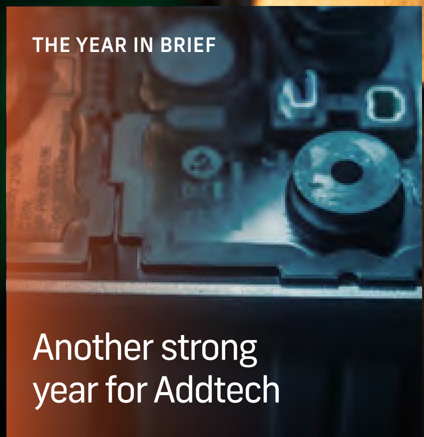
ADDTECH ANNUAL REPORT 2023/2024



THE YEAR IN BRIEF

Another strong year for Addtech

COMMENTS BY THE CEO

Record-high margins in all business areas

SUSTAINABLE BUSINESS

Technical solutions for customers' transition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How Addtech generates sustainable value
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Presented here are supplementary sustainability data, including: Addtech's value generation, sustainability goals, governance, material areas, materiality analysis, stakeholder dialogue, key indicators and calculation methods.

ABOUT THE ANNUAL REPORT: The Annual Report details Addtech's operations and financial results in 2023/2024. The legal Annual Report comprises pages 55-127. The Annual Report also includes a voluntary report on sustainability that is inspired by integrated reporting, and also includes the Statutory Sustainability Report on pages 6-51 and the Sustainability Facts on pages 136-154. The Annual Report also includes a Corporate Governance Report on pages 65-72.

The Annual Report is prepared in Swedish and translated into English. Should differences occur between the Swedish Annual Report and the English translation, the Swedish version shall prevail.

Leading technical solutions for a sustainable tomorrow

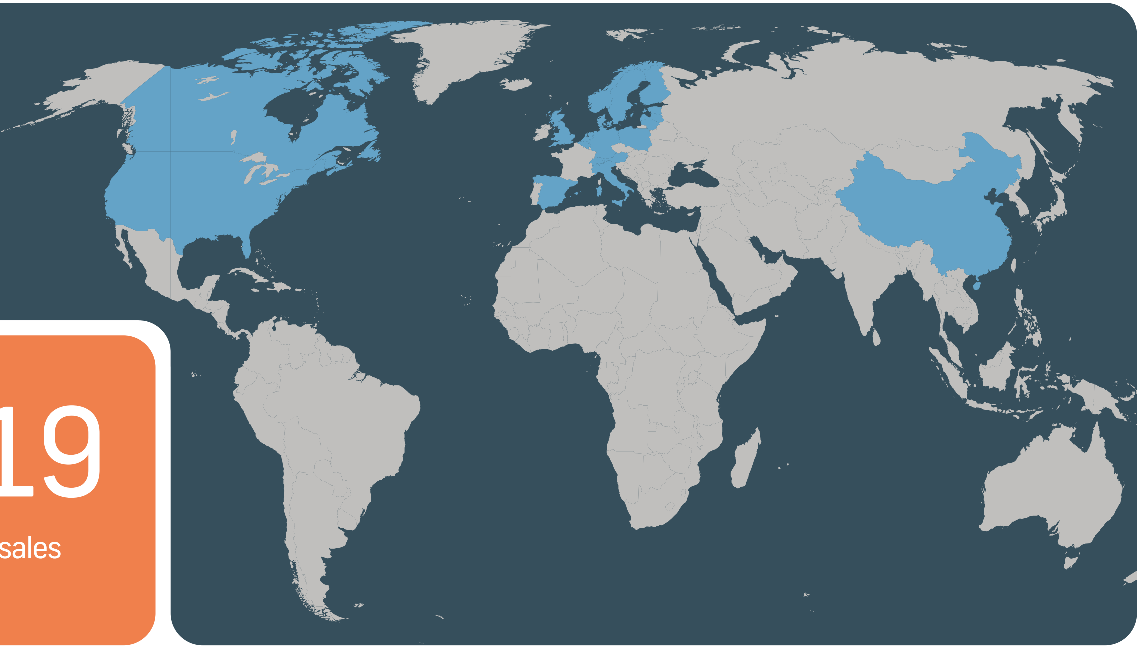
Addtech is an international technical solutions group. Our 150 independent companies offer high-tech products and solutions to customers primarily within the manufacturing industry and infrastructure. We are driven both by major mega-trends, as well as smaller-scale, niche trends and act as a catalyst for development towards a sustainable society and sustainable industry.

4,100
employees

5
business areas and
12 business units

150
independent companies

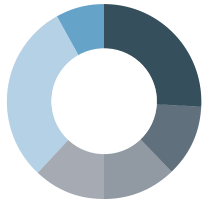
20
countries in
which operations are
conducted



20,019
SEK million in net sales
2023/2024

Sales by business area 23/24

Sales by geographic market 23/24



Sales by customer segment 23/24

Five business areas for future growth in an international market

Automation

Smart technical solutions for future-proof industry

Strong position for capturing the potential from strong driving forces, such as Industry 4.0, smart production processes and industrial IoT

Read more on page 24

Electrification

Tomorrow's technical solutions for electrification

Well-positioned for responding to the strong driving forces in electrification and carbon dioxide reduction

Read more on page 28

Energy

Business focus on society's transition towards electrification

Technologically advanced offering contributing to the expansion of the infrastructure that will comprise the energy systems of tomorrow

Read more on page 32

Industrial Solutions

Technical solutions for improved resource efficiency within industry

Generating value associated with the increasing use of fibre-based materials, ergonomic products for special vehicles, energy-efficient drive systems and waste and recycling solutions

Read more on page 36

Process Technology

More efficient process flows for reduced environmental impact

Capturing the potential of the industry to reduce resource and energy consumption as well as the ever-stricter emissions requirements while being well positioned in the green energy transition

Read more on page 40

The year in brief

2023/2024 was another strong year for Addtech. Despite the challenging global situation, we can summarise a year with favourable market conditions overall, during which we can state that the Group passed the milestone of SEK 20 billion in sales. Read more in the comments by the CEO on pages 8 to 9.

10 carefully selected acquisitions

In accordance with our strategy, Addtech continued over the financial year to acquire companies offering considerable technical added value and superior profitability. The ten new acquisitions have a combined annual sales of about SEK 865 million and we have welcomed 221 new colleagues to the Group. We continue to take a positive view of our acquisition opportunities, not only in the Nordic region, but also in selected markets, primarily in the rest of Europe, to continue our international expansion. Read more about the acquisitions made over the year on pages 25-41.

2023/2024

- **Net sales** increased by 7 percent to SEK 20,019 million (18,714).
- **Operating profit before depreciation** on intangible assets (EBITA) increased by 13 percent to SEK 2,860 million (2,540) equivalent to an EBITA margin of 14.3 percent (13.6).
- **Operating profit** increased by 12 percent to SEK 2,426 million (2,167) corresponding to an operating margin of 12.1 percent (11.6).
- **Profit after tax** increased by 9 percent and amounted to SEK 1,691 million (1,554) and earnings per share before/after dilution amounted to SEK 6.05 (5.55).
- **The return on working capital,** P/WC, amounted to 68 percent (66).
- **The return on equity** was 28 percent (32), and the equity/assets ratio was 39 percent (36).
- **Cash flow** from operating activities amounted to SEK 2,575 million (1,911) and cash flow per share from operating activities amounted to SEK 9.55 (7.10).

Financial targets

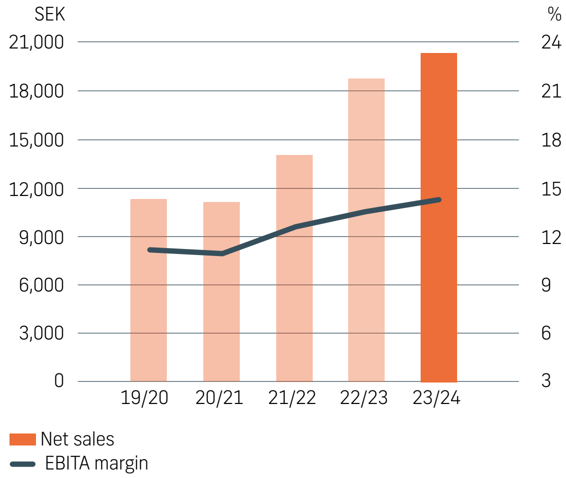
		OUTCOME 23/24
Annual profit growth over a business cycle	>15%	13%
P/WC	>45%	68%

Sustainability targets 2030

		OUTCOME 23/24
Reduced carbon dioxide intensity 2030*	50%	30%
Percentage of sales contributing to sustainable develop-ment in 2030**	100%	67%
Proportion of women in leading positions 2030	40%	20%
Percentage of purchasing volume self-assessed in 2030 based on the Code of Conduct	80%	52%

* 2019/2020 is the base year, Scopes 1, 2 and 3 (category 3, 4, 6 and 9).
** Proportion of sales supporting development towards the UN's sustainable development goals.

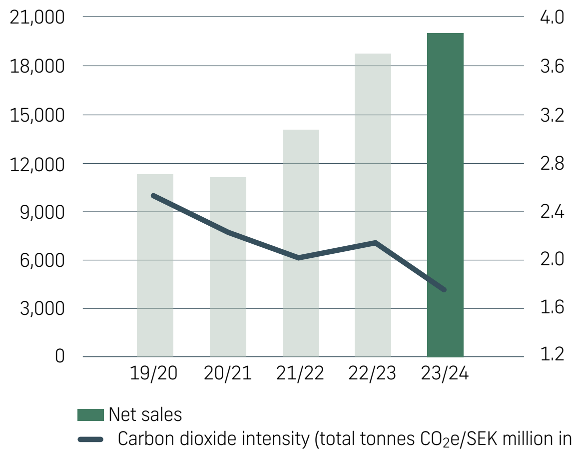
Net sales and EBITA margin



Science Based Targets

During the year, our updated climate targets were approved by the Science Based Targets initiative. The targets strengthen the efforts already initiated to reduce our own climate impact while motivating our partners to set climate targets consis-tent with the science. The current focus is on further raising our level of ambition and establishing activities in the area of sustainability to achieve our targets.

Net sales and carbon dioxide intensity



*Scopes 1, 2 and 3 (category 3, 4, 6 and 9)

Comments by the CEO

For Addtech, 2023/2024 was another strong year in which we successfully navigated a complex environment. With the business situation remaining stable and with a high level of customer activity, we passed the milestone of SEK 20 billion in sales and increased our profitability in all business areas. Addtech's scalable business model, with its focus on entrepreneurship and decentralisation, once again demonstrated its capacity to generate conditions for profitable growth.

Our strong positions in strategically selected growth segments and our well-diversified business, combined with impressive performances by our companies, brought continued growth and record-high margins in all business areas. Consolidated net sales increased by 7 percent SEK 20,019 million, with earnings growth of 13 percent and a strengthened EBITA margin of 14.3 percent. Our long-term P/WC financial target strengthened from already high levels to 68 percent and cash flow from operating activities was significantly better than in the preceding year at SEK 2,575 million (1,911).

The business situation for our 150 companies was generally stable and at a high level, although there were variations between the segments. The market for infrastructure products for national and regional power grids remained strong. Demand for technical solutions in the defence industry strengthened, while sales in the medical technology and engineering industries remained at stably high levels. We also saw a positive trend in both the marine and wind power segments. Parts of building and installation, as well as data and telecom experienced a challenging year, and the willingness to invest in large projects in the sawmill industry remained weak.

The fact that we continued to strengthen our positions over the year, achieving the key milestone of SEK 20 billion in sales, has made us a relatively large group today. We must never forget, however, that Addtech is about conducting "small scale business – large scale wise" and that this is what defines

"Addtech's principal success factor is that we have consistently maintained our core values since the outset in 2001"

Niklas Stenberg, President and CEO Addtech our operations. Fundamentally, Addtech comprises independent small and medium-sized companies that generate added technical value for customers around the world.

We continued to deliver in accordance with our strategy of using our own cash flow to acquire well-managed technical companies generating substantial value with a clear sustainability profile. Ten carefully selected acquisitions were made over the financial year, strengthening and complementing our niche strategies. Combined, this added about SEK 865 million in sales, with favourable profitability, and we have welcomed 221 new colleagues to the Group. The proportion of acquisitions outside the Nordic region grew, accounting for nearly half of the acquired sales and further reinforcing that Addtech is an international group.

I want to emphasise that strategic and cultural matching is always prioritised in our relationship-based acquisition process. In addition to being the market leader in a technical niche, the acquired company must be a good fit with Addtech's culture. When we acquire companies run by of entrepreneurs with whom we share fundamental values, our scalable business model works regardless of geography.

Among our customers, commitment in the area of sustainability, and the demands that are imposed, are continuously increasing. For this reason, we consistently continue to develop our operations with a clear focus on sustainability. Based on their respective value propositions, the companies support their customers in developing towards their sustainability goals. There are good business opportunities here and, by forming partnerships in the value chain, we join forces to develop technical solutions that contribute to the green transition. Over the year, our updated climate goals were assessed and approved by the Science Based Targets initiative. This entails a reinforced focus on reducing our climate impact throughout our value chain and on further manifesting our plan to achieve our targets.

Addtech is home to many successful companies and strong trademarks. There are unique opportunities to benefit from our internal network of entrepreneurial companies and to share knowledge in key areas. We nurture the Group's combined skills, stimulating all kinds of internal collaboration. An example from the year is our exchange of knowledge in digitalisation and AI. Several concrete initiatives were taken to inspire and share knowledge and experience in this important area. Knowledge sharing generates added value for all Group companies as we avoid reinventing the wheel and can instead focus on value-creating business opportunities.

One of Addtech's principal success factors is that we have consistently stuck to our core values since the outset in 2001. Our scalable business model, culture and strategy are largely the same now as they were then. Naturally, although we are responsive and are refining our operations in line with external developments, the cornerstones of our business are:

- Our strong culture focused on people, entrepreneurship and decentralised responsibility
- Small scale business – large scale wise
- Well-positioned companies in strategic niches with underlying growth
- Well-diversified business to mitigate dependency on individual customers or markets
- Acquisitions of carefully selected companies that complement and strengthen our niches
- Simplicity for our companies with a small but efficient central organisation

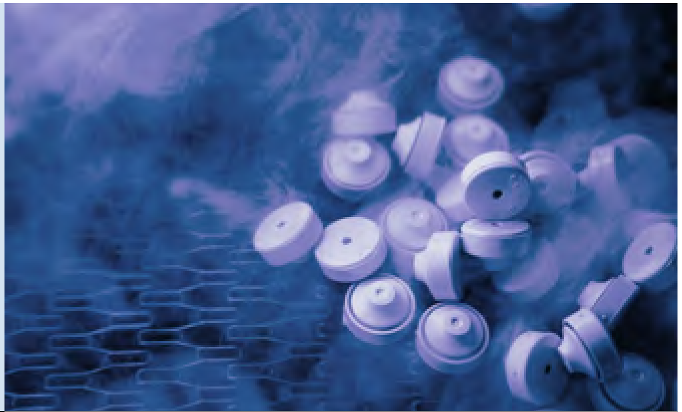
We are now entering a new financial year with well-filled, high-quality order books and an ambitious plan for continued growth. Our culture, clear diversification and strong positions in attractive customer segments make me highly confident in Addtech's capacity both to deal with external challenges while also generating conditions for successful business. I also anticipate a continued high rate of acquisitions of profitable companies strengthening and complementing our strategic niches. The ambition is clear – to deliver earnings growth of at least 15 percent annually over a business cycle through organic growth and carefully selected acquisitions.

Many thanks to all fantastic employees for your commitment and ability to deliver added value during the year. I am now looking forward to a new financial year in which we continue together to make Addtech the amazing company that it is – you are what makes the difference!

Niklas Stenberg
President and CEO
Addtech AB

Focus on entrepreneurship

With employees, technical know-how and entrepreneurship in focus, Addtech offers leading technical solutions. We are a catalyst for sustainable growth, with our strong corporate culture and network generating new opportunities both for our customers as well as for society in general.



