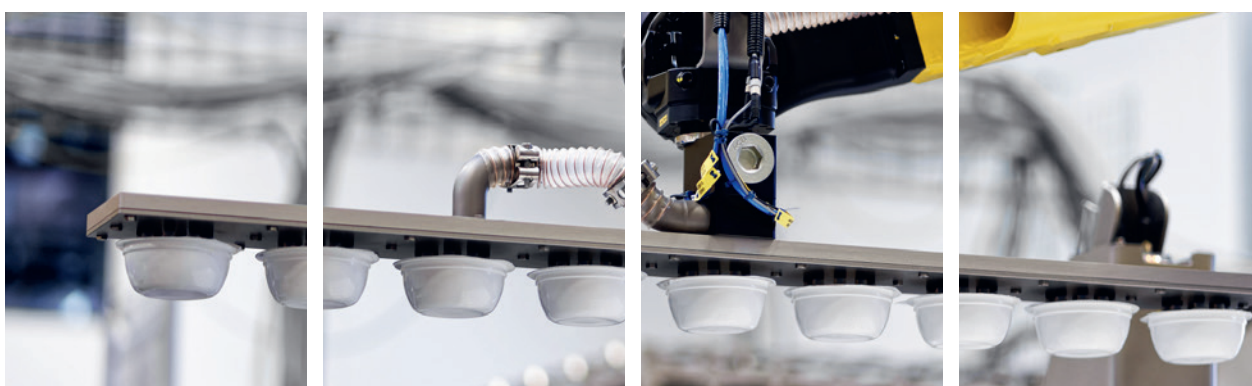


YEAR-END REPORT 2023



THE FULL YEAR

- Net revenue totalled SEK 3,431 million (3,509)
- Operating profit amounted to SEK 301 million (341)
- Profit before tax amounted to SEK 226 million (309)
- Profit after tax amounted to SEK 175 million (249)
- Earnings per share were SEK 3.01 (4.30)
- Cash flow from operating activities amounted to SEK 519 million (128)
- Proposed dividend per share SEK 1.00 (1.75)

Important events during the year

- Lundgren Machinery (Sweden) was acquired
- Integrated Packaging Solutions (USA) was acquired

THE FOURTH QUARTER

- Net revenue totalled SEK 836 million (806)
- Operating profit amounted to SEK 54 million (34)
- Profit before tax amounted to SEK 23 million (19)
- Profit after tax amounted to SEK 18 million (23)
- Earnings per share were SEK 0.30 (0.40)
- Cash flow from operating activities amounted to SEK 326 million (95)

SUMMARY OF THE 2023 FINANCIAL YEAR

Net revenue, SEK m	3,431	(3,509)
Net profit for the period, SEK m	175	(249)
Earnings per share, SEK	3.01	(4.30)
Profit margin, %	6.6	(8.8)

CEO'S COMMENTS ON THE GROUP'S DEVELOPMENT DURING THE PERIOD



THE GROUP

The past year saw a high degree of adjustment for most of the Group's companies. We witnessed declining trends in traditional markets and experienced a generally low willingness to invest, primarily among our European customers in the packaging industry. Sectors that enjoyed strong growth during the pandemic, such as medical technology and food, experienced a return to more normalised conditions. To balance the loss of volume in respect of existing customers, we intensified our efforts in new business areas and in new geographic markets. This resulted in strong growth, primarily within automation for the handling of vehicle batteries and contract assignments in the defence sector. We also conducted two acquisitions with the aim of complementing and strengthening our existing operations. Implemented marketing investments are affecting profitability in the short term, but are supporting our strategic direction and our long-term goals.

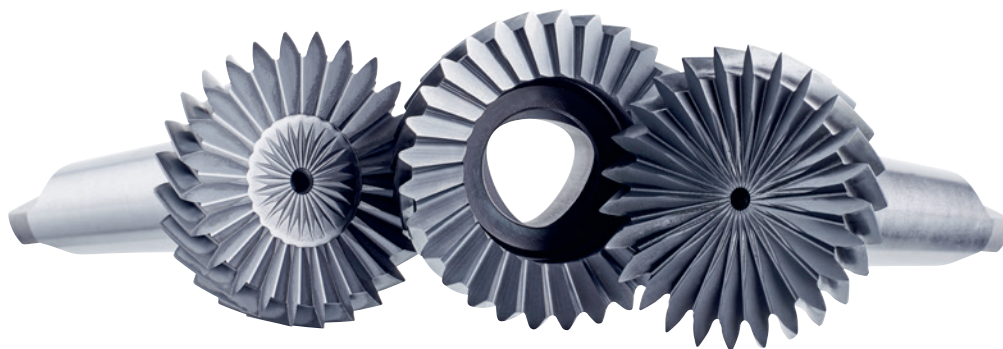
Summing up the outcome for the year as a whole, we can observe that the Group's revenue decreased by 2 per cent compared with the previous year. Operating profit fell by almost 12 per cent and the oper-

ating margin was 8.8 per cent (9.7). The profit margin stood at 6.6 per cent (8.8). Ongoing activities to improve cash flow generated a healthy inflow at the same time as tied-up capital linked to project operations was at a lower level. Cash flow for the year from operating activities consequently was strong, amounting to SEK 519 million (128).

