principal education Master's degree in economics.
Principal professional experience Project manager in business development ICA Sverige, manager PricewaterhouseCoopers, controller Nobina.
Other directorships Member of the boards of AGES Industri AB, Hand in Hand Sweden, INEV AB, Pegital Investment AB.
Shareholding in XANO 10,257,600 Class A shares och 5,902,400 Class B shares.

Details concerning the number of shares refer to holdings on 31 December 2024 and include, where applicable, holdings via related parties and holdings where the given Board member is able to exert a controlling interest.

Board of Directors

Board member elected 2022.
Principal education Graduate from School of Economics at Gothenburg University.
Principal professional experience Senior positions within Tetra Pak, Indutrade, Ernströmgruppen, Bona and Spinova.
Other directorships Chair of the board of Sluta Gräv AB. Member of the board of Aranäs Fastigheter AB.
Shareholding in XANO –

Board member elected 2022.
Principal education Graduate engineer, MBA.
Principal professional experience Global VP Sales & Marketing Magna Electronics, MD Magna Electronics Sweden, senior positions within Veoneer/Autoliv.
Other directorships Chair of the board of Magna Electronics Sweden AB.
Shareholding in XANO –

Board member elected 2011.
Principal education Graduate economist.
Principal professional experience MD and Marketing Manager ITAB Shop Concept Jönköping.
Other directorships Member of the boards of ITAB Shop Concept AB, INEV AB, Idyllum AB, Pontix AB, Övre Kullen AB.
Shareholding in XANO 1,220,800 Class B shares.

Board member elected 2013.
Principal education Graduate in business administration.
Principal professional experience MD INEV, MD Rörvik Timber, MD and CFO Munksjö.
Other directorships Chair of the boards of DevPort AB, Allt i Plåt AB, Orax AB, Gräsvårdsmaskiner AB, Sulkysport AB, Walker Movers Sweden AB. Member of the boards of GMA AB, INEV AB, Jönköping Business Development AB, Lanab Group AB, Sport Competence AB, Viking Bed AB.
Shareholding in XANO –

Board member elected 2024.
Principal education Master's degree in economics.
Principal professional experience VP Stormwater Solutions ViaCon Group, senior positions within ABB Process Automation and Robotics, in Sweden and globally.
Other directorships –
Shareholding in XANO –

Details concerning the number of shares refer to holdings on 31 December 2024 and include, where applicable, holdings via related parties and holdings where the given Board member is able to exert a controlling interest.

Group Management

Lennart
Persson
born 1968

President and CEO joined the company in 1998.
Principal education Engineering graduate.
Principal professional experience CIO Eldon Vasa, business controller ITAB, Managing Director of ITAB Kaluste and ITAB Plast.
Holding in XANO 484,342 Class B shares and nom. SEK 5,692,730 convertibles corresponding to 53,705 Class B shares.
Significant shareholding or ownership interests in associated companies None.

Marie
Ek Jonson
born 1967

CFO joined the company in 1992.
Principal education Civilekonom.
Principal professional experience Controller ITAB.
Holding in XANO 121,000 Class B shares and nom. SEK 3,728,020 convertibles corresponding to 35,170 Class B shares.

Marilyn
Lindh
born 1982

CSO joined the company in 2023, part of the Group Management since 7 February 2025.
Huvudsaklig utbildning Engineering and design at Jönköping University.
Principal professional experience Marketing and sales at Swedoor/JELD-WEN, CSO at TECCA and T-Emballage.
Holding in XANO Nom. SEK 950,926 convertibles corresponding to 8,971 Class B shares.

Auditor

KPMG AB

Auditor in charge

Olle Nilsson
born 1975
Authorised public accountant

Addresses

Ackurat Industriplast AB
Värnamovägen 42
SE-363 44 Lammhult
Phone +46 (0)472 26 93 00
Email info@ackurat.se
Web site www.ackurat.se

Ackurat Sp. z o.o.
ul. Ordynacka 8
PL-83-050 Bakowo
Phone +48 58 341 37 31
Email info@ackurat.pl
Web site www.ackurat.pl

Ackurat Suomen Oy
Martinkyläntie 67
FI-01720 Vantaa
Phone +358 (0)9 686 00 10
Email posti@ackurat.eu
Web site www.ackurat.fi

Batteryline Sweden AB
Lantmätargränd 5
SE-553 20 Jönköping
Phone +46 (0)735 96 36 53
Email contact@batteryline.com
Web site www.batteryline.com

Blowtech GP AB
Spikgatan 1
SE-335 32 Gnosjö
Phone +46 (0)370 33 15 50
Email info@blowtechgroup.com
Web site www.blowtechgroup.com

Blowtech GT AS
Postboks 1354 Rasta
NO-2206 Kongsvinger
(Visiting address: Norvald Strands veg 111)
Phone +47 62 82 44 00
Email post@blowtechgroup.com
Web site www.blowtechgroup.com

Canline Systems B.V.
Meerheide 216
NL-5521 DW Eersel
Phone +31 (0)497 531 100
Email info@canline.nl
Web site www.canline.com

Case Packing Systems B.V.
PO Box 3175
NL-6039 ZH Stramproy
(Visiting address: Industrieweg 24)
Phone +31 (0)495 566 600
Email info@c-p-s.nl
Web site www.casepacker.nl

Case Packing Systems Australia Pty Ltd
Suite 1, 24 Sydney Street
Kilmore, Victoria 3764, Australia
Phone +31 (0)495 566 600
Email info@c-p-s.nl
Web site www.casepacker.com