Vision

Leading technical solutions for a sustainable tomorrow

Business concept

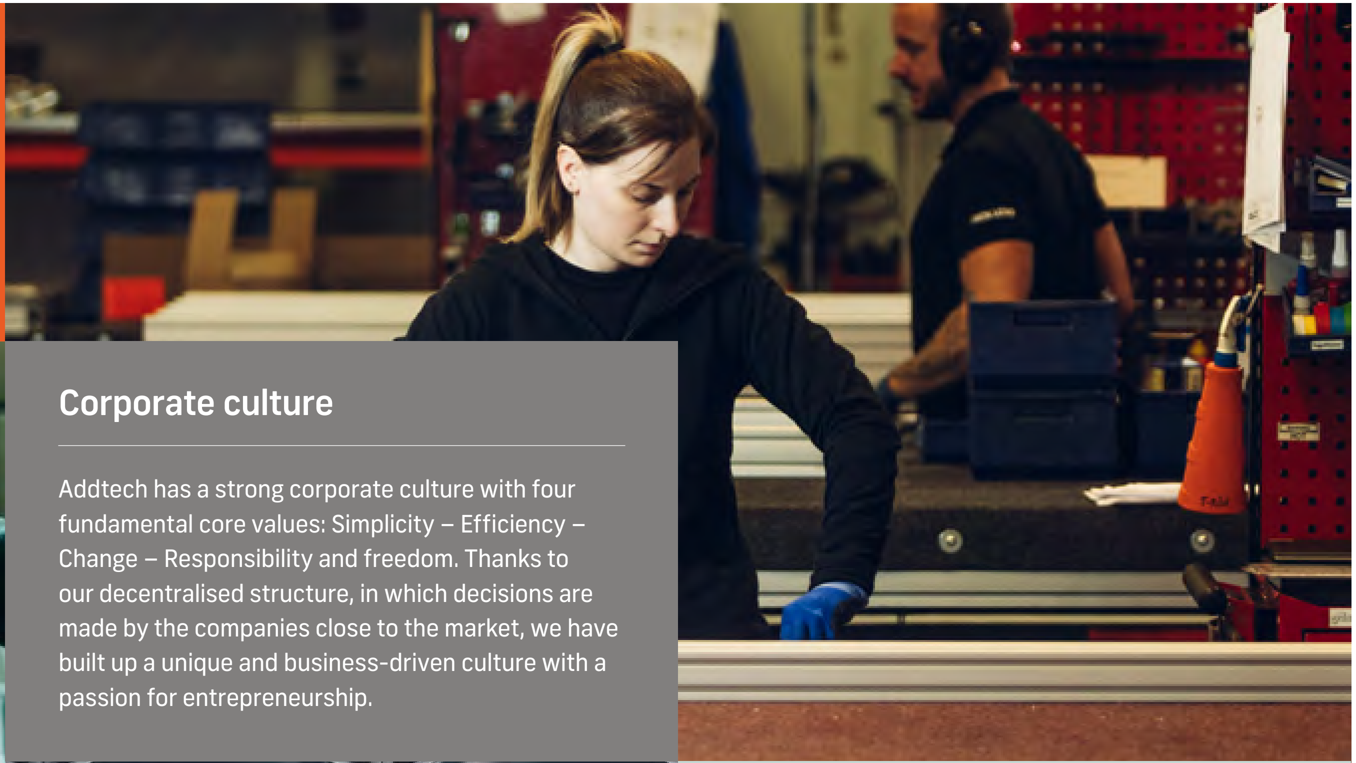
Addtech offers high-tech products and solutions for companies in the manufacturing and infrastructure sectors. We contribute added technical and financial value by being a skilled and professional partner. This means that we shall add value by helping customers produce their goods more efficiently, helping make their products more competitive in the development towards a sustainable tomorrow.

Strategy

- Market-leading niche positions
- Operational agility – flexibility with active ownership
- Growth through acquisitions

Offering

- Own products and brands
- Modified products and solutions
- Value-adding trade products

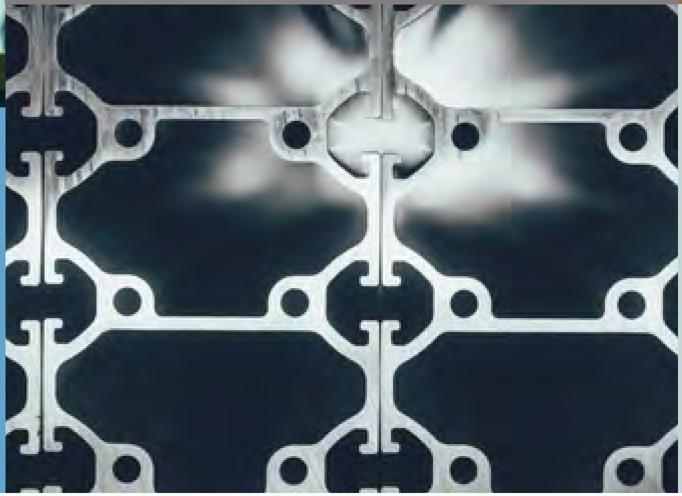


Corporate culture

Addtech has a strong corporate culture with four fundamental core values: Simplicity – Efficiency – Change – Responsibility and freedom. Thanks to our decentralised structure, in which decisions are made by the companies close to the market, we have built up a unique and business-driven culture with a passion for entrepreneurship.

Customers

Addtech operates in the international market for technical solutions with substantial technological and knowledge-based contents. Although a considerable proportion of sales are conducted within the Nordic region, our positions in the rest of the world have developed strongly in recent years.



Success factors

- Our employees, who continuously develop existing and new business opportunities.
- Our decentralised organisation in which we combine the companies' value creation with the Parent Company's resources and networks.
- Our consistent behaviour and deeply rooted corporate culture.
- Our talent development, which enables internal recruitment at all levels.

How Addtech generates sustainable value

Society

– Technical development
– Industrial transformation
– Climate change
– Economic circumstances and global situation

How we work

CULTURE

Strong corporate culture with a clear focus on entrepreneurship and decentralised responsibilities

CORE VALUES

Simplicity, Efficiency, Change, Responsibility and Freedom

STRATEGY

Market-leading niche positions

+ Carefully selected niches with a high knowledge and technical content
+ Solutions, subsystems or products in small and medium-sized volumes

Acquisitions

+ Profitable companies with growth potential in selected niches
+ Decentralised process and financing by means of own cash flow

Operational agility

+ Active ownership with an eternal horizon
+ A highly agile organisation facilitated by strictly decentralised responsibilities

Our resources

4,100
committed employees

150
independent companies in 20 countries

40 countries
with a broad and stable customer base

Well-developed relationships with strategically selected suppliers

Financial strength

Strong internal network of partners

Our offering

Own products and brands

35%

R&D, design, production, sales and marketing

Modified products and solutions

30%

Customised design, modifications and niche production. Sales, marketing and services

Trade products

35%

Technical know-how and an understanding of local market needs and expectations. Sales, marketing and logistics

Value generated for stakeholders in 2023/2024

Suppliers

52%

of the purchase volume self-assessed based on our Code of Conduct
Continuing to build partnerships with our suppliers

Customers

67%

of sales contributed to sustainable development*. We continued to support customers in achieving their sustainability goals and increased the efficiency of their processes

Shareholders

755 SEK MILLION

dividend in 2024** and

+27%

share price development over the financial year

Employees

20%

women in leading positions.

480

employees received further training through the Addtech Academy.

Society

30%

reduced carbon-dioxide intensity***
As an employer, we continued to contribute to dynamic local communities

Leading technical solutions for a sustainable tomorrow

Our vision

* Proportion of sales supporting development towards the UN's sustainable development goals
** Board of Directors' proposal for 2024
*** Base year 2019/2020, Scopes 1, 2 and 3 (category 3, 4, 6 and 9)

Acquisitions with an eternal horizon

Acquisitions are an important part of Addtech's business concept. We are continuously seeking out high-performing companies that can strengthen existing operations or bring new product or market segments where conditions prevail to capture leading positions.

"Our acquisition process always prioritises strategic and cultural matching"

Niklas Stenberg, President and CEO Addtech

Acquisitions, Addtech	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
Number of acquisitions	10	10	13	14	12
Net sales (SEK million)*	865	855	1,430	1,140	741
Number of employees	221	250	399	321	170

* On a full-year basis at the time of acquisition

In accordance with our strategy, we continued over 2023/2024 to acquire companies offering considerable technical added value and higher profitability. The ten new acquisitions have a combined annual sales of about SEK 865 million and we have welcomed 221 new colleagues to the Group. We continue to take a positive view of our acquisition opportunities, not only in the Nordic region, but also in selected markets, primarily in the rest of Europe, to continue our international expansion.

Addtech has acquired more than 200 entrepreneur-driven technical companies since the listing in 2001. Our acquisition process always prioritises strategic and cultural matching. In addition to being the market leader in a technical niche with underlying structural growth, the acquired company must also be a good fit with our culture. In many cases, it is also our strong culture of decentralised responsibility and our focus on entrepreneurship that attracts privately owned companies. We are a long-term owner that develops operations together with skilful entrepreneurs, providing conditions for various forms of partnerships within the Group's networks to generate additional business.

For us, new companies strengthen and complement our strategically selected niches with growth and development potential through skilled employees with a strong entrepreneurial spirit. We apply an eternal horizon and never acquire a company to improve only short term and then divest.

"Our focus is to develop and grow the business organically over time alongside the entrepreneurs," says Niklas Stenberg. To succeed in this, a cultural match between the acquired company and Addtech is required. To be able to enter into a successful partnership enabling us to jointly take the operations to the next level, we need a clear shared view on on entrepreneurship and the future development of the company. Accordingly, it is crucial that we have a committed management inplace to continue developing the company following acquisition.

Addtech is a financially strong and committed owner with clear targets and tools for long-term development and profitability among our companies. We have extensive experience in acquiring and integrating companies. From this, a successful process has emerged that is largely relationship-based, meaning that most acquisitions are derived from our internal network rather than brokers. In our view, the path to a successful acquisition is a process in which sellers and buyers get to know one another well before the transaction takes place. This minimises the risk of misunderstandings or vain hopes. Our starting point is to acquire

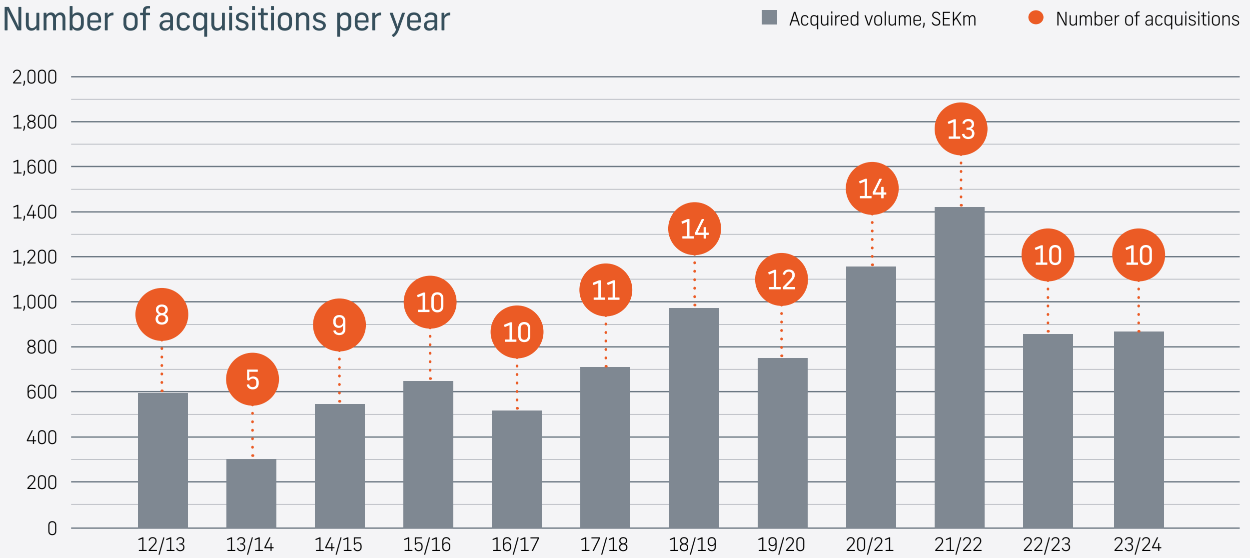
100 percent of the shares and we are always careful to conduct acquisitions on terms that generate value for both parties.

All acquisitions are conducted out in our business units and companies, which are led by individuals with extensive experience in, and in-depth knowledge of, the relevant business. We see our decentralised acquisition process as a prerequisite for being able to manage additional acquisitions as Addtech grows, but also to safeguard effective integration and long-term organic growth. All new acquisitions are carefully selected to complement and strengthen existing operations and are therefore positioned organisationally adjacent to similar companies in the business unit. This quickly immerses companies in Addtech's business culture, in which they are able to grow alongside like-minded companies. Prerequisites for different forms of networking and business-generating partnerships are also established, both internally within the Group and externally.

Addtech's international expansion is continuing and increasing the proportion of sales outside the Nordic region is an important element in our growth strategy. In this way, we are able to follow our customers further afield and to capture potential by establishing companies of our own or by making acquisitions within the framework of our niche strategies.

"Interest in our decentralised business model continues to grow, particularly outside the Nordics," says Niklas Stenberg. There are an incredible number of interesting and well-managed companies in the markets that we focus on, such as DACH countries, the UK and the Benelux countries. With our scalable model and financial strength, we can therefore continue to supplement and strengthen our offering and to generate growth in additional markets. The fact that the companies, regardless of their geography, operate in markets from the perspective of sustainable development, is also becoming increasingly important when we analyse and evaluate potential acquisitions. For this reason, we also perform a thorough review based on sustainability parameters, prioritising companies contributing to the transition to green technologies.

Number of acquisitions per year



Why sell to Addtech?

- Long-term and secure ownership
- Realising growth potential
- Generational shift
- Adding expertise and networks

We are looking for companies with:

- B2B offering with substantial knowledge and technical content
- Leading positions in a well-defined niche
- Potential for profitability and growth
- Focus on own products
- Committed management seeking to continue developing the company following acquisition
- Sustainability focus
- Cultural matching

What does Addtech contribute?

We support the further development of our companies, providing access to the Group's network and resources. Addtech's role is to contribute leading-edge expertise in, for example, sustainability, skills development and digitalisation. We also offer Group-wide functions and effective tools to make it as easy as possible for each company to develop in the long term. In this way we can conduct small scale business – large scale wise.

Read more about the acquisitions made over the year on pages 25-41

Why invest in Addtech?

Addtech generates long-term shareholder value by continuously developing its entrepreneurial driven and independent companies. With strong positions in strategically selected growth areas and a unique corporate culture focusing on personal responsibility and entrepreneurship, the average annual share price has increased by 21 percent since the listing in 2001.

"Our focus is, and has always been, to develop our companies and to generate stable and sustainable organic growth over time alongside our entrepreneurs. Combined with using our own cash flow to acquire well-managed companies that strengthen and complement our niche strategies, this means that we have generated average annual earnings growth of 20 percent since the listing.

A decisive factor behind our journey of success is Addtech's unique corporate culture, which is based on a strictly decentralised business model whereby all business decisions are made by the subsidiary companies, close to the market and the customer. This shapes a nimble organisation that responds quickly to challenges, while also capturing opportunities in all types of market situations.

Our scalable business model and strong niche positions, which are largely driven by global structural trends, generate favourable conditions for continued value creation. With a well-diversified portfolio of companies, both with regard to customer segments and geographies, as well as a well-balanced risk profile, we are resilient while also very well equipped to capture future potential."

"Our focus is, and has always been, to develop our companies and to generate stable and sustainable organic growth over time alongside the entrepreneurs"

Malin Enarson, CFO Addtech

3 Reasons to invest in Addtech

Scalable business model with broad risk spread

Shareholder value is based on our independent companies with their clear niche strategies and offerings with highly technical contents. Our scalable model allows us to continue growing efficiently in multiple markets. An increased geographical presence and greater spread among customer segments makes us less vulnerable to individual trends and declines. A broad spread builds good resilience and stable development over time.

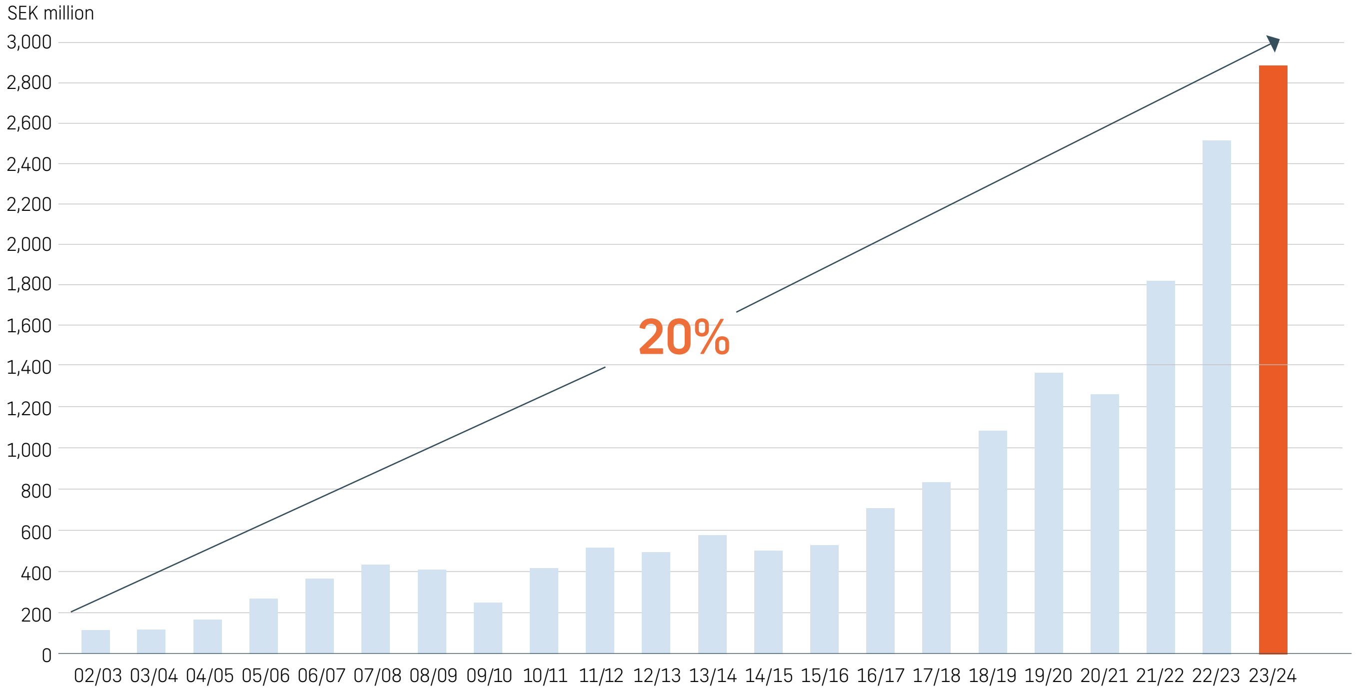
Profit doubled every five years

Addtech is an active owner who works diligently alongside its companies to increase sales and profitability. We combine the flexibility, personal touch and efficiency of small businesses with the resources, networks and long-term perspective of a large corporation. We are constantly evolving and we understand the importance of continuously adapting our operations to the prevailing business climate. By doubling our profit every five years, with a margin, we have repeatedly proven our ability to deliver sustained profitable growth.