During the final quarter of the year, we saw slightly higher revenue and a stronger operating profit compared with the previous year. Revenue rose by almost 4 per cent, while operating profit increased by just over 60 per cent. The operating margin amounted to 6.5 per cent (4.2). Profit for the period was affected by significant exchange rate losses attributable to financial items and the profit margin was recognised at 2.9 per cent (2.4). Cash flow from operating activities totalled SEK 326 million (95).

THE INDUSTRIAL PRODUCTS BUSINESS UNIT

In relation to the previous year, sales fell by 6 per cent and operating profit decreased by 13 per cent.



The year was characterised by fluctuations in order intake and differing conditions for the business unit's various customer segments. Despite a slight decline in sales, however, several of the companies increased their market shares. The sale of products to the infrastructure sector and the furniture industry generated healthy contributions. On the other hand, various challenges in the automotive sector and a significant fall in the number of boats sold reduced profitability. Many new innovation projects and collaborations were launched through strategic marketing initiatives. Investments in product and process development did further boost sustainability performance. The introduction of proprietary products in new geographic markets is continued.

THE INDUSTRIAL SOLUTIONS BUSINESS UNIT

In relation to the previous year, sales were unchanged and operating profit decreased by 4 per cent.

Global financial turmoil and disruptions in the supply chain led to generally lower project volumes. There was also a downward trend in respect of contract assignments for customers within medical technology and packaging. Sales successes in new business niches and geographic areas did, to some extent, compensate for the weak performance in the business unit's traditional markets. The two companies acquired during the year added expertise and strengthened business opportunities, including for our aftermarket services. In addition, the ongoing establishment process in the USA was intensified. Several joint activities and increased cooperation between the sister companies as well as with external partners were initiated.

THE PRECISION TECHNOLOGY BUSINESS UNIT

In relation to the previous year, sales fell by 6 per cent and operating profit decreased by 34 per cent.

Saturation in the medical technology sector resulted in significantly lower volumes compared with last year. In other respects, too, the business unit's companies experienced a general decline in demand from established customer segments, which resulted in adaptations to both organisations and technology resources. Short-termism in order placement and shortages in supply chains had a negative impact on both resource utilisation and productivity, and thus on profitability. Strategic

marketing efforts did, however, make it possible to win many new assignments, mainly in the defence sector. Such business dealings are only making a limited contribution initially, but there is considerable potential for development, increasing opportunities for growth for the majority of the companies in the business unit.

FUTURE DEVELOPMENT

It is difficult to come to any conclusion other than that the outlook remains both uncertain and challenging. We are not witnessing any quick turnaround and recovery in the established markets, where we have been experiencing declining trends. The investment ambitions of our major customers are closely linked to the global economic development. As a result, we will probably need to make further adaptations to our operations.

At the same time, we are seeing clear results from our efforts in new business areas and in new geographic markets. Our aftermarket activities have only provided a modest contribution to date, but the conditions have improved thanks to the acquisition of the US company IPS. These investments are in line with our strategic work focused on long-term sustainable business. We are proactive yet humble in the face of the challenges before us.

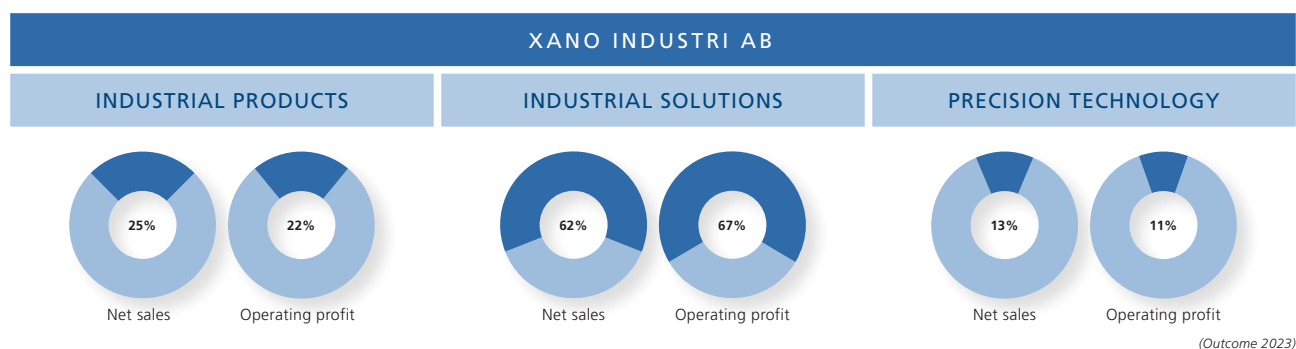
We have implemented a successful first step in terms of establishing operations in the USA and have a solid foundation for our continued journey. The coordination between IPS and Canline/NPB is also opening up new business opportunities globally. The situation in the can industry is strained at the moment, but we are working to shape organisations and processes in order to be ready when the market turns.

Further developing the Group's operations is central to our business model. The same applies for acquisitions that may strengthen our business units. The evaluation of potentially complementary businesses is therefore an ongoing process.

Lennart Persson
President and CEO

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 the Industrial Products, Industrial Solutions and Precision Technology business units.



INDUSTRIAL PRODUCTS

Q1–Q4 2023 vs Q1–Q4 2022: Sales fell by 6 per cent and operating profit decreased by 13 per cent.

		2023 Q1–Q4	2022 Q1–Q4
Net sales	<i>SEK m</i>	852	906
Operating profit	<i>SEK m</i>	75	86
Operating margin	%	8.8	9.5

Operations within the Industrial Products business unit comprise the design, 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.