Case Packing Systems USA Inc.
15680 West 6th Ave Frontage Rd
Golden, CO 80401, USA
Phone +31 (0)495 566 600
Email info@c-p-s.nl
Web site www.casepacker.com

CIM Industrial Systems A/S
Skanderborgvej 277, 2
DK-8260 Viby J
Phone +45 96 84 05 00
Email info@cim.as
Web site www.cim.as

Cipax AB
Stinsvägen 11
SE-763 93 Skebobruk
Phone +46 (0)175 252 00
Email info@cipax.com
Web site www.cipax.com

Cipax Nederland B.V.
Jutestraat 22
NL-7461 TR Rijssen
Phone +31 548 515 172
Email info.nl@cipax.com
Web site www.cipax.com

Cipax Norge AS
Holtermoen 12
NO-1940 Bjørkelangen
Phone +47 63 85 30 00
Email bjorkelangen@cipax.com
Web site www.cipax.com

Cipax Eesti AS
Nurme 5
EE-90801 Taebla
Phone +372 472 44 30
Email estonia@cipax.com
Web site www.cipax.com

Cipax Oy
Martinkyläntie 67
FI-01720 Vantaa
Phone +358 50 465 22 00
Email info@cipax.com
Web site www.cipax.com

Dansk Rotations Plastic ApS
Kalvehave Havnevej 3 B
DK-4771 Kalvehve
Phone +45 55 38 01 02
Email info@drp.dk
Web site www.drp.dk

Fredriksons Verkstads AB
Kronängsgatan 4
SE-592 23 Vadstena
Phone +46 (0)143 296 00
Email information@fredriksons.se
Web site www.fredriksons.se

Fredriksons Industry (Suzhou) Co Ltd
Block 2, No. 83 Weixin Road
Suzhou Industrial Park
CN-Jiangsu 215122
Phone +86 512 627 014 17
Email info@fredriksons.se
Web site www.fredriksons.se

Graniten Engineering AB
Kärrastrandsvägen 125 A
SE-451 76 Uddevalla
Phone +46 (0)522 239 00
Email info@graniten.com
Web site www.graniten.com

Integrated Packaging Solutions, LLC
15680 West 6th Ave Frontage Rd
Golden, CO 80401, USA
Phone +1 (303) 426-4881
Email sales-service@intpacsol.com
Web site www.intpacsol.com

Jorgensen Engineering A/S
M.P. Allerups Vej 20
DK-5220 Odense SØ
Phone +45 63 13 22 11
Email jorgensen@jorgensen.dk
Web site www.jorgensen.dk

Jorgensen Engineering USA Inc.
9115 FM 723 Rd Ste 550, #345
Richmond, TX 77406-9234, USA
Phone +1 (832) 405-3642
Email info@jorgensen-engineering.com
Web site www.jorgensen-engineering.com

AB Kuggteknik
Källbacksvägen 7
SE-793 35 Leksand
Phone +46 (0)247 135 35
Email info@kuggteknik.se
Web site www.kuggteknik.se

Kungsörs Mekaniska Verkstad AB
Box 134
SE-736 23 Kungsör
(Visiting address: Malmbergavägen 21)
Phone +46 (0)227 61 65 00
Email info@kmv.se
Web site www.kmv.se

Lasertech LSH AB
Bofors Industriområde
SE-691 80 Karlskoga
(Visiting address: Artilleriplan 6)
Phone +46 (0)586 848 00
Email info@lasertech.se
Web site www.lasertech.se

AB LK Precision Parts
Fräsarvägen 22
SE-142 50 Skogås
Phone +46 (0)8 448 32 70
Email info@lkprecision.com
Web site www.lkprecision.com

Lundgren Machinery AB
Ynglingavägen 62
SE-245 65 Hjärup
Phone +46 (0)40 46 25 00
Email info@lundgrenmachinery.se
Web site www.lundgrenmachinery.se

Mikroverktyg AB
Box 281
SE-151 23 Södertälje
(Visiting address: Hantverksvägen 5)
Phone +46 (0)8 550 268 00
Email info@mikroverktyg.se
Web site www.mikroverktyg.se

Modellteknik i Eskilstuna AB
Box 109
SE-631 02 Eskilstuna
(Visiting address: Fröslundavägen 5)
Phone +46 (0)16 10 76 70
Email mailbox@modellteknik.se
Web site www.modellteknik.se

NPB Automation AB
Industrigatan 14 B
SE-553 02 Jönköping
Phone +46 (0)36 290 76 00
Email info@npb.se
Web site www.npb.se

Pioner Boat AS
Holtermoen 12
NO-1940 Bjørkelangen
Phone +47 63 85 30 00
Email bjorkelangen@pionerboat.com
Web site www.pioner.no

Polyketting B.V.
Ambachtsweg 18
NL-7021 BT Zelhem
Phone +31 314 622 141
Email info@polyketting.nl
Web site www.polyketting.nl

Resinit AB
Polymergatan 7
SE-593 50 Västervik
Phone +46 (0)490 823 20
Email info@resinit.se
Web site www.resinit.se

XANO Industri AB (publ)
Lantmätargränd 5
SE-553 20 Jönköping
Phone +46 (0)36 31 22 00
Email info@xano.se
Web site www.xano.se

XANO Industri AB (publ) | Lantmätargränd 5 | SE-553 20 Jönköping
+46 (0)36 31 22 00 | info@xano.se | www.xano.se