Successful acquisition strategy

Acquisitions form an important cornerstone in our achieving long-term earnings growth. New companies bring additional sales volumes, customers and expertise, and, in particular, motivated employees and entrepreneurs. New companies also bring new opportunities for synergies and development. The strategy of acquiring on our own cash flow is successful and made possible through a strong balance sheet as well as a clear focus on cash flow throughout the organisation.

Percent average annual growth, 2002-2024



Addtech's strategy is to acquire and develop successful and market-leading niche companies with the potential to generate long-term profitable growth. Since the listing in 2001, we have continuously delivered shareholder value with average annual growth in earnings of about 20 percent.

Read more about the Addtech share on pages 52-54

Partnership throughout the value chain

Sustainability is thoroughly integrated into Addtech's operations. By focusing on partnership throughout the value chain, we generate opportunities to work together for sustainable business with considerable growth potential. With our leading technical solutions, we support our customers in issues of sustainability and assist their progress towards their targets.

"We have continued our efforts to integrate sustainability into constructive dialogues throughout our value chain"

Lena Ekbom, Head of Sustainability Addtech

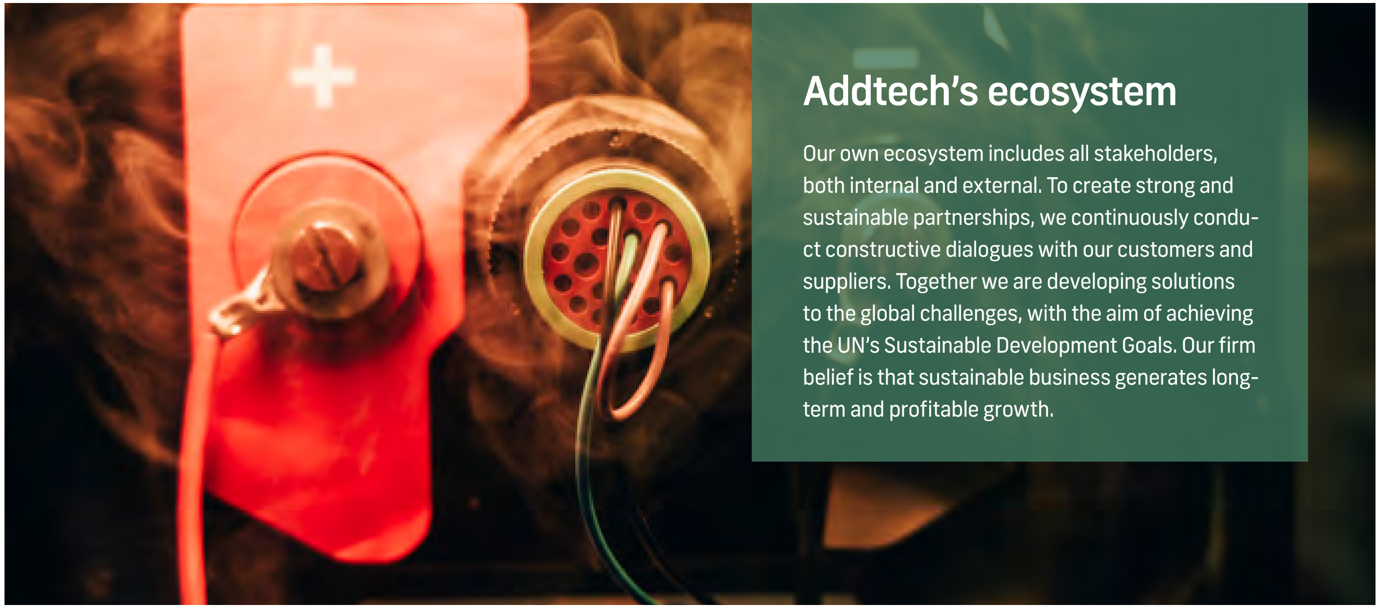
At Addtech, sustainability forms a natural part of all strategic decisions and is an important element in our annual business planning. Although our Board of Directors bears the ultimate responsibility for progress towards our sustainability targets – the contributions of all employees are significant and we bear a shared responsibility for achieving the targets. Addtech's role is to support and guide the companies in the right direction. In line with our decentralised structure, however, operational decisions are made by the companies, which are, accordingly, responsible for achieving their sustainability targets.

"Given Addtech's ambitious sustainability targets, we must work towards common goals, with both customers and suppliers playing important roles if we are to succeed. Efforts to establish partnerships in the value chain are crucial – it is through in-depth cooperation that we can support one another to generate solutions and secure long-term growth. Over the year, we have continued the work of integrating sustainability into our dialogue with both customers and suppliers. I can proudly state that the commitment from our stakeholders continues to increase regarding technical solutions leading the transition towards a more climate-smart and resource-efficient society.

During the year, our updated climate targets were approved by the Science Based Targets initiative (SBTi). The targets strengthen the efforts already initiated to reduce our own climate impact while motivating our partners to set climate targets consistent with the science. The focus is now on further raising our level of ambition and increasing our activities in the area of sustainability to achieve our targets.

Many of Addtech's stakeholders are increasingly demanding transparent reporting, hastening the transition towards more sustainable industry, which we welcome. Over the year, Addtech therefore prepared its sustainability reporting in accordance with the new Corporate Sustainability Reporting Directive (CSRD). The foundations of the new reporting structure are now in place, with a double materiality analysis and a gradual updating of data points and guidelines having been implemented.

At a later point in the annual report, you can read about our business areas and how some of their respective companies generate business opportunities based in their technical solutions. The goal is for 100 percent of Addtech's sales to contribute positively to sustainable development in 2030."



Addtech's ecosystem

Our own ecosystem includes all stakeholders, both internal and external. To create strong and sustainable partnerships, we continuously conduct constructive dialogues with our customers and suppliers. Together we are developing solutions to the global challenges, with the aim of achieving the UN's Sustainable Development Goals. Our firm belief is that sustainable business generates long-term and profitable growth.

What does sustainable business mean to Addtech?

Examples of technical solutions offered by our companies that have a positive impact on the UN's sustainable development goals:

3 GOOD HEALTH AND WELL-BEING
AUTOMATION:
Production lines in medical technology

8 DECENT WORK AND ECONOMIC GROWTH
INDUSTRIAL SOLUTIONS:
Ergonomically developed operator cabs for special vehicles

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
ELECTRIFICATION:
Customised battery systems

3 GOOD HEALTH AND WELL-BEING
PROCESS TECHNOLOGY:
Exhaust gas purification systems

7 AFFORDABLE AND CLEAN ENERGY
ENERGY:
Key components in generating renewable energy

Read more about the business areas' technical solutions on pages 24-43.

WE SUPPORT UN GLOBAL COMPACT

Since 2021, Addtech has committed itself to the UN Global Compact initiative and its principles in the areas of human rights, working conditions, the environment and anti-corruption.

SCIENCE BASED TARGETS
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

In early May 2024, our climate targets were approved in accordance with the Science Based Targets Initiative, an international initiative involving more than 8,500 companies committed to reducing their climate-related emissions. The approval means that we are continuing our journey towards 2030 with an increased focus on reducing climate impact throughout our value chain.

Our journey towards 2030

Our journey towards 2030

Sustainability activities conducted in 2023/2024	Outcome 2023/2024	Areas in focus	Sub-targets 2025	Targets for 2030
SUSTAINABLE BUSINESS				
– Dialogue on opportunities and challenges in connection with customer and supplier meetings – Enhanced acquisition strategy for growth in sustainable business	67% of sales contribute to sustainable development*	– Increased cooperation in the value chain to develop towards common targets – Growing organically and acquiring companies in segments supporting sustainable development	69% of sales contribute to sustainable development*	100% of sales shall contribute to sustainable development*
SUSTAINABLE ORGANISATION				
– Measures for further enhanced energy efficiency – Shift towards renewable energy – Upgrade to electric vehicles – Climate targets validated and approved in accordance with the Science Based Targets initiative – Skill-enhancing activities for diversified recruitment	30% reduced carbon dioxide intensity** 20% women in leading positions	– Reducing climate impact in scope 1 and 2 – Reducing climate impact in scope 3 through active influence by suppliers, customers and efficient logistics solutions – Securing a diversified skills supply and employee development	35% reduced carbon dioxide intensity** 23% women in leading positions	50% reduced carbon dioxide intensity** 40% women in leading positions
SUSTAINABLE SUPPLY CHAIN				
– Skill-enhancing activities for our supplier assessment system and increased focus on our sustainability dialogue with suppliers – Increased collaboration within and between the business areas with regard to supplier assessment	52% of the purchase volume self-assessed based on our Code of Conduct	– Securing a forward-looking and climate-efficient supply chain – Further developing long-lasting and stable supplier relationships	60% of the purchase volume self-assessed based on our Code of Conduct	80% of the purchase volume self-assessed based on our Code of Conduct

Overarching enabler

- Sustainable business development in our companies
- Clear partnerships throughout the value chain
- Acquiring companies with growth in markets driving sustainable transition
- Halving our climate impact in scopes 1 and 2
- Equal development opportunities for all employees
- Favourable conditions and terms of employment throughout our value chain
- Applying our internal network for knowledge sharing

Addtech's companies are active in many different areas of technology and enjoy considerable opportunities to drive the transition to a more sustainable society and industry. We often serve as a catalyst for our customers on matters of sustainability and our leading technical solutions help them to achieve their targets.

Sustainable technical solutions generate business opportunities

The requirements and demand for sustainable technical solutions are continously increasing. This generates business opportunities for Addtech, as well as value for our customers, suppliers and society in general. Our 150 companies hold strong positions in niche segments and, by contributing additional technical value, we help enhance the competitiveness of the customers' offering, thereby achieving their targets.

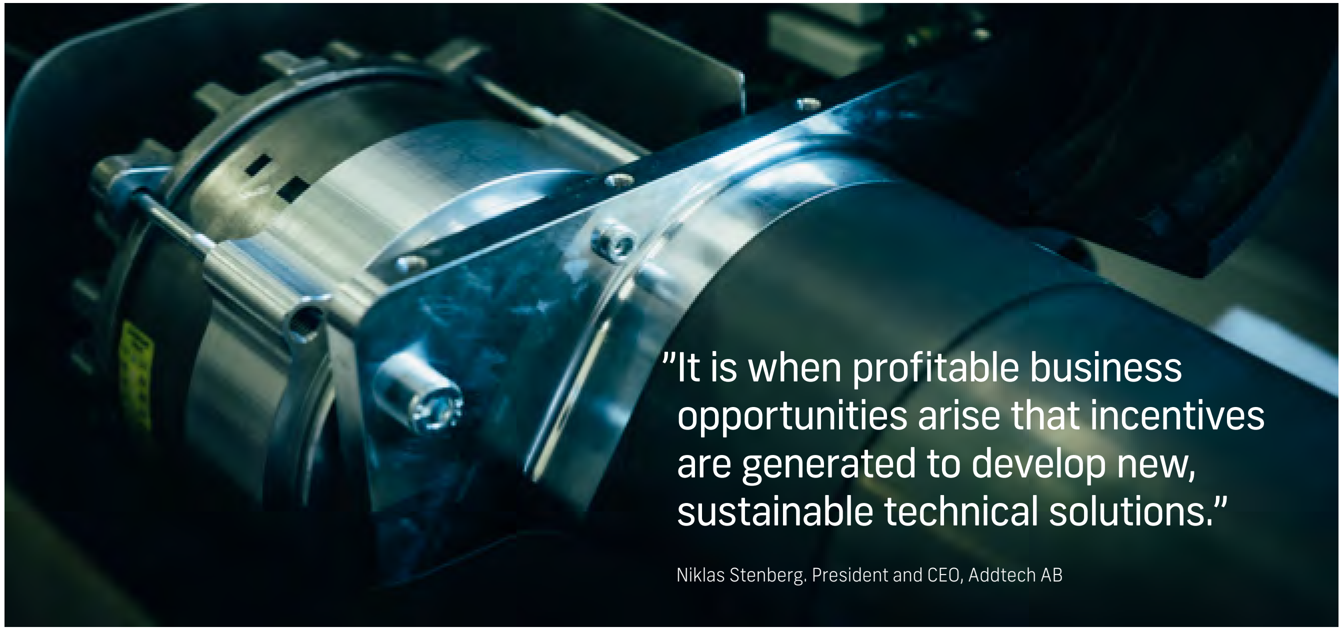
100% of sales shall contribute to sustainable development in 2030*

By offering technical solutions that contribute to our customers' transition and development, we aim to generate sustainable business.

* Proportion of sales supporting development towards the UN's Sustainable Development Goals.

Addtech's companies work continuously to help their customers, in various ways to develop optimal and sustainable technical solutions. In part, this applies to improving customers' business, but also to contributing to various societal gains – including more energy-efficient transports and processes, production of renewable energy, cleaner emissions and safer workplaces. Our companies are active in many different areas of technology worldwide and enjoy considerable opportunities to drive the transition to a more sustainable society and industry. This includes, for example, technical solutions for electrification, automation, Industry 4.0, emissions reduction, build-out of national grids, medical technology, as well as waste and recycling systems.

"We continuously analyse risks and opportunities to support our companies in sustainability and business development," says Lena Ekbom, Head of Sustainability at Addtech. In this way, they can contribute actively and long-term to customers' transition with their technical solutions. We are working towards the goal of 100 percent of our sales contributing to sustainable development by 2030, both through internal co-creation and partnerships in the value chain.



"It is when profitable business opportunities arise that incentives are generated to develop new, sustainable technical solutions."

Niklas Stenberg. President and CEO, Addtech AB

Percentage of sales contributing to the UN's sustainable development goals

Each year, Addtech calculates the overall percentage of existing operations currently contributing towards the UN's sustainable development goals. For 2023/2024, this accounted for 67 percent of total sales, which is an increase of 2 percent points on the preceding year. More information about this calculation can be found the sustainability facts on pages 136-155.

Distribution by sustainable development goal, %

- SDG 3: Good health and well-being (12%)
- SDG 7: Affordable and clean energy (27%)
- SDG 8: Decent work and economic growth (7%)
- SDG 9: Sustainable industry, innovation and infrastructure (27%)
- SDG 11: Sustainable cities and communities (11%)
- SDG 12: Responsible consumption and production (6%)
- SDG 14: Life below water (4%)
- SDG: Other (6%)

Addtech's economic societal value in 2023/2024, SEK million

Financial value generated	20,019
Financial value distributed	19,079
Whereof, manufacturing costs	14,161
Whereof, salaries and remunerations (salaries, pensions, payroll taxes, social security contributions)	3,432
Whereof, disbursements to creditors	290
Whereof, disbursements to shareholders (pertains to dividends)	674
Whereof, disbursements to governments (tax)	522
Remaining in the company	940

Business areas

Addtech's five business areas pursue clear niche strategies and maintain strong networks. The business areas comprise several business units corresponding to different market segments. It is within the business units that the work is conducted to identify, develop and capture new business opportunities.

ADDTECH

- **AUTOMATION**
  - Motion & Drives
  - Industrial IT & Sensors
- **ELECTRIFICATION**
  - Battery Systems
  - Connectivity Solutions
  - Power & Mobility
- **ENERGY**
  - Energy Products
  - Energy Supply
- **INDUSTRIAL SOLUTIONS**
  - Material Processing
  - Vehicle Solutions
- **PROCESS TECHNOLOGY**
  - Process Systems
  - Emission Control
  - Process Control

> "The year was characterised by a continuing high level of customer activity and increased profitability in all business areas"
>
> Niklas Stenberg, President and CEO Addtech

AUTOMATION

Smart technical solutions for future-proof industry

AUTOMATION

- Motion & Drives
- Industrial IT & Sensors

Automation's customers are both OEM manufacturers and end-users in, above all, medical technology, industrial automation and the defence and process industries. Our companies sell solutions, subsystems and components, often tailored to the customers' needs.

The Industrial IT & Sensors business unit specialises in solutions within industrial communications, built-in computer and control systems, sensors, radar and vision products, as well as cyber security. Motion & Drives provides cutting-edge expertise in mechanical and electromechanical solutions, as well as in systems integration for applications in medical technology and industrial automation. In addition, both business units offer different solutions for digitalisation and data management, both with their own products, as well as strong relationships with leading international suppliers.

We act as a catalyst, whereby current technical development is increasingly progressing towards digital solutions. The strategy is to capture the potential of the strong driving forces of Industrial IoT, smart production processes and Industry 4.0. Our companies maintain close relationships with customers and strong business positions in the northern European market. The products and solutions that we sell include considerable technical contents, requiring our companies to maintain superior skills to be able to add value between the customer and supplier.

2023/2024 in brief

Automation's net sales for the financial year increased by 5 percent to SEK 3,584 million (3,410), while EBITA increased by 8 percent to SEK 459 million (427). The market situation varied between the different market segments, being favourable for the companies operating within the process and defence industries, while it was, on the whole, stable for those in the engineering sector and medical technology.

Future focus

Automation will continue to track its customers, developing added value by contributing excellence with a clear sustainability profile. We perceive substantial future potential, particularly in digitalised solutions and AI, as well as in the defence and process industry segments. Acquisitions represent a priority area, in which we seek out niched market-leading European technology companies to generate new business opportunities.