INDUSTRIAL SOLUTIONS

Q1–Q4 2023 vs Q1–Q4 2022: Sales were unchanged and operating profit decreased by 4 per cent.

		2023 Q1–Q4	2022 Q1–Q4
Net sales	<i>SEK m</i>	2,126	2,119
Operating profit	<i>SEK m</i>	226	235
Operating margin	%	10.6	11.1

Lundgren Machinery is included as from 1 June 2023. Integrated Packaging Solutions is included as from 30 September 2023.

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 comprise industrial end-to-end production software solutions as well as contract assignments for advanced industrial products in small and medium-sized production runs.

PRECISION TECHNOLOGY

Q1–Q4 2023 vs Q1–Q4 2022: Sales fell by 6 per cent and operating profit decreased by 34 per cent.

		2023 Q1–Q4	2022 Q1–Q4
Net sales	<i>SEK m</i>	455	486
Operating profit	<i>SEK m</i>	37	56
Operating margin	%	8.1	11.5

Operations within the Precision Technology business unit cover component and system manufacture using advanced cutting processes, laser welding and 3D printing for the production of parts involving demanding quality and precision requirements.

FINANCIAL DISCLOSURES AND OTHER INFORMATION

GENERAL INFORMATION

All amounts are reported in millions of Swedish kronor and relate to the Group, unless otherwise indicated. Amounts in brackets refer to the corresponding period last year.

REVENUE AND PROFIT

The fourth quarter

Net revenue totalled SEK 836 million (806). Operating profit amounted to SEK 54 million (34), corresponding to an operating margin of 6.5 per cent (4.2). Profit before tax was SEK 23 million (19).

The full year

Net revenue totalled SEK 3,431 million (3,509). Operating profit amounted to SEK 301 million (341), corresponding to an operating margin of 8.8 per cent (9.7). Profit before tax was SEK 226 million (309).

SHARE DATA AND KEY FIGURES

The full year

Basic earnings per share were SEK 3.01 (4.30). Equity per share was SEK 27.91 (26.39). The average number of outstanding shares was 58,302,218. The equity/assets ratio was 44 per cent (42) at the end of the year. The average number of employees was 1,381 (1,426).

IMPORTANT EVENTS DURING THE PERIOD

Lundgren Machinery AB was acquired on 1 June 2023. The company is located in Hjärup, just north of Malmö, Sweden. Lundgren Machinery's operations include the development and manufacturing of case erecting and case sealing machines, as well as contract assignments for prototypes, single units and complete solutions. Sales are made to leading food and pharmaceutical companies in Scandinavia and Northern Europe. The company has 10 employees and a turnover of approx. SEK 30 million. Lundgren Machinery complements the operations within XANO's business unit Industrial Solutions by adding adjacent technical skills and introducing new market niches. The acquisition means that the business unit's area of expertise is further broadened, and

that Lundgren Machinery is given access to resources providing enhanced opportunities to develop its unique strengths. Consolidation is effective as from 1 June 2023. The acquired unit is expected to have a marginal impact on XANO's earnings per share.

An agreement to acquire Integrated Packaging Solutions (IPS) with subsidiaries, located in Denver, Colorado, was signed on 21 August 2023. IPS is an international company operating within the packaging sector, mainly targeting the can-making industry. IPS provides machinery and integration technology as well as production-optimisation services to metal packaging manufacturers. The company has 40 employees and access to a wide network of industry experts. Sales amount to approx. USD 16 million. IPS is in an expansive phase and expects good growth the coming years related to both existing and new markets. IPS' operations primarily complement those of NPB and Canline within XANO's Industrial Solutions business unit, with which there are clear synergies. IPS provides growth possibilities principally in service and aftersales. Through the company's newly developed concept CanSCHOOL, there are opportunities to further deepen collaboration with customers in the can-making industry. The concept is also applicable to other industries in which the business unit companies are active. The addition of IPS is supporting XANO's ambitions to expand market shares in the US and become the natural choice of partner for decision makers in investment projects worldwide. The acquisition represents an intensification of the Group's ongoing establishment in the US. The access to IPS' expertise and networks will benefit and speed up the process of making the Group's offering visible in the North American market. The acquired units are initially expected to contribute SEK 0.30 in earnings per share on an annual basis. Following a confirmatory due diligence and the fulfilment of customary closing conditions, the acquisition was concluded during September 2023. Consolidation is effective as of 30 September 2023.

EVENTS AFTER THE END OF THE PERIOD

There are no individual events of major significance to report after the closing day.

INVESTMENTS*The fourth quarter*

Net investments in non-current assets came to SEK 47 million (47), of which SEK 1 million related to business combinations, SEK 3 million to intangible assets, SEK 20 million to property, plant and equipment, SEK 5 million to financial assets and SEK 18 million to right-of-use assets.

The full year

Net investments in non-current assets came to SEK 378 million (144), of which SEK 250 million related to business combinations, SEK 6 million to intangible assets, SEK 89 million to property, plant and equipment, SEK 5 million to financial assets and SEK 28 million to right-of-use assets.

CASH FLOW AND LIQUIDITY*The full year*

Cash flow from operating activities amounted to SEK 519 million (128). Lower stock levels and reduced tying-up of capital linked to project operations are compensating for the weaker results and, on the whole, delivering a higher cash flow than in the previous year.

Liquid assets, including lines of credit granted but not utilised, totalled SEK 1,417 million (1,363) on the closing day.