> "We contribute with smart products and production processes for a sustainable tomorrow"
>
> Michael Ullskog, Business Area Manager Automation

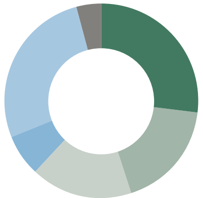
Key indicators	2023/2024	2022/2023
Net sales, SEK million	3,584	3,410
EBITA, SEK million	459	427
EBITA margin, %	12.8	12.5
Return on working capital, %	57	58
Average number of employees	660	646
Acquired annual sales*, SEK million	85	75
Proportion sustainable business**, %	54	48

*On a full-year basis at the time of acquisition.
** Proportion of the business area's sales supporting development towards the UN's sustainable development goals.

AUTOMATION ACQUIRED DURING THE YEAR

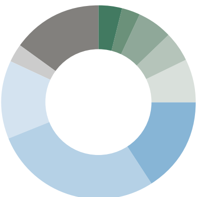
BV Teknik A/S designs and builds customised production solutions and high-tech equipment for the automation industry, focusing primarily on medical technology. The company has extensive experience and broad expertise in smart production.

Sales by geographic market



- Sweden (27%)
- Denmark (18%)
- Finland (17%)
- Norway (7%)
- Rest of Europe (27%)
- Other countries (4%)

Sales by customer segment



- Building and installation (4%)
- Data and telecommunications (3%)
- Electronics (6%)
- Energy (5%)
- Vehicles (7%)
- Medical technology (16%)
- Mechanical industry (28%)
- Forestry and process (13%)
- Transport (3%)
- Other (15%)

SDGs corresponding to largest proportion of sales

Meet **Rollco** – one of Automation's successful companies

AUTOMATION

Energy-efficient solutions for automated processes

Rollco is part of the Automation Business Area and specialises in linear motion products and automation solutions. Managing Director, Johan Brinck, tells us about the company's technical solutions and its focus on streamlining both customers' processes and Rollco's own production methods.

What does sustainable business mean to Rollco?

"For me, it is a matter of our being a sustainable company in all aspects of the operations. We aim to do things as correctly and sustainably as possible. It is partly about meeting and exceeding the customer's quality and environmental requirements, partly about maintaining a consistent approach to sustainability, even with regard to working conditions, diversity and ethics, for example."

What does your company offer?

"We mainly develop and construct efficient customised linear motion solutions. We always start with the customer's needs and then adapt products and solutions accordingly. Today, we purchase a large share of the products from suppliers, although we are continuously moving towards products manufactured in-house while also continuing to develop specific customised solutions. Ultimately it is a matter of helping our customers create sustainable and energy-efficient technical solutions."

Can you mention some examples of energy-efficient customer solutions?

"Instead of energy-consuming pneumatic components, we offer electrical solutions. From both an economic and energy saving perspective, it is significantly more efficient to use electric actuators offering 80 percent efficiency, compared with pneumatic cylinders at 10 percent. Our rails are another example and have a very low rolling resistance. This makes it very easy to move things back and forth on the rails, meaning that less power is needed to drive the rails. In other words – less energy is expended and the customer can reduce its costs."

Rollco in brief

- Specialists in linear motion components and automation solutions for industry
- Focus on energy-efficient electrical solutions
- Examples of products: linear motion controls, ball bushings and shafts, ball screws, belt and screw assemblies, pull-out rails and various accessories
- Operations in Sweden, Denmark, Norway, Finland and Taiwan

AUTOMATION

> "Rollco is definitely part of the automation wave sweeping the world"
>
> Johan Brinck, Managing Director, Rollco

What are the most common demands from customers today?

"Our principal customers are mechanical engineers in the Nordic region designing various types of special machines for production lines. Many of them demand smart solutions reducing their carbon intensity. Naturally, the customer-specific technical solution and price are key parameters, although the aspect of sustainability is gaining ever-increasing importance. In addition to energy efficiency, it is a matter of meeting the customer's Code of Conduct, for example."

Which predominant megatrend impacts Rollco's business?

"Although many people are talking about Industry 4.0, I prefer to call it the automation of production flows. This is by far the greatest driving force in our niche and Rollco is definitely part of the automation wave sweeping the world."

What is your foremost climate impact and how are you working with that?

"We are continuously improving and streamlining our own production methods as well as other day-to-day activities. Emissions from our transports are one of the areas in which we have the greatest climate impact. Accordingly, we are focusing, alongside both customers and suppliers, on streamlining goods transports and identifying additional low-carbon alternatives. Air freight is replaced by maritime transport and we are gradually reducing the number of truck transports in Europe. We have also implemented major changes to optimise our inventory and logistics flow. We are definitely well on our way to achieving Addtech's target of reducing our carbon intensity by 50 percent with 2019/2020 as the base year."

What is the next step for Rollco?

"We will continue to develop and deliver energy-efficient technical solutions contributing to our customers' transition and development. According to our internal framework, about 80 percent of our business contribute to sustainable development and I am confident that we will achieve the goal of 100 percent within the next few years."

Tomorrow's technical solutions for electrification

ELECTRIFICATION

- Battery Systems
- Connectivity Solutions
- Power & Mobility

Electrification's customers are mainly developing and manufacturing companies, often with a global presence. Customers are active in areas including special vehicles, electronics, the defence industry and medical technology, as well as renewable energy production. Our companies are adept at generating business opportunities from the prevailing mega-trends, particularly with regard to electrification, which makes it easier to add more functions to an application. This also enables a healthier work environment, while enabling equipment to be connected, as well as being more productive and more powerful.

We deliver products and subsystems that serve as key building blocks in customers' offerings. Electrification's business units Battery Systems, Connectivity Solutions and Power & Mobility offer a wide range of technical solutions. From a functional perspective, we are involved in, for example, electrical and signal transmission, batteries, motor and power supply applications, as well as remotely controlled vehicles. In particular, the electrification of special vehicles is a key segment. We also offer equipment and consumables used in electronics production. As the market leader in selected niches, our companies are instrumental in driving technical development towards a fossil-free society by providing different electrification solutions.

2023/2024 in brief

Over the financial year, Electrification's net sales rose by 2 percent to SEK 4,100 million (4,037) and EBITA increased by 2 percent to SEK 514 million (501). On the whole, the market situation was stable albeit with variations between market segments. Demand was stable in energy, special vehicles, engineering industry and medical technology. Demand was strongest in the defence industry.

Future focus

Electrification's companies have the innovative capacity and strategy to respond to the strong driving forces of electrification and carbon dioxide-reduction. The focus is on strengthening our digital offering, meeting customers' increased demands for sustainable technical solutions and continuing to pursue the international agenda. This includes acquisitions in niches with future potential, associated with electrification and the technical areas in which we operate.

"Our companies are a catalyst for a fossil-free society"

Per Lundblad, Business Area Manager, Electrification

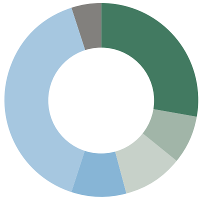
Key indicators	2023/2024	2022/2023
Net sales, SEK million	4,100	4,037
EBITA, SEK million	514	501
EBITA margin, %	12.5	12.4
Return on working capital, %	51	51
Average number of employees	812	715
Acquired annual sales*, SEK million	80	-
Proportion sustainable business**, %	68	62

*On a full-year basis at the time of acquisition.
** Proportion of the business area's sales supporting development towards the UN's sustainable development goals.

ELECTRIFICATION ACQUIRED DURING THE YEAR

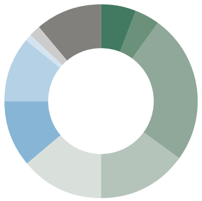
Electrum Automation AB develops, produces and sells mobile electronics and comprehensive solutions for leading machinery and automotive manufacturers. The company has extensive experience in electronics and software design, as well as broad expertise in systems integration.

Sales by geographic market



- Sweden (28%)
- Denmark (8%)
- Finland (10%)
- Norway (9%)
- Rest of Europe (40%)
- Other countries (5%)

Sales by customer segment



- Building and installation (6%)
- Data and telecommunications (4%)
- Electronics (25%)
- Energy (15%)
- Vehicles (14%)
- Medical technology (11%)
- Mechanical industry (11%)
- Forestry and process (1%)
- Transport (2%)
- Other (11%)

SDGs corresponding to largest proportion of sales

Meet **Adigo Drives** – one of Electrification's successful companies

ELECTRIFICATION

Electrical solutions replacing fossil fuels

Adigo Drives is part of the Electrification Business Area and offers customised electric motor solutions and electric motor propulsion systems, including HMI products. Managing Director, Peter Mayer, perceives great business opportunities in petrol and diesel engines gradually being replaced by electric solutions.

What does sustainable business mean to Adigo Drives?

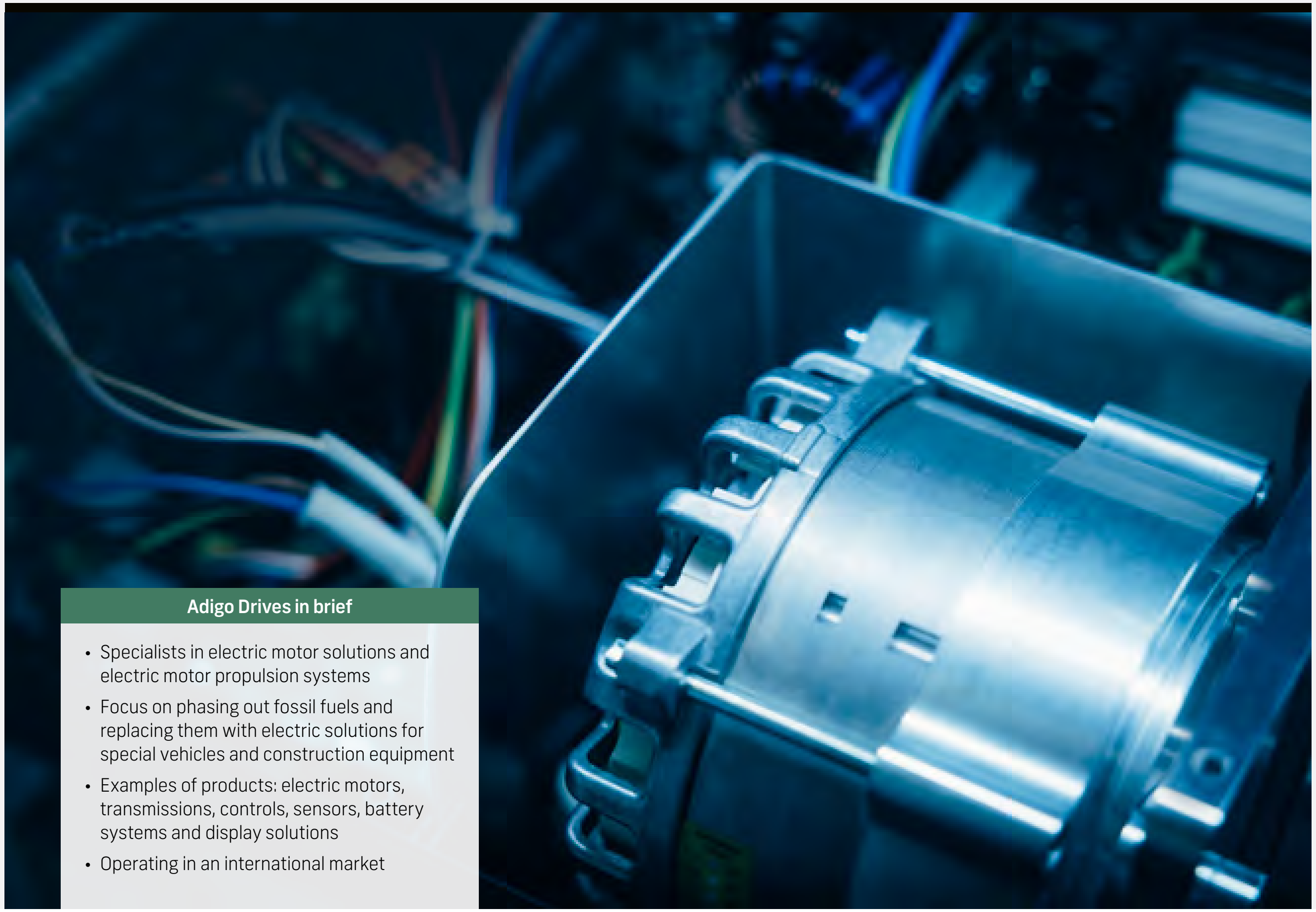
"It is mainly about designing technical solutions to reduce the carbon impact of special vehicles and construction equipment. At the same time, we are improving functionality and ergonomics for the user. Our products and solutions must always be energy-efficient, offering customers long-term competitiveness. It is important that we understand the customer's business concept and product life cycle, where they are going and their sustainability goals, so that we can support them in achieving their targets."

Tell us a little bit about your operations

"Adigo's offering can be summed up with the term systems integration. We help our customers through the electrification process for various special vehicles and construction equipment. Customers seek to remove exhaust gases and internal combustion engines from their products. In such cases, we offer the same functionality – but with electricity. These are concrete things on which we are working on – replacing fossil fuels with electric propulsion. About 80 percent comprises customised products and technical solutions developed in-house."

What is the primary driving force in your segment?

"The megatrend is definitely carbon dioxide reduction. Fossil fuels are gradually being replaced by electric motors in special vehicles and construction equipment. This evident shift is being driven by many of the major, international companies in the segment. In this global wave of electrification, Adigo is contributing specialist expertise and serves as an active sounding board for customers' transition towards a fossil-free society."



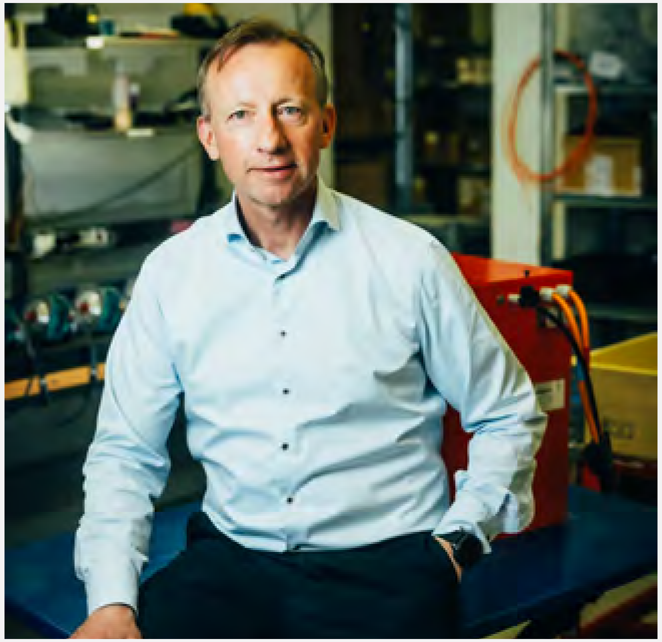
Adigo Drives in brief

- Specialists in electric motor solutions and electric motor propulsion systems
- Focus on phasing out fossil fuels and replacing them with electric solutions for special vehicles and construction equipment
- Examples of products: electric motors, transmissions, controls, sensors, battery systems and display solutions
- Operating in an international market

ELECTRIFICATION

What are the most common customer requirements?

"With regard to the technical solutions themselves, it is very much a matter of efficiency, volume and weight to reduce energy consumption. Our major customers also often demand sustainability policies, traceability of materials and databases for constituent materials, for example. Smaller customers are primarily interested in obtaining a highly favourable technical and commercial solution. However, the common denominator is the demand for high-quality electrical solutions to replace older technologies."



"There will be a rapid and revolutionary trend in the electrification of special vehicles and construction equipment"

Peter Mayer, Managing Director, Adigo Drives

Who are your customers primarily?

"Adigo's customers are primarily OEM manufacturers of various types of mobile special vehicles and construction equipment. These can include forestry, road construction, building construction and agricultural equipment, trucks or buses. Different types of lifting equipment are also produced, as well as driverless carriages, trucks and medical technology machinery, such as x-ray systems where our solutions move patients and cameras. Our principal markets are the Nordic region and Germany, although we also accompany our customers further afield. So today I dare say we deliver technical solutions to just about the entire western world."

How does legislation impact demand for your technical solutions?

"In the EU, legislation is contributing to and accelerating development towards a fossil-free society. Central and local government procurements include demands for fossil-free vehicles and machinery, for example, to reduce carbon dioxide emissions. So legislation favours technical companies continuously striving to create sustainable technical solutions. Accordingly, players like Adigo clearly benefit thanks to the emerging regulatory framework for sustainable solutions."

What is your vision for the future?

"There will be a rapid and revolutionary trend in the electrification of special vehicles and construction equipment. Today, about 20 percent of Adigo's volumes for some customers is electric. In just a few years, however, many of them believe that about 50 percent – and maybe as much as 70 percent – of their volumes will be electric. In this regard, Adigo has many in-house products and technical solutions that I believe will be well-suited to aiding our customers' transition."

ENERGY

Business focus on society’s transition to electricity

ENERGY

- Energy Products
- Energy Supply

Energy’s customers are mainly contractors and grid owners in energy transmission, electrical wholesalers, electrical installers, hospitals and installers of fibre-optic networks. We are a long-term partner contributing technical solutions that add value. One reason for the business area’s success is its in-depth technological expertise, while also maintaining close relationships with our customers and suppliers.

Our companies produce and sell products for electrical transmission, electrical installation, energy efficiency and safety products for transport and the home environment. The Energy Supply and Energy Products business units offer experience and cutting-edge technical expertise to enable the ongoing electrification of society. Our offering includes power line products and substation equipment for electrical grid construction, as well as installation materials and communication networks. While certain other parts of the offering build on collaborations with strong trademarks from leading suppliers in Europe, we mainly maintain in-house production.

Through our well-positioned companies in electrical transmission, wind power and distribution networks, the strategy is to generate profitable growth from society’s ongoing transition towards reduced climate impact. Thanks to a strong product range with a sustainability profile, Energy is an important player in the electrification of society in an international market. Also within energy-efficient solutions, smart homes and public safety, we are witnessing continuously increasing demand that benefits our business.

2023/2024 in brief

Energy’s net sales rose by 3 percent over the financial year to SEK 5,307 million (5,129) and EBITA increased by 4 percent to SEK 683 million (660). Demand was favourable for infrastructure products for the conversion and extension of national and regional grids, as well as for niche products for electrical transmission. On the whole, demand was stable in the engineering industry and increasing somewhat in wind power, while it was weak in the build-out of fibre-optic networks, construction and installation.

Future focus

Energy is active in several market segments consistently considered to have a positive future thanks to society’s transition to electricity as its principal energy source. The driving forces towards a more energy-efficient, sustainable and secure society will increase the demand for our companies’ technical solutions. We are also witnessing a positive trend in the smart home and public safety niches where we offer products at the absolute leading edge. We also perceive good opportunities for acquisitions and continued international expansion.

> ”We are driving society’s transition towards renewable energy solutions”
>
> Hans Andersén, Business Area Manager, Energy

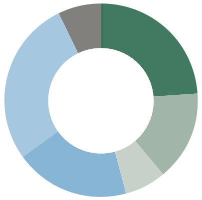
Key indicators	2023/2024	2022/2023
Net sales, SEK million	5,307	5,129
EBITA, SEK million	683	660
EBITA margin, %	12.9	12.9
Return on working capital, %	55	58
Average number of employees	1,084	1,032
Acquired annual sales*, SEK million	75	385
Proportion sustainable business**, %	70	72

*On a full-year basis at the time of acquisition.
** Proportion of the business area’s sales supporting development towards the UN’s sustainable development goals.

ENERGY ACQUIRED DURING THE YEAR

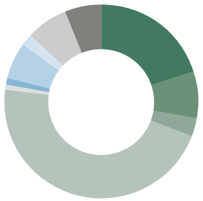
S. Tygesen Energy A/S sells equipment and electrical transmission materials for electrical transmission networks, power grids, railways and stations in Denmark, Greenland, Iceland and the Faroe Islands.

Sales by geographic market



- Sweden (24%)
- Denmark (15%)
- Finland (7%)
- Norway (19%)
- Rest of Europe (28%)
- Other countries (7%)

Sales by customer segment



- Building and installation (20%)
- Data and telecommunications (8%)
- Electronics (3%)
- Energy (46%)
- Vehicles (1%)
- Medical technology (1%)
- Mechanical industry (6%)
- Forestry and process (2%)
- Transport (7%)
- Other (6%)

SDGs corresponding to largest proportion of sales

Meet **Rutab** – one of Energy's successful companies

ENERGY

Technical solutions for sustainable electrical transmission in buildings

Rutab is part of the Energy Business Area and is Sweden's leading supplier of cable glands, grommets and protective hoses. Managing Director, Frank Robertsson, takes a positive view of the company's future opportunities to upgrade customers' premises with technical solutions for electrification and saving energy.

What does sustainable business mean to Rutab?

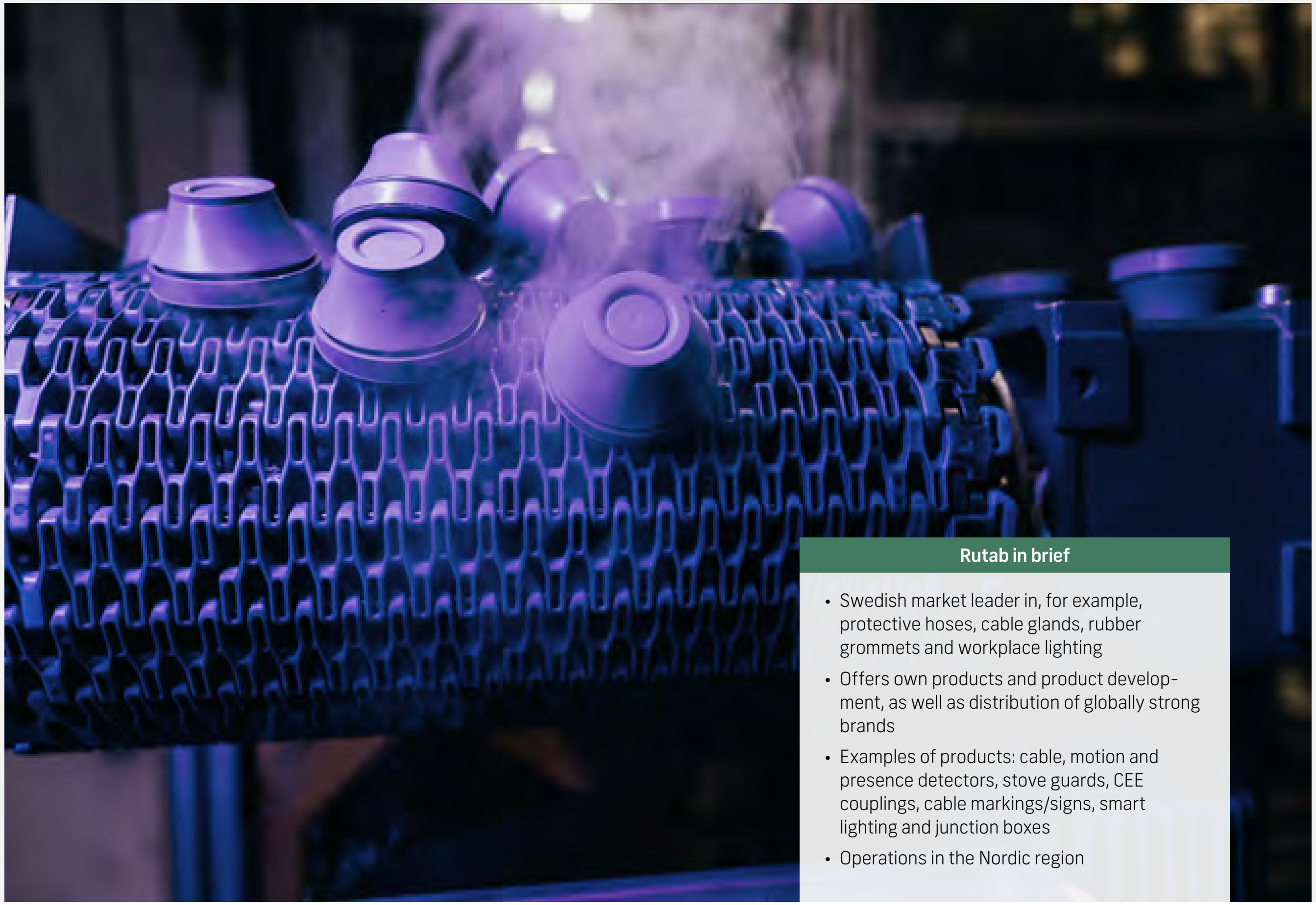
"We offer products and technical solutions that directly or indirectly contribute to the sustainable development goals. This includes various energy saving and renewable energy solutions. And for me, sustainable business is long-term business. And by that I don't just mean the lifespan of the product, but also that the business relationship with the customer endures over time. Today we have many recurring customers who buy our products continuously."

How would you describe your operations?

"We are involved in three areas of business: installation, industry and workplace lighting. Our business model primarily funnels sales through electrical wholesalers. Cable glands and protective hoses are what most people associate with Rutab, and this is where we have been the market leader in Sweden for many years. Historically, we have progressed from being a small agency to now being a solutions-oriented partner with a broad product portfolio."

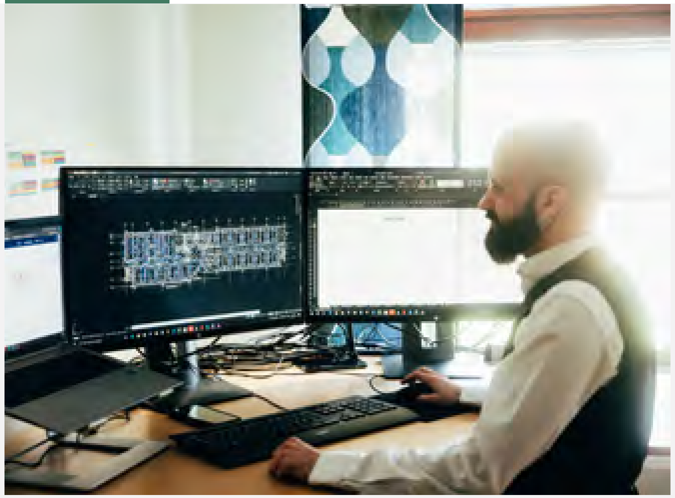
How are Rutab's products faring in terms of the green shift?

"They are at the absolute forefront, I would say. We have been good at adding and developing products to respond to the targets in Agenda 2030. By combining different product areas, we have the capacity to continuously generate value and optimized technical solutions for customers. For example, we offer numerous products needed when installing solar panels."



Rutab in brief

- Swedish market leader in, for example, protective hoses, cable glands, rubber grommets and workplace lighting
- Offers own products and product development, as well as distribution of globally strong brands
- Examples of products: cable, motion and presence detectors, stove guards, CEE couplings, cable markings/signs, smart lighting and junction boxes
- Operations in the Nordic region



"We offer products and technical solutions that directly or indirectly contribute to the sustainable development goals"

Frank Robertsson, Managing Director, Rutab

What are the most common sustainability demands from customers today?

"Our customers are primarily electrical installers, OEMs, industrial companies and craftsmen. Although requirements vary, it is often a matter of construction product assessment, sustainable material choices, environmental labelling and product declarations, environmental certification and meeting the customer's Code of Conduct. We are also conducting several projects together with our closest customers regarding recycling of packaging and reducing transport to mitigate climate impacts."

Which megatrend are you currently riding?

"The strongest driving force is definitely climate change and, with that, the need for technical energy saving and electrification solutions. For Rutab, this involves delivering various solutions for upgrading industrial premises in particular, adapting them to renewable energy sources, such as solar panels. Another area progressing towards a sustainable transition and where Rutab is truly at the forefront today, is the field of energy-saving lighting controls for various types of commercial premises."

What happens next?

"Given our close relationships with wholesalers and customers alike, new business opportunities are continuously opening up for us. Today, we are also closer to our end-customers than we have ever been. So I take a highly positive view of Rutab's future development. Our strategy for the future builds on expanding the number of new products, partly to build reliability of delivery, partly to facilitate international expansion. Accordingly, our pipeline includes acquiring manufacturers in our segment outside Sweden.

INDUSTRIAL SOLUTIONS

Technical solutions for improved re-source efficiency within industry

INDUSTRIAL SOLUTIONS

- Material Processing
- Vehicle Solutions

Industrial Solutions' customers are primarily found in the special vehicle segment, forestry and sawmills, manufacturing industry and waste and recycling. Our companies in the Material Processing and Vehicle Solutions business units produce and sell technical solutions and systems in a global market. The companies offer superior technical skills and often hold market-leading positions in their niches, with a large proportion of their own products and solutions.

Within the wood processing product area, we offer wood dryers and timber sorting for increased efficiency in sawmill production processes. Alongside our customers' design departments, our offering for special vehicles includes developing customised solutions in ergonomics, automation and propulsion to simplify operators' daily tasks. Our system solutions for waste management and recycling predominantly target recycling facilities and industry with the purpose of strengthening the circular economy.

Industrial Solutions holds strong positions in their market niches, with considerable opportunities for long-term growth. We apply our superior technical skill and focus on sustainability to add value for customers by strengthening their processes and end products.

2023/2024 in brief

Over the financial year, Industrial Solutions net sales increased by 11 percent to SEK 3,594 million (3,236) and EBITA increased by 29 percent to SEK 754 (585). For the companies exposed to special vehicles and the forestry and sawmill industry, demand was lower than in the preceding year. The market situation in the engineering industry was weak, while it was favourable in waste and recycling. Profit and operating margin increased strongly thanks to several projects having been concluded, as well as to contributions from acquisitions.

Future focus

Industrial Solutions' strategy is to capture the potential of sustainable technical solutions that mitigate society's environmental impact and enable infrastructure investments. Future growth areas are, above all, waste and recycling systems, ergonomic products and solutions associated with the increased use of wood. In addition, we perceive new business opportunities associated with the defence industry, as well as great potential in underwater technology out at sea. As always, acquisitions are an area of focus, with the ambition of identifying companies within our selected segments, as well as entering new international markets in which we can expand.

> "Technical solutions generating added value for the customer – with a focus on the green transition"
>
> Daniel Prelevic, Business Area Manager, Industrial Solutions

Key indicators	2023/2024	2022/2023
Net sales, SEK million	3,594	3,236
EBITA, SEK million	754	585
EBITA margin, %	21.0	18.1
Return on working capital, %	185	186
Average number of employees	641	589
Acquired annual sales*, SEK million	325	115
Proportion sustainable business**, %	83	81

*On a full-year basis at the time of acquisition.
** Proportion of the business area's sales supporting development towards the UN's sustainable development goals.

INDUSTRIAL SOLUTIONS

ACQUIRED DURING THE YEAR

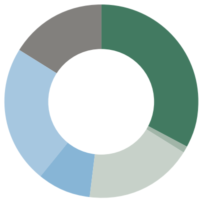
Control Cutter AS offers leading technical solutions to the global market for the decommissioning of offshore oil and gas wells. The company's patented solutions contribute to efficient and safe recycling of oil pipelines, as well as underwater cutting and welding.

Crescocito AB develops and manufactures components and complete turnkey facilities in industrial painting technology. The company complements and strengthens Addtech's existing operations in the surface treatment area.

Darby Manufacturing Ltd is a leading supplier of driver's seats for special vehicles in the North American market. The company offers both standard and specially modified driver's seats from leading manufacturers in Europe and the US.

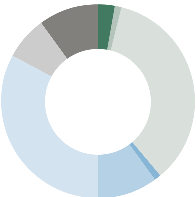
Feritech Global Ltd is a leader in the design and manufacture of tailored technical solutions for the geotechnical submarine sector. The company has a broad offering and operates globally, mainly addressing the expansion of offshore wind power.

Sales by geographic market



- Sweden (33%)
- Denmark (1%)
- Finland (18%)
- Norway (9%)
- Rest of Europe (23%)
- Other countries (16%)

Sales by customer segment



- Building and installation (3%)
- Data and telecommunications (0%)
- Electronics (0%)
- Energy (1%)
- Vehicles (35%)
- Medical technology (1%)
- Mechanical industry (10%)
- Forestry and process (33%)
- Transport (7%)
- Other (10%)

SDGs corresponding to largest proportion of sales

Meet **Impact Air** – one of Industrial Solutions' successful companies

INDUSTRIAL SOLUTIONS

Solutions and systems for efficient waste management

Impact Air Systems Ltd is part of the Industrial Solutions Business Area and offers waste management systems for recycling facilities and industry. Managing Director, Nick Ball, perceives great opportunities for the company's resource-efficient solutions that contribute to more sustainable waste management and a circular economy.

What does sustainable business mean to Impact Air?

"In my opinion, it involves methods and technical solutions prioritising environmental, social and financial well-being in the long term. We must therefore identify solutions that mitigate environmental impacts and safeguard financial viability. International targets have been adopted for curbing global warming, in which increased resource efficiency plays a major role. Impact Airs technical solutions for waste management and recycling systems form an important piece of the puzzle in achieving these targets, generating sustainable business for us."

How would you describe your operations?

"Among other things, we offer a pneumatic, i.e. air-based, separation solution for dry waste and waste sorting in the recycling industry. By using air-based technologies, material can be transported from its source, through channels, to an end station. In this way, light materials can be separated from heavier ones. The advantages of this are, above all, increased efficiency and decreased expenditure for personnel and premises. We currently have customers worldwide, from manufacturing industries, packaging and food to major global players in recycling and waste management."

Where are your customers today?

"Pretty much all over the world. Many of our customers are international groups at the forefront of their industries and with high demands on technical solutions resulting in sustainable development. Accordingly, our air-based technology has the potential to realise the customer's strategies and achieve the targets set for efficient waste

Impact Air Systems Ltd in brief

- Specialists in technical solutions for waste management systems and recycling facilities
- Focus on efficient waste sorting and increased resource efficiency
- Examples of technical solutions: recycling, waste management and pneumatic (air-based) separation solutions for dry waste
- Operating in an international market

INDUSTRIAL SOLUTIONS

> ”Ours technical solutions contribute to sustainable waste management in a global market”
>
> Nick Ball, Managing Director, Impact Air Systems Ltd

management. As soon as a customer has our system installed and sees the benefits, they often choose to install the same system in another location where they have operations.”

What are the primary driving forces?

“Increasing legislative demands for efficient recycling and recoverable material also entail continuously increasing demand for our resource-efficient systems. Our strategy is to capture the business potential in sustainable technical solutions mitigating society’s environmental impact and leading towards increased resource efficiency. The hot topic today otherwise discussed extensively in material recycling, is the use of robots to help sort the waste.”

What is important for the customer?

“In addition to resource efficiency, operational reliability is always an important issue in our discussions with the customers. Here, our systems meet strict reliability demands 24 hours a day.”

What is the next step for Impact Air?

“I perceive tremendous business potential in the US for our waste management systems over the next few years. We have received a very good response from the largest waste management companies there, and I am convinced this will lead to new business. We will also continue developing our existing systems to respond to customers’ increasing demands for efficient recycling and waste management.”

PROCESS TECHNOLOGY

More efficient process flows for reduced environ-mental impact

PROCESS TECHNOLOGY

- Process Systems
- Emission Control
- Process Control

Process Technology's customers are primarily Nordic companies in the process and mechanical industries, as well as international companies in the marine sector. We are also well positioned within the growth segments of energy, water and wastewater, as well as food and pharmaceuticals.