NUMBER OF SHARES AND VOTING RIGHTS

Following the conversion of the 2020/2023 personnel convertibles in September, the total number of registered shares in the company amounts to 59,640,298, divided between 14,577,600 Class A shares and 45,062,698 Class B shares, with a quotient value of SEK 0.625. Each Class A share entitles ten votes and each Class B share entitles one vote. The total number of votes amounts to 190,838,698. The company holds 509,132 of its own Class B shares. The share capital amounts to SEK 37,275,186.25.

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. We also enjoy a high level of preparedness to make adjustments. The conflict in Ukraine and the lingering effects of the coronavirus pandemic still constitute risk and uncertainty factors that could entail significant consequences for the Group's operations. These risk and uncertainty factors relate primarily to a lack of access to

components, disruptions in the supply chain, price rises and insufficient access to energy. The willingness to invest on the part of some of the Group's major customers is also closely linked to the development of the global economy.

A statement on the Group's main financial and operational risks can be found on pages 80–82 of the 2022 annual report.

RELATED PARTY TRANSACTIONS

During the year, no transactions have been conducted between XANO and related parties that have significantly affected the Group's financial performance and position.

PROPOSED DIVIDEND

The Board of Directors proposes that the Annual General Meeting allocates a dividend of SEK 1.00 (1.75) per share, totalling SEK 59.1 million (102.3) based on the current number of outstanding shares. The previous year's total amount has been adjusted for additional dividends as a result of conversion.

It is proposed that the dividend be paid in two instalments, SEK 0.50 in May and SEK 0.50 in November. The proposed dividend represents approx. 34 per cent (41) of net profit for the period.

ANNUAL GENERAL MEETING 2024

The upcoming AGM will take place in Jönköping on Thursday 16 May 2024.

At the AGM on 11 May 2023, a Nomination Committee consisting of Tomas Risbecker (Chairman), Stig-Olof Simonsson and Anna Benjamin was appointed. The task of this committee prior to the 2024 AGM is to nominate a Chairman of the Board and other Board members, auditors, a Chairman for the AGM and to propose fees for the Board and auditors.

Shareholders wishing to have an issue dealt with at the AGM must have submitted such a request in writing to the company no later than 28 March 2024 in order for the issue to be included in the notice. The request must be sent to the company at the address: XANO Industri AB, Att. AGM 2024, Industrigatan 14 B, SE-553 02 Jönköping, or by email to ir@xano.se with "AGM 2024" as the subject.

The annual report for 2023 (in Swedish) will be available in week 15, as a printed version from the head office and in digital format on the website www.xano.se. The annual report is distributed to those shareholders who have actively notified the company that they wish to receive a copy.

NEXT REPORT DATE

The interim report for the period 1 January to 31 March 2024 will be presented on Thursday 25 April 2024.

The undersigned declare that the year-end report provides an accurate summary of the Parent Company's and the Group's activities, position and results. It also describes significant risks and uncertainty factors faced by the Parent Company and the companies that form the Group.

Jönköping, 8 February 2024

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

Lennart Persson
President & CEO

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME		2023	2022	2023	2022
(SUMMARY, SEK million)		3 mths	3 mths	12 mths	12 mths
	Note	Oct-Dec	Oct-Dec	Jan-Dec	Jan-Dec
Net revenue	3	836	806	3,431	3,509
Cost of goods sold		-657	-667	-2,678	-2,764
Gross profit		179	139	753	745
Selling expenses		-77	-63	-295	-258
Administrative expenses		-47	-40	-174	-153
Other operating income	2	14	3	49	26
Other operating expenses		-14	-5	-31	-19
Profit from participations in associated companies		-1	0	-1	0
Operating profit		54	34	301	341
Financial income		2	0	21	30
Financial expenses	2	-33	-15	-96	-62
Profit before tax	3	23	19	226	309
Tax	4	-5	4	-51	-60
Net profit for the period	8	18	23	175	249
<i>– of which attributable to shareholders of the Parent Company</i>		<i>18</i>	<i>23</i>	<i>175</i>	<i>249</i>
OTHER COMPREHENSIVE INCOME					
<i>Items that may be reclassified to net profit for the period</i>					
Change in hedging reserve including tax	5	-6	6	-10	20
Translation differences	5	-14	-1	-12	21
Other comprehensive income		-20	5	-22	41
Comprehensive income for the period		-2	28	153	290
<i>– of which attributable to shareholders of the Parent Company</i>		<i>-2</i>	<i>28</i>	<i>153</i>	<i>290</i>
Basic earnings per share, SEK	6	0.30	0.40	3.01	4.30
Diluted earnings per share, SEK	6	0.30	0.40	3.01	4.27

CONSOLIDATED STATEMENT OF FINANCIAL POSITION		2023	2022
(SUMMARY, SEK million)		31 Dec	31 Dec
	Note		
ASSETS			
Goodwill		1,136	968
Other intangible non-current assets		100	66
Property, plant and equipment		725	717
Right-of-use assets		122	126
Other non-current assets		9	5
Total non-current assets		2,092	1,882
Inventories		509	565
Current receivables	7	851	981
Cash and cash equivalents	7	309	178
Total current assets		1,669	1,724
TOTAL ASSETS		3,761	3,606
EQUITY AND LIABILITIES			
Equity		1,651	1,530
Non-current liabilities	7	1,201	1,126
Current liabilities	7	909	950
TOTAL EQUITY AND LIABILITIES		3,761	3,606

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (SUMMARY, SEK million)	2023 31 Dec	2022 31 Dec
Opening balance	1,530	1,341
Net profit for the period	175	249
Other comprehensive income	-22	41
<i>Comprehensive income for the period</i>	153	290
Conversion of personnel convertibles	70	-
Cash dividends paid ¹⁾	-102	-101
<i>Total transactions with shareholders</i>	-32	-101
Closing balance	1,651	1,530
<i>– of which attributable to shareholders of the Parent Company</i>	<i>1,651</i>	<i>1,530</i>

¹⁾ Adjusted for additional dividend due to conversion.