Our companies produce and sell solutions for measuring, controlling and streamlining industrial flows. The business units Process Systems, Emission Control and Process Control hold strong positions in their respective market niches.

An increased focus on energy efficiency and optimal use of resources increases the need to control and optimise various processes in the marine and industrial sectors in particular. For example, we supply complete systems and instruments for air and water purification, monitoring of pressure, levels, flows and energy, as well as for analyses of liquids and gases.

The strategy is to capture the potential from increased demands for a sustainable transition in industry, not only in terms of emissions to water and air but also for the green transformation of the energy sector where we are well positioned in PtX and Carbon Capture. In close collaboration with our customers, we streamline their process flows to aid the green energy realignment by reducing the environmental impact of industry and its consumption of resources.

2023/2024 in brief

Over the financial year, Process Technology's net sales rose by 18 percent to SEK 3,464 million (2,932) and EBITA increased by 25 percent to SEK 498 million (397). Demand was favourable in the energy segment and the process industry, particularly in oil and gas. The market situation was stable for the companies in medical technology and the marine segment, while it was weak in the forest and engineering industries, as well as in special vehicles.

Future focus

There is increasing demand for technical solutions that monitor, regulate, optimise and safeguard process flows. Accordingly, Process Technology perceives favourable growth opportunities, not only because of tougher emissions requirements but also the energy sector's green transition. Here, our companies stay at the forefront of technical development to be able to respond to customers' needs. The focus is to grow both organically and through acquisitions within selected segments in Europe.

"We are contributing actively to the green energy transition in industry"

Claus Nielsen, Business Area Manager Process Technology

Key indicators	2023/2024	2022/2023
Net sales, SEK million	3,464	2,932
EBITA, SEK million	498	397
EBITA margin, %	14.4	13.5
Return on working capital, %	66	59
Average number of employees	840	731
Acquired annual sales*, SEK million	300	280
Proportion sustainable business**, %	61	57

*On a full-year basis at the time of acquisition.
** Proportion of the business area's sales supporting development towards the UN's sustainable development goals.

PROCESS TECHNOLOGY

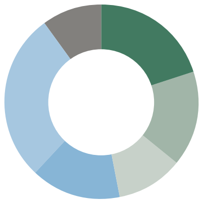
ACQUIRED DURING THE YEAR

Clyde Holding Ltd is a leading supplier of products and systems for pneumatic transports, primarily to the process and energy industry. The company operates globally and has extensive experience of complex projects, for which it also offers aftermarket services.

INDAG Maschinenbau GmbH produces and sells dynamic in-line mixers for the process industry, focusing primarily on the food and chemicals segments. The Company has a strong niche position in an internationally expanding market.

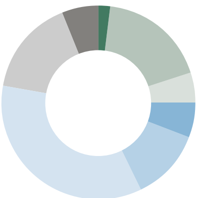
Kemic Vandrens A/S is a leading supplier of facilities and solutions for water treatment. The Company offers design and installation in connection with new construction, mobile water purification, as well as renovation and service agreements, primarily for Danish industrial customers and water treatment plants.

Sales by geographic market



- Sweden (20%)
- Denmark (16%)
- Finland (11%)
- Norway (15%)
- Rest of Europe (28%)
- Other countries (10%)

Sales by customer segment



- Building and installation (2%)
- Data and telecommunications (0%)
- Electronics (0%)
- Energy (18%)
- Vehicles (5%)
- Medical technology (6%)
- Mechanical industry (12%)
- Forestry and process (35%)
- Transport (16%)
- Other (6%)

SDGs corresponding to largest proportion of sales

Meet **Finnchain** – one of Process Technology's successful companies

PROCESS TECHNOLOGY

Specialist environmental technical skills and water treatment solutions

Finnchain Oy is part of the Process Technology Business Area and offers solutions for efficient water purification with environmental engineering applications as its speciality. Managing Director, Leena Tuomikoski, focuses on the company's development of energy-efficient technical solutions that mitigate the customers' environmental impact.

What does sustainable business mean to Finnchain?

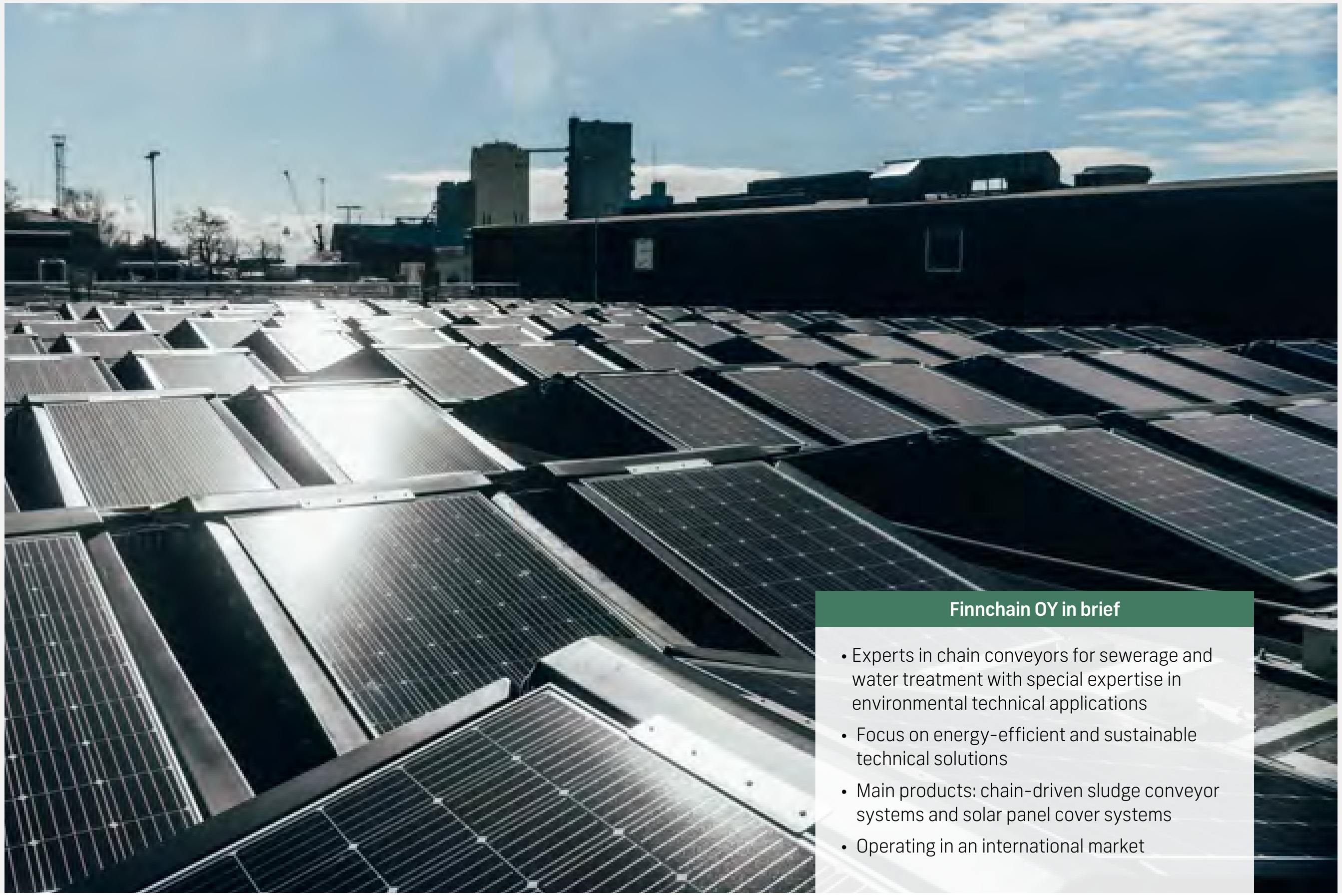
"Finnchain primarily offers different solutions for water purification and it is therefore natural that environmental thinking and sustainable business have been our core values from the very beginning in 1984. With our own innovations, we have built a product portfolio that guarantees a long life cycle with technology facilitating a sustainable and cost-effective treatment process. I am pleased to say that our customers increasingly prioritise environmental aspects with the purpose of contributing to society's sustainable transition."

Tell us about the operations

"Today, Finnchain is the technological leader in chain scraper systems for efficient waste water treatment. Our products have a long service life, low energy consumption and recoverable components. We also offer solar cover systems that produce renewable energy and significantly reduce the carbon impact of the customer's operations. Today, our products and solutions are found in more than 60 countries around the world."

What is the primary driving force in your segment?

"In general, increasing demands to streamline process flows to help reduce environmental impact and resource consumption. Here, Finnchain is well at the fore of technical development with its operationally reliable chain-driven sludge conveyor systems at water treatment plants. Another example is the increasing need in some parts of the world to convert seawater into drinking water. Here, our scrapers for



Finnchain OY in brief

- Experts in chain conveyors for sewerage and water treatment with special expertise in environmental technical applications
- Focus on energy-efficient and sustainable technical solutions
- Main products: chain-driven sludge conveyor systems and solar panel cover systems
- Operating in an international market

PROCESS TECHNOLOGY

"Today, our products and solutions are found in more than 60 countries around the world"

Leena Tuomikoski, Managing Director, Finnchain Oy

desalination plants producing fresh water are fully able to meet the increasing demand."

What other factors generate business opportunities?

"First and foremost, there is a lot going on in terms of legislation to more strictly control environmental impact mitigation generally. Accordingly, tightened requirements on water treatment processes are leading to increased demand for technical solutions that streamline the process and safeguard the quality of the treated water. At Finnchain we welcome this of course and perceive substantial business potential in our customers having to meet the regulatory requirements."

What demands do your customers impose?

"Or end-customers are mainly municipalities and major contracting companies. Their procurement processes generally set specific and strict requirements in terms of quality and sustainable technical solutions. Finnchain has been active in water treatment for about 40 years and has a long reference list when it comes to both achieving and exceeding customer demands. We were, for example, the first company in Europe to introduce a long-life, non-metallic chain scraper system. Our ISO 14001:2015 environmental system was certified more than ten years ago, so I feel confident in our continued deliveries of technical solutions in accordance with our customers' requirements."

What about the future?

"I see continued growth for our water treatment solutions and for desalination plants – for us a market experiencing strong growth. In other regards we will continue with our strategy to develop both existing products and to develop new technical solutions in this area. Our aim is to continuously offer customers even better and more sustainable solutions."

Addtech conducts small scale business – large scale wise, with the Group's role being to contribute excellence in complex areas such as sustainability and digitalisation. To make matters as straightforward as possible for our companies, we also provide Group-wide functions and tools.

Strong culture generates sustainable success

Reduced carbon dioxide intensity and gender equality are two priority areas of sustainability for Addtech. Our 150 companies have extensive freedom to act independently to achieve the ambitious targets set out in each area. We believe in entrepreneurship and that the best business decisions are made close to the customer by highly engaged employees. Accordingly, Addtech's organisation is strictly decentralised with our companies enjoying extensive liberty to make their own decisions.

SUSTAINABLE ORGANISATION ADDTECH

50% reduced carbon dioxide intensity*

40% women in leading positions

With equal-opportunity and climate-smart operations, we seek to build an attractive and sustainable organisation for 2030.

* Base year 2019/2020, Scopes 1, 2 and 3 (category 3, 4, 6 and 9)

Addtech targets reducing its carbon-dioxide intensity by 50 percent by 2030, with 2019/2020 as the base year. Considerable impact derives from goods transports where we work actively to streamline transports and transition towards lower carbon dioxide alternatives. To reduce emissions from our own production and operations, we foster vehicle upgrades, energy efficiency and transitioning to renewable energy sources. By entering into various partnerships in the value chain, we generate opportunities for reducing our shared climate impact with lower carbon-dioxide alternatives.

Several Addtech companies have invested in solar panels and charging posts for electric cars with the purpose of reducing our overall carbon impact. An example is Nordautomation, which forms part of the Industrial Solutions Business Area, specialises in project deliveries for the wood processing industry and which is a market-leading manufacturer of log handling systems. At its production facility in Alajärvi, Finland, the company has invested in 180 solar panels, reducing the amount of electricity purchased by roughly 10 percent.

"The principal reason for our solar panel project is the environmental benefit," Nordautomation's Managing Director Timo Kuusisto says. We currently have 180 solar panels on the roof here, but there are plans to install a further 240. Following such an increase, we could produce about 20-30 percent of the electricity we need using solar energy."

In addition to a reduced carbon impact, factors including reduced maintenance and energy costs have also played a role in Nordautomation's investment in solar panels. Several of the company's customers are also demanding concrete sustainable development measures to reduce emissions from fossil fuels, for example.

"Both our customers and employees have responded highly favourably to our introduction of solar energy," Timo says. This signals that Nordautomation is well ahead in sustainable development and is implementing concrete measures in the areas of climate and the environment that will really have an impact over time. As a renewable energy source, solar energy plays an important role in reducing greenhouse gas emissions and thereby mitigating climate change in the long run."

Nordautomation consumes relatively large amounts of energy in its extensive production of, for example, log tables, elevators and sorting conveyors with log bins. The company purposefully strives to minimise both the direct and indirect environmental impacts of the operations.

"Nordautomation continuously develops new production solutions fostering a circular economy and mitigating our impact on the environment," Timo says. We strive to minimise the impact on the climate and to maximise material efficiency in all of our products. For example, we continuously replace environmentally harmful hydraulic drives with electric solutions to reduce the risk of pollutant emissions. We take responsibility for the entire life cycle of our products, also extending this with durable spare parts and maintenance."

"The primary reason for our solar panel project is its environmental benefit"

Timo Kuusisto, Managing Director, Nordautomation Oy

"Our core values and focus on entrepreneurship form the foundation of how we do business and operate sustainable companies"

Malin Enarson, CFO, Addtech

Achieving 40 percent women in leading positions by 2030 is one of Addtech's prioritised sustainability targets. We work actively to achieve diversity and gender equality prerequisites, as well as to provide favourable development opportunities for all of our employees. This also includes attracting talented young people to pursue a career in technology.

"Generally, working actively with gender equality and diversity is a key issue of skills supply," says Lena Ekbom, Head of Sustainability at Addtech. To succeed in the long run, all of our companies must take these matters seriously to safeguard appropriate skills for the operations. Ultimately, it is our employees who generate success and, for this reason, we offer individual development opportunities in a growing group that fosters diversity and equality."

FB Ketten in Austria is part of the Process Technology Business Area and offers an apprenticeship programme for young people seeking to pursue professional careers in technology. With its current 30 employees, the company offers technical advice and sales of, for example, conveyor chains for industry in an international market.

"I am convinced that FB Ketten will continue to grow and we need a constant supply of motivated and suitable employees to succeed – both women and men," says Managing Director Thomas Wagner. In our apprenticeship programme, young people gain an opportunity for personal development over a three-year period. Although we are part of a large international Group, we function like a smaller entrepreneurial trading company with a strong corporate culture and considerable scope for individual development."

To attract applicants to the apprenticeship programme, FB Ketten visits schools to talk about its operations and the three-year programme. Students also have the opportunity to visit the company for a few days to try it out and gain an understanding of what the job entails. Today, FB Ketten has two young female apprentices participating in the programme.

"During my visit here two years ago, I immediately appreciated how exciting the technical sector is," Marina Zubonja says. I also gained an understanding of the many interesting jobs that exist, both in technology, as well as in finance, sales and marketing. Today, I feel that I have learnt an incredible amount and I would like to continue working here after completing the apprenticeship programme."

Various courses provided by the Addtech Academy represent an important piece of the puzzle in attracting new talent to FB Ketten. Future employment opportunities at Addtech's 150 other companies are also an attractive consideration for many, even though FB Ketten would, of course, prefer to retain its apprentices.

"I started as an apprentice at FB Ketten about three years ago," says Sabrina Wadlegger. I felt immediately welcome and was soon convinced that this industry is really worth becoming a part of. There are various professional roles to choose from here and exciting things are happening all the time. When I finish the basic course, I want to specialise in sales administration, which I think would suit me best."

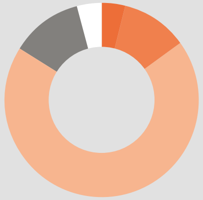
Sustainability has always been an area of focus for FB Ketten. As evidence of this the company reports that even today most sales contributes to sustainable development.

"For us, sustainable development plays an obvious role," says Managing Director Thomas Wagner. This summer, FB Ketten turns 35 and we will be conducting a workshop with our employees to welcome new ideas for sustainability initiatives and how we can use sustainability as a competitive advantage. Our apprentices Marina and Sabrina will be there of course to share their thoughts on how FB Ketten can help bring about a more sustainable world."

> "To succeed, we need a constant supply of skills from motivated employees – both women and men"
>
> Thomas Wagner, Managing Director, FB Ketten

Greenhouse gas emissions in 2023/2024

For calculations and the preceding year's figures, see the sustainability facts on pages 136-155.



Total emissions 34,729 (tonnes CO_2e)

- Emissions from own vehicle fleet (4%*)
- Emissions from energy consumption (11%*)
- Emissions freight, upstream & downstream (69%*)
- Business travel emissions, air travel (12%*)
- Other emissions (4%**)

*Calculation method presented on page 154
**Emissions associated with other fuels and business travel by train

Distribution of energy consumption

Addtech's ambition is to continuously improve its energy efficiency and to annually increase the proportion of electricity and heating we consume that derives from renewable sources. In the Group, this process takes place in a decentralised way, with the conditions for increasing the share of renewable energy varying depending on the country in which the companies operate. Read more under sustainability facts on pages 136-155.