CONSOLIDATED CASH FLOW STATEMENT (SUMMARY, SEK million)	Note	2023 3 mths Oct-Dec	2022 3 mths Oct-Dec	2023 12 mths Jan-Dec	2022 12 mths Jan-Dec
Operating profit		54	34	301	341
Interest and income tax paid/received and adjustments for non-cash items		49	27	19	-6
Change in working capital		223	34	199	-207
Cash flow from operating activities		326	95	519	128
Investments					
Acquisitions of subsidiaries	8	-2	-	-213	-
Other		-28	-43	-100	-140
Cash flow after investments		296	52	206	-12
Cash dividends paid		-44	-	-102	-101
Cash flow from other financing activities		-141	-96	32	-69
Cash flow for the period		111	-44	136	-182
Cash and cash equivalents at the start of the period		205	224	178	346
Exchange rate differences in cash and cash equivalents		-7	-2	-5	14
Cash and cash equivalents at the end of the period		309	178	309	178

NOTES, GROUP

■ NOTE 1 ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable regulations of the Swedish Annual Accounts Act. The Group and the Parent Company apply the same accounting policies as described in the 2022 annual report with the exceptions of new or revised standards, interpretations and improvements, which are applied as from 1 January 2023. The critical assessments and the sources of estimates when preparing this interim report are the same as in the most recent annual report.

■ NOTE 2 COMMENTS ON ITEMS REPORTED IN THE CONSOLIDATED INCOME STATEMENT

The amount reported as Other operating income for the full year, includes non-recurring items of SEK 9.7 million (-) in respect of electricity support to Swedish companies.

Financial expenses include exchange rate losses on financial items amounting to SEK -18.9 million (-1.3) for the full year and SEK -14.3 million (-4.9) for the fourth quarter, mainly attributable to assets in USD.

■ NOTE 3

NET REVENUE AND PROFIT/LOSS BEFORE TAX

Net revenue refers to revenue from contracts with customers. The information on segments is provided from the management's perspective, which means that reporting corresponds to the way in which the information is presented internally. The Group reports on the following segments: Industrial Products, Industrial Solutions and Precision Technology. The operations within each segment are described on page 4. The segments are reported in accordance with the same accounting policies as the Group. Market conditions are applied to transactions between the segments.

NET REVENUE AND BREAKDOWN OF INCOME BY SEGMENT (SEK million)	2023 3 mths Oct-Dec	2022 3 mths Oct-Dec	2023 12 mths Jan-Dec	2022 12 mths Jan-Dec
INDUSTRIAL PRODUCTS	202	206	852	906
Breakdown by geographic market ¹⁾				
Sweden	85	60	338	250
Rest of the Nordic countries	29	37	153	187
Rest of Europe	87	106	354	462
Rest of the world	1	3	7	7
Breakdown by type of product				
Proprietary products	43	48	207	247
Customer-specific manufacturing	159	158	645	659
Breakdown by timing of revenue recognition				
Goods and services transferred at a point in time	202	206	852	906
INDUSTRIAL SOLUTIONS	522	490	2,126	2,119
Breakdown by geographic market ¹⁾				
Sweden	117	106	501	400
Rest of the Nordic countries	29	30	121	135
Rest of Europe	217	241	929	1,050
Rest of the world	159	113	575	534
Breakdown by type of product				
Proprietary products	428	348	1,660	1,463
Customer-specific manufacturing	94	142	466	656
Breakdown by timing of revenue recognition				
Goods and services transferred at a point in time	173	159	653	704
Services transferred over time	30	31	86	79
Projects transferred over time	319	300	1,387	1,336
PRECISION TECHNOLOGY	113	111	455	486
Breakdown by geographic market ¹⁾				
Sweden	95	95	389	395
Rest of the Nordic countries	6	1	11	5
Rest of Europe	7	10	40	53
Rest of the world	5	5	15	33
Breakdown by type of product				
Proprietary products	1	1	2	2
Customer-specific manufacturing	112	110	453	484
Breakdown by timing of revenue recognition				
Goods and services transferred at a point in time	113	111	455	486
GROUP TOTAL	836	806	3,431	3,509
Breakdown by geographic market ¹⁾				
Sweden	296	260	1,226	1,043
Rest of the Nordic countries	64	68	285	327
Rest of Europe	311	357	1,323	1,565
Rest of the world	165	121	597	574
Breakdown by type of product				
Proprietary products	472	397	1,869	1,712
Customer-specific manufacturing	364	409	1,562	1,797
Breakdown by timing of revenue recognition				
Goods and services transferred at a point in time	487	475	1,958	2,094
Services transferred over time	30	31	86	79
Projects transferred over time	319	300	1,387	1,336

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

NET REVENUE BY SEGMENT	2023	2022	2023	2022
(SEK million)	3 mths Oct-Dec	3 mths Oct-Dec	12 mths Jan-Dec	12 mths Jan-Dec
Industrial Products	202	206	852	906
Industrial Solutions	522	490	2,126	2,119
Precision Technology	113	111	455	486
Eliminations	-1	-1	-2	-2
Group total	836	806	3,431	3,509

PROFIT/LOSS BEFORE TAX BY SEGMENT ¹⁾	2023	2022	2023	2022
(SEK million)	3 mths Oct-Dec	3 mths Oct-Dec	12 mths Jan-Dec	12 mths Jan-Dec
Industrial Products	5	6	59	75
Industrial Solutions	18	19	163	207
Precision Technology	0	0	23	51
Undistributed items	0	-6	-19	-24
Group total	23	19	226	309

¹⁾ The segment figures refer to the profit/loss before the distribution of group-wide costs and tax in accordance with internal reporting. Undistributed items mainly refer to the Parent Company.

■ NOTE 4 TAX

Tax amounts to 22.6 per cent (19.4) for the full year.

■ NOTE 5 OTHER COMPREHENSIVE INCOME

Change in hedging reserve including tax refers to the effective component of the change in value of derivative instruments used for hedge accounting. Translation differences refer to the effects of changes in exchange rates when net investments in non-Swedish subsidiaries are translated to SEK. The amount is reported net of hedging contracts.

■ NOTE 6 EARNINGS PER SHARE

BASIC EARNINGS PER SHARE	2023	2022	2023	2022
	3 mths Oct-Dec	3 mths Oct-Dec	12 mths Jan-Dec	12 mths Jan-Dec
Net profit for the period, SEK million	18.3	23.2	175.4	249.1
Average number of outstanding shares, thousands	59,131	57,985	58,302	57,985
Basic earnings per share, SEK	0.30	0.40	3.01	4.30

DILUTED EARNINGS PER SHARE	2023 3 mths Oct-Dec	2022 3 mths Oct-Dec	2023 12 mths Jan-Dec	2022 12 mths Jan-Dec
Net profit for the period, SEK million	18.3	23.2	175.4	249.1
Interest expense on convertible bonds, SEK million ¹⁾	–	1.0	3.6	3.6
Issue expenses for convertible bonds, SEK million	–	0.1	0.1	0.2
Adjusted income, SEK million	18.3	24.3	179.1	252.9
Average number of outstanding shares, thousands ²⁾	59,131	57,985	58,302	57,985
Adjustment for presumed conversion of convertible bonds, thousands ²⁾	–	1,148	830	1,148
Average number of outstanding shares after dilution, thousands ²⁾	59,131	59,133	59,132	59,133
Diluted earnings per share, SEK ²⁾	0.30	0.40	3.01	4.27

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

²⁾ Due to conversion, 1,146,084 shares were issued in September 2023.

On 1 October 2020, convertibles at a nominal value of SEK 69,998,232 were issued to employees within the XANO Group. During the year, holders of a nominal SEK 69,911,124 requested conversion of their claims to shares. Through the conversion, 1,146,084 new Class B shares were issued.

The total number of shares stands at 59,640,298, divided between 14,577,600 Class A shares and 45,062,698 Class B shares. After deduction for the company's own holding, 509,132 Class B shares, the number of outstanding shares is 59,131,166. The average number of outstanding shares was 58,302,218 during the year. The average number of shares in the company's custody was 509,132 during the year. Each Class A share entitles ten votes, and each Class B share entitles one vote. The number of votes, following deductions for the company's own holding, was 190,329,566 on the closing day.

■ NOTE 7 FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities comprise cash and cash equivalents, accounts receivable, loan claims, loan liabilities, accounts payable and any derivatives. The financial assets and liabilities are distributed by category as stated below.

DISTRIBUTION BY CATEGORY 2023-12-31 (2022-12-31) (SEK m)	Financial assets measured at fair value through other compre- hensive income		Loan and accounts receivable valued at accrued acquisition value		Financial liabilities measured at fair value through profit and loss statement		Financial assets/li- abilities measured at fair value through other compre- hensive income		Other financial li- abilities		Total carrying amount		Fair value ¹⁾	
Accounts receivable	–	(–)	531	(550)	–	(–)	–	(–)	988	(920)	531	(550)	531	(550)
Derivative instruments ^{2, 3)}	–	(–)	–	(–)	–	(–)	8	(21)	–	(–)	8	(21)	8	(21)
Cash and cash equivalents	–	(–)	309	(178)	–	(–)	–	(–)	–	(–)	309	(178)	309	(178)
Total financial assets	–	(–)	840	(728)	–	(–)	8	(21)	–	(–)	848	(749)	848	(749)
Loan liabilities	–	(–)	–	(–)	–	(–)	–	(–)	988	(920)	988	(920)	988	(920)
Lease liabilities	–	(–)	–	(–)	–	(–)	–	(–)	123	(122)	123	(122)	123	(122)
Convertible loan	–	(–)	–	(–)	–	(–)	–	(–)	–	(68)	–	(68)	–	(70)
Bank overdraft facilities	–	(–)	–	(–)	–	(–)	–	(–)	4	(0)	4	(0)	4	(0)
Total interest-bearing liabilities	–	(–)	–	(–)	–	(–)	–	(–)	1,115	(1,110)	1,115	(1,110)	1,115	(1,110)
Accounts payable	–	(–)	–	(–)	–	(–)	–	(–)	232	(272)	232	(272)	232	(272)
Derivative instruments	–	(–)	–	(–)	–	(–)	–	(–)	–	(–)	–	(–)	–	(–)
Total financial liabilities	–	(–)	–	(–)	–	(–)	–	(–)	1,347	(1,382)	1,347	(1,382)	1,347	(1,382)

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

²⁾ Current receivables include interest derivatives measured at fair value of SEK 8 million (17) for the full year. The derivatives are used for hedging purposes and belong to value level 2 under IFRS 13. The fair value measurement is based on a number of factors, including forward interest rates produced on the basis of observable yield curves.