- Energy consumption from renewable sources, 72%
- Energy consumption from non-renewable sources, 28%

4%

Sick-leave among employees

Distribution of emissions

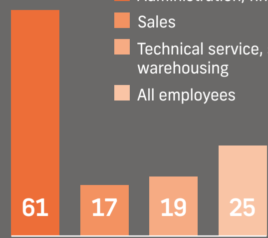
Scope 1 refers to our direct emissions from energy consumption and Scope 2 refers to indirect emissions from our energy consumption.Most of our emissions occur along our value chain, that is, in Scope 3, of which 99.7 percent consists of freight transport and business trips.

- Scope 1: 6% of total emissions
- Scope 2: 11% of total emissions
- Scope 3*: 83% of total emissions

*Category 3, 4, 6 and 9

Proportion of women

Percentage of women per function within Addtech



- Administration, finance and purchasing
- Sales
- Technical service, support, production, warehousing
- All employees

Proportion of women in leading positions

20%

By taking their business as the starting point, incentives are generated for Addtech's 150 companies to integrate sustainability into their relationships with suppliers. It is becoming increasingly important, for example, to safeguard good business ethics, low climate impact and respect for human rights throughout the value chain.

Partnerships throughout the supply chain

Addtech is an international player in a global market. There are favourable opportunities here to safeguard a sustainable supply chain in partnership with our suppliers, while also delivering value to customers. Our supplier relationships are characterised by close collaborations around the optimisation of technical products and solutions. This affords us favourable prerequisites for dialogues on sustainability risks and continued development throughout the value chain.

SUSTAINABLE SUPPLY CHAIN
ADDTECH

80%
of purchase volume self-assessed based on our Code of Conduct by 2030

Through structured supplier reviews, we want to promote good working conditions and responsible production for a sustainable supply chain.

Addtech targets having assessed 80 percent of the purchase volume on the basis of its Code of Conduct by 2030. Battery Systems, a business unit within the Electrification Business Area, coordinates the efforts of its 13 companies with sustainability reviews and ongoing supplier assessments. The business unit holds a very strong position in the Northern European market for battery solutions.

"Battery Systems' size means that many suppliers want to sell their products and solutions to our companies," says Peter Andersson, Business Unit Manager. Strategically, however, we invest in long-term, in-depth relationships with a small number of suppliers who we consider to be the best in the industry. Our companies mainly work in direct partnership with suppliers on issues regarding the area of sustainability, for example."

Through co-creation, the business unit's companies continuously develop their work towards a more sustainable supply chain. There are a number of advantages to belonging to a larger group of companies that help one another both assess suppliers and develop relations with them.

"There is a continuous dialogue between the companies within Battery Systems, both when it comes to investing in appropriate suppliers in the long term, as well as in recurring supplier assessments," says Anders Blomqvist, Managing Director at Celltech Oy, which is part of the battery group. We apply a comprehensive shared assessment process in accordance with our quality assurance system when selecting a new strategic supplier. If any other company in the business unit has already performed the assessment, we apply that and avoid wasting our time."

The partnership makes the business unit more competitive as a single strong entity.

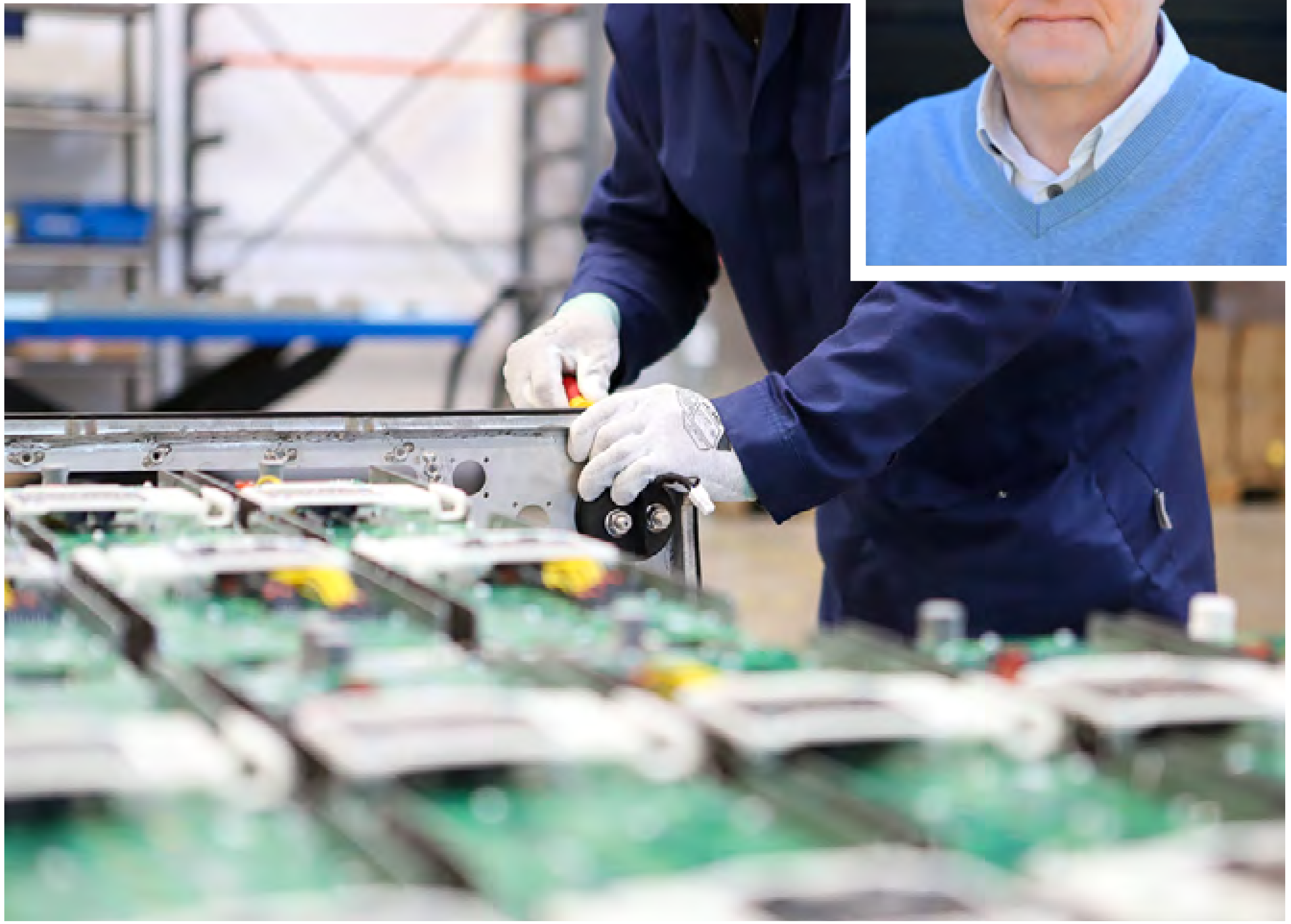
"For me, the greatest advantage from our co-creation is that all of our companies gain the opportunity to partner with the world's leading manufacturers of battery solutions," says Anders Blomqvist. The fact that we are significantly larger as a Group than as a separate company increases the incentives for the largest suppliers to enter long-term partnerships with us.

Thanks to our supplier assessment system, all companies within Battery Systems gain access to shared materials showing the status of various suppliers in terms of, for example, level of quality, certifications and whether the supplier lives up to Addtech's Code of Conduct.

"It is definitely a good selling point to be able to show these supplier assessments to customers," Anders Blomqvist says. Battery production

"Within Battery Systems a continuous dialogue is being conducted regarding selecting and assessing suppliers"

Anders Blomqvist, Managing Director, Celltech Oy



is a relatively complicated process, so it is necessary to partner with the suppliers who are truly at the forefront of development. Our focus is to select the suppliers with the best track record, offering the highest level of quality, that are reliable in terms of delivery and that are able to resolve the problems that often arise. They must also share our view on creating technical solutions contributing to sustainable transition."

Battery solutions play a central role in the energy supply of the future and are a key technology in electrification. The availability of batteries is an important piece of the puzzle in meeting existing and future legal requirements to phase out fossil fuels. The battery industry is definitely in an expansive phase with great future potential, where it is also important to be able to respond to the regulatory requirements set out in the environmental legislation.

"The EU's new battery regulation, which came into effect in 2023, will completely transform the market, particularly with regard to industrial batteries," Peter Andersson says. The environmental requirements have been raised significantly, with QR codes on all batteries for example and a large part of the lithium included in the products being recycled. Battery Systems does not see this as a problem – but as a great opportunity to create competitive advantages because our companies are so far ahead in the field with our sustainable technical solutions."

"Smaller companies in the industry will find it difficult to keep up with this development," says Anders Blomqvist. "We at Battery Systems, however, have the expertise and capacity to identify together future solutions meeting the EU's regulatory requirements. Not only do we comply with the EU's requirements – we have commented in advance on the proposal for the new battery regulation and Celltech is now leading the formation of a new producer responsibility organisation for industrial batteries in Finland – all of this with the aim of meeting the new requirements. Overall, the business unit comprises some 400 battery specialists and through co-creation within the group and constructive partnerships with leading suppliers, I am convinced that we can continue to deliver value to our customers while also contributing to a more sustainable society."

"Strategically, we invest in long-term, in-depth relationships with a small number of suppliers who we consider to be the best in the industry"

Peter Andersson, Business Unit Manager, Battery Systems

"Thanks to constructive dialogues with our suppliers, we build sustainable partnerships by which to identify together solutions to the global challenges with the aim of achieving the UN's Sustainable Development Goals"

Lena Ekbom, Head of Sustainability at Addtech

Addtech expands through:

- Acquisitions
- Exports of own products
- Accompanying customers into new markets
- Establishing own operations

International transactions are increasing

Although Addtech has its roots in the Nordic region, the proportion of its business volumes outside the Nordic countries is continuously increasing. As our customers have become increasingly global, our companies have simply followed them into the international arena. Both through exports and by establishing our own operations. We also work with many of the world's leading suppliers, who often have a global presence.

Our Code of Conduct

Addtech's Code of Conduct for suppliers summarises the ethical values that, in Addtech's view, must apply in the relationship with all of our suppliers of products and services. The Code is based on the UN's Global Compact, the ILO's core conventions, the UN's Universal Declaration of Human Rights and the OECD's guidelines for multinational companies, competition law and anti-corruption regulations. The Code of Conduct also includes our Environmental Policy. The Code has been adopted by the Board of Directors and encompasses all companies and employees. The Code and the Code of Conduct for suppliers are available at www.Addtech.com. (See also sustainability facts on pages 136-155).

80%

Addtech's 2030 target for self-assessed purchase volume based on our Code of Conduct.

52%

Share of the purchase volume that was self-assessed based on the Code of Conduct in 2023/2024.

20

Number of countries where Addtech maintains operations

20

Number of additional countries to which Addtech exports

Addtech shares

Share price trend and trading

Addtech's Class B shares are listed on Nasdaq Stockholm. Since the listing in September 2001, the average price increase, up to and including 31 March 2024, has been 21 percent annually. Over the corresponding period, the exchange's OMX Stockholm index changed by an average 7 percent.

Over the financial year, the price of the Addtech share rose by 27 percent. Over the corresponding period, the exchange's OMX Stockholm index rose by 14 percent. The highest price paid during the year was SEK 252.20, which was noted on 25 March 2024. The lowest price paid was SEK 152.20, which was noted on 20 October 2023. The closing price at the end of the financial year was SEK 243.80, corresponding to a market capitalisation of SEK 63.4 billion (50.0).

During the period from 1 April 2023 to 31 March 2024, 94.3 million shares (83.5) were traded for a total value of slightly more than SEK 19.4 billion (13.2). In relation to the average number of Class B shares outstanding, this corresponds to a turnover rate of 36 percent (31). Broken down per trading day, an average 377,365 Addtech shares (328,752) were traded for an average value of approximately SEK 78 million (52).

Share capital

At the end of the period, share capital amounted to SEK 51.1 million divided into the following number of shares with a quota value of SEK 0.19 per share.

Share class	Number of shares	Number of votes	Percentage of capital	Percentage of votes
Class A shares, 10 votes per share	12,885,744	128,857,440	4.7%	33.1%
Class B shares, 1 vote per share	259,908,240	259,908,240	95.3%	66.9%
Total number of shares before repurchases	**272,793,984**	**388,765,680**	**100.0%**	**100.0%**
Whereof, repurchased Class B shares	-3,014,692		1.1%	0.8%
Total number of shares after repurchases	**269,779,292**			

Chapter 6, Section 2a of the Swedish Annual Accounts Act requires listed companies to disclose specific circumstances that may affect the prospects for acquiring the Company via a public share offer. In the event of the Company being de-listed from Nasdaq OMX Stockholm or a party other than the present principal shareholder attaining an ownership holding exceeding 50 percent of the capital or votes, the granted credit line in terms of contractual credit facilities of SEK 3,500 million and overdraft facilities of SEK 1,300 million can be terminated.

Repurchases of treasury shares and incentive programmes

The Annual General Meeting in August 2023 authorised the Board of Directors to repurchase a maximum of 10 percent of all shares in the Company during the period extending until the 2024 Annual General Meeting. During the financial year Addtech repurchased none of its own Class B shares. At the end of the year, 3,014,692 (3,229,272) of the Company's own Class B shares were held, with an average purchase price of SEK 40.02 (40.02). These shares correspond to 1.1 percent (1.2) of the number of shares issued and 0.8 percent (0.8) of the votes. Addtech has four outstanding call option programmes for a total of 2,353,880 shares. Call options issued on repurchased shares entail a dilution effect of about 0.1 percent over the past 12-month period. Addtech's holdings of treasury shares fully match the needs of the outstanding call option programmes.

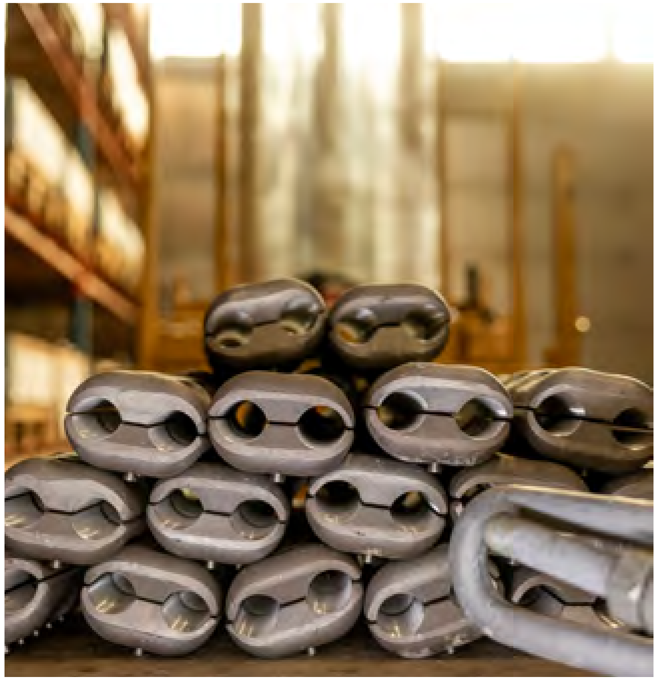
Outstanding programmes	Number of options	Corresponding number of shares	Percentage of total shares	Redemption price per option	Redemption price per share	Redemption period
2023/2027	674,500	674,500	0.2%	221.00	221.00	7 Sep 2026 – 9 Jun 2027
2022/2026	825,910	825,910	0.3%	180.10	180.10	8 Sep 2025 – 10 Jun 2026
2021/2025	768,070	768,070	0.3%	214.40	214.40	9 Sep 2024 – 11 Jun 2025
2020/2024	21,350	85,400	0.0%	538.10	134.53	4 Sep 2023 – 5 Jun 2024
Total	**2,289,830**	**2,353,880**				

Ownership structure

On 31 March, 2024, the total number of shareholders was 15,122 (12,206), of whom 12,445 (9,708) each held 1,000 shares or less. The 15 largest shareholders accounted for 47.7 (53.8) percent of the total number of shares and 61.8 (66.1) percent of the total number of votes. Anders Börjesson (including related parties) is the largest shareholder in terms of votes, with a shareholding corresponding to 16.5 percent, followed by Tom Hedelius, with a shareholding corresponding to 15.2 percent. The proportion of foreign owners corresponded to 40 percent (41) of total capital.

Additional information

Addtech's website www.Addtech.com is updated continuously with information about shareholder changes and share price performance. The site also presents information about which analysts monitor Addtech.



Key indicators

	2023/2024	2022/2023	2021/2022
Earnings per share, SEK	6.05	5.55	4.00
Equity per share, SEK	22.15	19.25	14.60
Price/earnings ratio	40	35	46
Share dividend, SEK	2.80[1)]	2.50	1.80
Payout ratio, %	46	45	45
Dividend yield, %	1.1	1.3	1.0
Last price paid, SEK	243.80	192.30	182.00
Price/equity, multiple	10.3	9.4	11.7
Market capitalisation, SEK million	63,366	49,980	47,303
Average number of shares outstanding	269,633,678	269,556,682	269,400,116
Number of shares outstanding at end of year	269,779,292[2)]	269,564,712	269,528,432
Number of shareholders at end of year	15,122	12,206	12,009

1) In accordance with the dividend proposed by the Board of Directors.
2) The difference between the total number of shares and shares outstanding equals the shares repurchased by Addtech: 3,014,692 Class B shares at 31 March 2024.