³⁾ Current receivables include currency derivatives measured at fair value of SEK – million (4) or the full year. The derivatives are used for hedging purposes and belong to value level 2 under IFRS 13. The fair value measurement is based on several factors, including observable data such as fixing rates and swap rates for the currency in question.

■ NOTE 8 BUSINESS COMBINATIONS

Lundgren Machinery AB is included in the consolidated results from 1 June 2023. Integrated Packaging Solutions (IPS) is consolidated as of 30 September 2023.

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

Lundgren Machinery (SEK million)	Reported value in subsidiary	Fair value adjustment	Consolidated fair value
Intangible non-current assets	–	12	12
Property, plant and equipment	0	–	0
Right-of-use assets	–	3	3
Current assets	13	–	13
Non-current liabilities	–	-3	-3
Current liabilities	-7	-2	-9
Net assets/purchase price	6	10	16
Liquid assets in acquired businesses			0
Transaction costs			0
Total cash flow attributable to acquired business			16

The total purchase sum amounted to SEK 16 million and was paid in cash. The acquisition brings surplus values totalling SEK 12 million distributed between goodwill (SEK 2 million) and product concept (SEK 10 million). The transaction costs amount to SEK 0.4 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 of the Industrial Solutions business unit. The utilisation of common resources will also entail coordination advantages.

Integrated Packaging Solutions (IPS) (SEK million)	Reported value in subsidiary	Fair value adjustment	Consolidated fair value
Intangible non-current assets	0	216	216
Property, plant and equipment	6	–	6
Right-of-use assets	–	13	13
Current assets	52	–	52
Non-current liabilities	–	-42	-42
Current liabilities	-37	-3	-40
Net assets/purchase price	21	184	205
Liquid assets in acquired businesses			-11
Transaction costs			3
Total cash flow attributable to acquired business			197

The total purchase sum amounted to USD 21 million, of which USD 19 million was paid in cash on the acquisition date and USD 2 million refers to a conditional purchase sum that will be paid in cash in 2025. The acquisition is deemed to bring surplus values totalling USD 19.9 million distributed between goodwill (USD 16.6 million), product concept (USD 2.3 million) and customer relations (USD 1.0 million). The transaction costs are calculated at USD 0.3 million. Goodwill relates to synergy effects. The expectation is that synergies will mainly be achieved through increased growth possibilities, principally in service and aftersales, for existing operations of the Industrial Solutions business unit. Through the company's newly developed concept CanSCHOOL, there are opportunities to further deepen collaboration with customers in the can-making industry. The concept is also applicable to other industries in which the business unit companies are active. Furthermore, the acquisition supports XANO's ambitions to expand market shares in the US and become the natural choice of partner for decision makers in investment projects worldwide. The acquisition represents an intensification of the Group's ongoing establishment in the US. The access to IPS' expertise and networks will benefit and speed up the process of making the Group's offering visible in the North American market.

The acquired units contributed SEK 33 million in net revenue and approx. SEK -17 million in net profit after the deduction of acquisition costs, 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 3,570 million, while net profit would have been approx. SEK 182 million.

No business combinations occurred in 2022.

SHARE DATA, GROUP	2023	2022	2023	2022
	3 mths Oct-Dec	3 mths Oct-Dec	12 mths Jan-Dec	12 mths Jan-Dec
Average number of outstanding shares, thousands	59,131	57,985	58,302	57,985
Average number of outstanding shares after dilution, thousands	59,131	59,133	59,132	59,133
Basic earnings per share, SEK	0.30	0.40	3.01	4.30
Diluted earnings per share, SEK	0.30	0.40	3.01	4.27
Cash flow from operating activities per share, SEK	5.58	1.63	8.91	2.21
Total number of shares on closing day, thousands			59,640	58,494
Number of shares in own custody on closing day, thousands			509	509
Number of outstanding shares on closing day, thousands			59,131	57,985
Equity per share on closing day, SEK			27.91	26.39
Share price on closing day, SEK			76.40	111.00

Due to conversion, 1,146,084 shares were issued in September 2023.

KEY FIGURES, GROUP	2023	2022	2023	2022
	3 mths Oct-Dec	3 mths Oct-Dec	12 mths Jan-Dec	12 mths Jan-Dec
Operating margin, %	6.5	4.2	8.8	9.7
Profit margin, %	2.9	2.4	6.6	8.8
Interest-bearing liabilities, SEK million			1,115	1,110
Deferred tax liabilities, SEK million			104	111
Lines of credit granted but not utilised, SEK million			1,108	1,185
Return on equity, %			11.0	17.1
Return on capital employed, %			11.6	14.3
Return on total capital, %			8.5	10.3
Average equity, SEK million			1,595	1,456
Average capital employed, SEK million			2,772	2,599
Average total capital, SEK million			3,810	3,613
Interest coverage ratio, multiple			3.4	6.0
Equity/assets ratio, %			44	42
Depreciation, SEK million	37	33	140	126
EBITDA, SEK million	91	67	441	467
Net investments in non-current assets, SEK million	47	47	378	144
Employees, average number	1,405	1,429	1,381	1,426

QUARTERLY SUMMARY, GROUP	2023	2022	2023	2022	2023	2022	2023	2022
	Q4	Q4	Q3	Q3	Q2	Q2	Q1	Q1
Net revenue, SEK m	836	806	757	776	942	942	896	985
Gross profit, SEK m	179	139	159	156	214	204	201	246
Operating profit, SEK m	54	34	58	63	102	98	87	146
Profit before tax, SEK m	23	19	44	57	86	95	73	138
Net profit for the period, SEK m	18	23	33	44	67	74	57	108
Comprehensive income for the period, SEK m	-2	28	27	53	75	91	53	118
Operating margin, %	6.5	4.2	7.7	8.1	10.7	10.5	9.8	14.8
Profit margin, %	2.9	2.4	5.7	7.2	9.1	10.1	8.2	14.0
Equity/assets ratio, %	44	42	41	41	40	40	42	40
Basic earnings per share, SEK ¹⁾	0.30	0.40	0.57	0.76	1.15	1.28	0.99	1.86
Cash flow from operating activities per share, SEK ¹⁾	5.58	1.63	2.45	-0.34	0.20	0.98	0.68	-0.06

¹⁾ The comparison figures have been recalculated due to the 2:1 share split carried out in June 2022. Due to conversion, 1,146,084 shares were issued in September 2023.

For definitions, see page 15.

DEFINITIONS

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.

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.

INTEREST COVERAGE RATIO

Profit before tax plus financial expenses in relation to financial expenses.

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 performance indicators, 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.

For reconciliation of key figures, see page 84 in the 2022 annual report.

INCOME STATEMENT, PARENT COMPANY		2023	2022	2023	2022
(SUMMARY, SEK million)		3 mths Oct-Dec	3 mths Oct-Dec	12 mths Jan-Dec	12 mths Jan-Dec
	Note				
Net revenue	1	8.0	7.4	29.7	29.4
Selling and administrative expenses		-7.3	-8.4	-40.3	-37.5
Operating profit/loss		0.7	-1.0	-10.6	-8.1
Profit from participations in Group companies		-14.7	121.8	115.3	121.8
Other financial items		-2.8	7.7	0.1	30.4
Profit/loss after financial items		-16.8	128.5	104.8	144.1
Appropriations		55.7	10.0	55.7	10.0
Tax	2	-12.2	-24.8	-10.5	-28.0
Net profit for the period		26.7	113.7	150.0	126.1
<i>Statement of comprehensive income</i>					
Net profit for the period		26.7	113.7	150.0	126.1
Other comprehensive income		-	-	-	-
Comprehensive income for the period		26.7	113.7	150.0	126.1

BALANCE SHEET, PARENT COMPANY		2023	2022
(SUMMARY, SEK million)		31 Dec	31 Dec
ASSETS			
Non-current assets		206.9	221.5
Current assets		1,108.5	1,024.3
EQUITY AND LIABILITIES			
Equity		617.5	499.9
Untaxed reserves		59.0	88.0
Non-current liabilities		250.0	250.0
Current liabilities		388.9	407.9
BALANCE SHEET TOTAL		1,315.4	1,245.8

STATEMENT OF CHANGES IN EQUITY, PARENT COMPANY		2023	2022
(SUMMARY, SEK million)		31 Dec	31 Dec
Opening balance		499.9	475.2
Comprehensive income for the period		150.0	126.1
Conversion of personnel convertibles		69.9	-
Cash dividends paid		-102.3	-101.4
Closing balance		617.5	499.9

CASH FLOW STATEMENT, PARENT COMPANY		2023	2022	2023	2022
(SUMMARY, SEK million)		3 mths Oct-Dec	3 mths Oct-Dec	12 mths Jan-Dec	12 mths Jan-Dec
Operating profit/loss		0.7	-1.0	-10.6	-8.1
Interest and income tax paid/received and adjustments for non-cash items		86.5	120.7	150.3	75.5
Change in working capital		28.9	-185.7	-49.9	-237.4
Cash flow from operating activities		116.1	-66.0	89.8	-170.0
Investments		-	-	-0.1	-
Cash flow after investments		116.1	-66.0	89.7	-170.0
Financing		-110.8	0.0	-102.4	28.5
Cash flow for the period		5.3	-66.0	-12.7	-141.5
Cash and cash equivalents at the start of the period		0.0	87.7	21.7	155.0
Exchange rate differences in cash and cash equivalents		3.4	0.0	-0.3	8.2
Cash and cash equivalents at the end of the period		8.7	21.7	8.7	21.7

■ **NOTE 1**

Net revenue refers to revenue from contracts with customers. 100 per cent (100) of the Parent Company's net revenue comes from invoicing to subsidiaries.

■ **NOTE 2**

Income tax amounts to 7 per cent (18) for the full year. Income tax-exempt dividends contribute to the lower tax rate in 2023.

The Parent Company, XANO Industri AB (publ) with corporate identity number 556076-2055, is a public limited liability company with its registered office in Jönköping, Sweden.



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