Addtech's largest shareholders, 31 March 2024

Shareholders	Number of Class A shares	Number of Class B shares	Percentage of capital	Percentage of votes
Anders Börjesson (with companies and family members)	6,348,648	486,000	2.5	16.5
Tom Hedelius	5,895,960	64,800	2.2	15.2
SEB Fonder		17,940,174	6.6	4.6
Swedbank Robur Fonder		16,991,120	6.2	4.4
Fidelity Investments (FMR)		14,297,592	5.2	3.7
Vanguard		8,823,335	3.2	2.3
Lannebo Fonder		8,351,887	3.1	2.1
Norges Bank		8,030,266	2.9	2.1
Handelsbanken Fonder		7,512,477	2.8	1.9
Sandrew AB		7,200,000	2.6	1.8
ODIN Fonder		6,285,048	2.3	1.6
Cliens Fonder		5,729,119	2.1	1.5
Capital Group		5,687,536	2.1	1.5
AMF Pension & Fonder		5,620,484	2.1	1.4
BlackRock		4,784,693	1.8	1.2
Total, 15 largest shareholders[3)]	**12,244,608**	**117,804,531**	**47.7**	**61.8**

3) The proportion of capital and votes includes treasury shares held by Addtech AB.

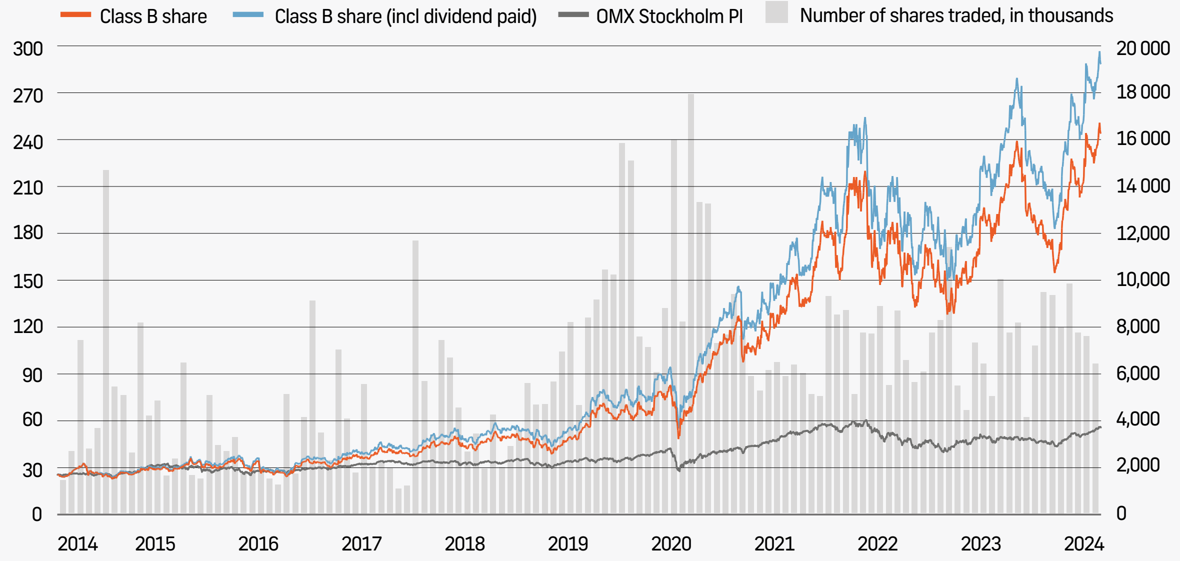
Size classes

Number of shares	% of share capital	Number of shareholders	% of number of shareholders
1 – 500	1	11,283	75
501 – 1,000	0	1,162	8
1,001 – 5,000	1	1,631	11
5,001 – 10,000	1	367	2
10,001 – 20,000	1	224	1
20,001 – 50,000	2	168	1
50,001 –	94	287	2
Total	**100**	**15,122**	**100**

Holdings by category

	2023/2024		2022/2023	
	Number of shareholders	Percentage of capital	Number of shareholders	Percentage of capital
Swedish shareholders	14,457	60	11,556	59
Foreign shareholders	665	40	650	41
Total	**15,122**	**100**	**12,206**	**100**
Legal entities	1,237	85	1,009	84
Natural persons	13,885	15	11,197	16
Total	**15,122**	**100**	**12,206**	**100**

Share performance chart



Administration Report

1 April 2023 – 31 March 2024

The Board of Directors and the CEO of Addtech AB, company ID number 556302-9726, hereby submit the annual and consolidated accounts for the 2023/2024 financial year. Comparisons in parentheses refer to the corresponding period of the previous year, unless stated otherwise. Because, in terms of its size, Addtech exceeds the limit set out in item 6:10 of the Swedish Annual Accounts Act, the Administration Report shall include a Sustainability Report. The company has chosen to present its Sustainability Report separately from the Administration Report, in accordance with item 6:11 of the Annual Accounts Act. The Sustainability Report in accordance with items 6:12-14 of the Swedish Annual Accounts Act (for scope and definitions see page 136) is printed together with the Annual Report and can be found integrated into the sections: Our strategic playing field, Sustainable business, Sustainable organisation, Sustainable supply chain and Sustainability facts, as well as in the Risks and uncertainties section here in the Administration Report.

Operations

Addtech is a technical solutions group that provides technical and economic value added in the link between manufacturers and customers. Addtech operates in selected niches in the market for advanced technology products and solutions. Its customers operate primarily in the manufacturing industry and infrastructure. Addtech has approximately 4,000 employees in more than 150 companies operated under their own trademarks. Consolidated sales amount to slightly more than SEK 20 billion annually. Addtech's shares are listed on the Nasdaq Stockholm exchange.

The year in brief

2023/2024 was another strong year for Addtech. Despite the challenging global situation, we can summarise a year with favourable market conditions overall, during which we can state that the Group passed the milestone of SEK 20 billion in sales. The level of customer activity remained high and profitability increased in all business areas. Our strong positions and well-diversified operations, combined with considerable commitment and favourable achievements among the companies, have generated sales growth of 7 percent, as well as earnings growth of 13 percent and a strengthened EBITA margin of 14.3 percent (13.6). Addtech's unique culture, with its focus on entrepreneurship and decentralised responsibility, continues to prove itself and to generate conditions for profitable growth.

Cash flow from continuing operations for the full year was significantly better than for the preceding year, SEK 2,575 million (1,911) thanks to continued earnings growth, higher operating margins and measures to improve the efficiency of working capital, where we had, among other things, lowered our inventory levels during the period. Our long-term P/WC financial target strengthened from already high levels to 68 percent (66). Our focus on increasing the added value in our offering, strengthening our product mix and, in particular, on profitable acquisitions, clearly strengthened margins over the year. A total of ten acquisitions were made over the year, followed by six more after the end of the period. Combined, these have added about SEK 1,600 million in annual sales and 400 new employees to the Group.

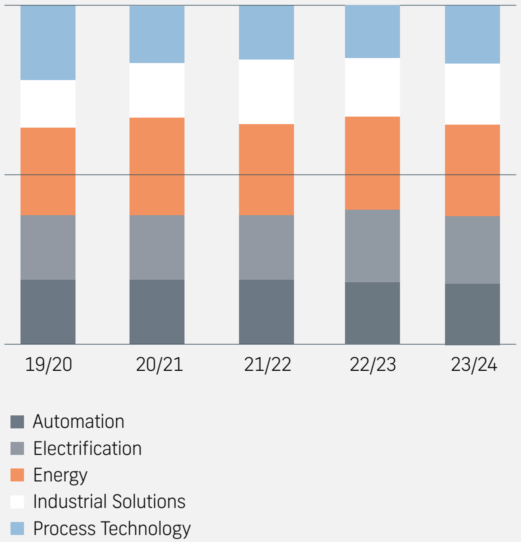
Market development over the year

We saw increasingly normalised order bookings among customers, as well as a certain hesitance in the willingness to invest in major projects, although this varied between and within different customer segments. The market for infrastructure products for national and regional grids remained strong, while demand for products and solutions for the defence industry gradually increased over the year. On the whole, sales in the

medical technology and engineering segments sector remained at stable high levels, while the business situation for special vehicles gradually weakened somewhat.

Parts of the building & installation and data & telecom segments segments had a challenging year while the market situation in electronics weakened primarily in the second half of the year. Willingness to invest in new projects in the sawmill industry remained at low levels, while we saw a clearly positive trend in the marine segment and, towards the end of the year, we also saw positive signals in wind power. From a geographical perspective, the market situation was favourable in Sweden, stable in Finland, weak in Denmark and strong in Norway. In our principal markets outside the Nordic region, the business situation was stable in the Benelux countries and weak in the DACH area against tough comparisons, while the trend was positive for our companies in the UK. In accordance with our strategy, the Group's international presence outside the Nordic region increased over the year, with the share now amounting to 38 percent of consolidated sales.

Share of net sales, %
Sales by business area



Development by business area over the year

The division into business areas reflects Addtech's internal organisation and reporting system. Addtech reports its business areas as operating segments. During 2023/2024, Addtech was organised into the following five business areas: Automation, Electrification, Energy, Industrial Solutions and Process Technology. For further information on the Group's operating segments, see Note 5.

Automation

Net sales by Automation during the financial year increased by 5 percent to SEK 3,584 million (3,410), while EBITA increased by 8 percent to SEK 459 million (427). The market situation varied between the different market segments, being favourable for the companies operating within the process and defence industries, while it was, on the whole, stable for those in the engineering sector and medical technology.

Electrification

During the financial year, the Electrification business area's net sales rose by 2 percent to SEK 4,100 million (4,037) and EBITA increased by 2 percent to SEK 514 million (501). On the whole, the market situation was stable albeit with variations between market segments. Demand was stable in energy, special vehicles, engineering industry and medical technology. Demand was strongest in the defence industry.

Energy

During the financial year, the Energy business area's net sales rose by 3 percent to SEK 5,307 million (5,129) and EBITA increased by 4 percent to SEK 683 million (660). Demand was favourable for infrastructure products for the conversion and extension of national and regional grids, as well as for niche products for electrical transmission. On the whole, demand was stable in the engineering industry and increasing somewhat in wind power, while it was weak in the build-out of fibre-optic networks, building and installation.

Industrial Solutions

During the financial year, the Industrial Solutions business area's net sales rose by 11 percent to SEK 3,594 million (3,236) and EBITA increased by 29 percent to SEK 754 million (585). For the companies exposed to special vehicles and the forestry and sawmill industry, demand was lower than in the preceding year. The market situation in the engineering industry was weak, while it was favourable in waste and recycling. Profit and operating margin increased strongly thanks to several projects having been concluded, as well as to contributions from acquisitions.

Process Technology

During the financial year, the Process Technology business area's net sales rose by 18 percent to SEK 3,464 million (2,932) and EBITA increased by 25 percent to SEK 498 million (397). Demand was favourable in the energy segment and the process industry, particularly in oil and gas. The market situation was stable for the companies in medical technology and the marine segment, while it was weak in the forest and engineering industries, as well as in special vehicles.

Acquisitions

Addtech is constantly on the lookout for companies to acquire and is engaged in discussions with a number of potential companies. During the financial year Addtech completed ten acquisitions, diversified in terms of their markets and geographies, where it took control of the acquired operations during the year. Since becoming a listed company in 2001, Addtech has acquired more than 200 companies. The following companies were acquired during the year:

INDAG Maschinenbau GmbH

On 4 April, 90 percent of the shares in INDAG Maschinenbau GmbH of Germany were acquired for the Process Technology business area. INDAG produces and sells dynamic in-line mixers for the process industry, focusing primarily on the food and chemicals segments. The company has 40 employees and generates annual sales of approximately EUR 5 million.

Clyde Holding Ltd.

On 26 April, Clyde Holding Ltd of the UK was acquired for the Process Technology business area. Clyde is a leading supplier of products and systems for pneumatic transports, primarily to the process and energy industry. The company operates globally and has extensive experience of complex projects, for which it also offers aftermarket services. The company has 49 employees and generates annual sales of approximately GBP 12 million.

Feritech Global Ltd.

On 5 May, 90 percent of the shares in Feritech Global Ltd of the UK were acquired for the Industrial Solutions business area. Feritech is a leader in the design and manufacture of tailored technical solutions for the geotechnical submarine sector. The company has a broad offering and operates globally, mainly addressing the expansion of offshore wind power. The company has 21 employees and generates annual sales of approximately GBP 4.5 million.

Electrum Automation AB

On 1 June, Electrum Automation AB of Sweden was acquired for the Electrification business area. Electrum develops, produces and sells mobile electronics and comprehensive solutions for leading machinery and automotive manufacturers. The company has 22 employees and generates annual sales of approximately SEK 80 million.

Darby Manufacturing Ltd.

On 1 June, Darby Manufacturing Ltd of Canada was acquired for the Industrial Solutions business area. Darby is a leading supplier of driver's seats for special vehicles in the North American market. The company offers both standard and specially modified driver's seats from leading manufacturers in Europe and the US. The company has 14 employees and generates annual sales of approximately CAD 6.5 million.

S. Tygesen Energi A/S

On 26 June, S. Tygesen Energi A/S of Denmark was acquired for the Energy business area. Tygesen sells equipment and electrical transmission materials for electrical distribution networks, transmission networks, railways and railway stations in Denmark. The company also operates in Greenland, Iceland and the Faroe Islands. The company has 3 employees and generates annual sales of approximately DKK 50 million.

Control Cutter AS

On 31 October, 89 percent of the shares in Control Cutter AS of Norway were acquired for the Industrial Solutions business area. Control Cutter provides leading technical solutions to the global market for the decommissioning of offshore oil and gas wells. Through its patented solutions, the company offers efficient, safe and reliable recovery of oil pipelines and underwater cutting and welding. The company has 18 employees and generates annual sales of approximately NOK 160 million.

BV Teknik A/S

On 13 November, BV Teknik A/S of Denmark was acquired for the Automation business area. BV Teknik designs and builds customised production solutions and other high-tech equipment for the automation industry, focusing on medical technology. The company has 24 employees and generates annual sales of approximately DKK 55 million.

Kemic Vandrens A/S

On 3 January, 80 percent of the shares in Kemic Vandrens A/S of Denmark were acquired for the Process Technology business area. Kemic is a leading supplier of facilities and solutions for water treatment. The Company offers design and installation in connection with new construction, mobile water purification, as well as renovation and service agreements, primarily for Danish industrial customers and water treatment plants. The company has 20 employees and generates annual sales of approximately DKK 60 million.

Crescocito AB

On 29 February, Crescocito AB of Sweden was acquired for the Industrial Solutions business area. Crescocito develops and manufactures components and complete turnkey facilities in industrial painting technology. The company has 10 employees and generates annual sales of approximately SEK 60 million.

Financial development

Net sales and profit

Over the financial year, the net sales of the Addtech Group increased by 7 percent to SEK 20,019 million (18,714). Organic growth was marginally positive and acquired growth amounted to 5 percent. Exchange rate changes had a positive effect of 2 percent on net sales, corresponding to SEK 438 million.

EBITA for the financial year amounted to SEK 2,860 million (2,540), representing an increase of 13 percent. Over the financial year, operating profit increased by 12 percent to SEK 2,426 million (2,167) and the operating margin amounted to 12.1 percent (11.6). Net financial items were negative in the amount of SEK 243 million (162) and profit after financial items increased by 9 percent to SEK 2,183 million (2,005).

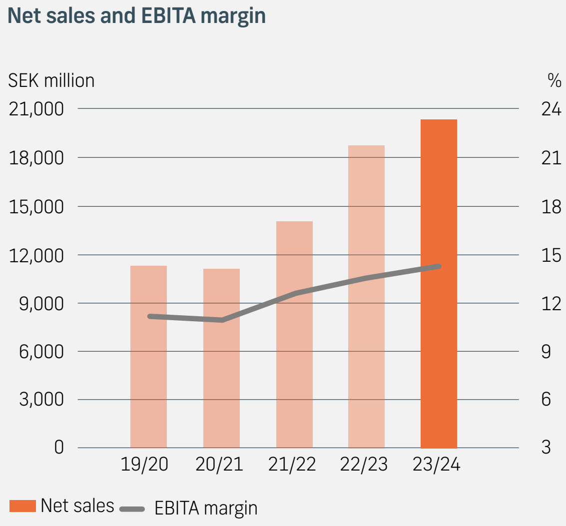
Profit after tax for the financial year rose by 9 percent to SEK 1,691 million (1,554) and the effective tax rate was 23 percent (22). Earnings per share before/after dilution for the financial year amounted to SEK 6.05 (5.55).

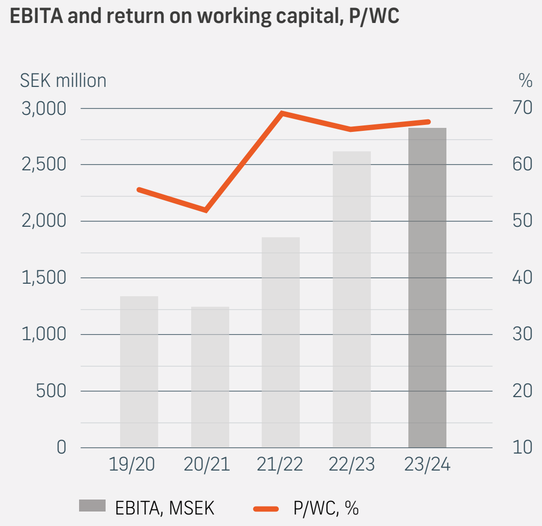
Profitability, financial position and cash flow
The return on equity at the end of the financial year was 28 percent (32), and return on capital employed was 22 percent (22). The return on working capital, P/WC (EBITA in relation to working capital), amounted to 68 percent (66).

At the end of the financial year the equity/assets ratio was 39 percent (36). Equity per share, excluding non-controlling interests, amounted to SEK 22.15 (19.25). Consolidated net debt at the end of the year amounted to SEK 4,427 million (4,107), excluding pension liabilities of SEK 241 million (218). The net debt/equity ratio, calculated on the basis of net debt excluding provisions for pensions, amounted to 0.7 (0.7).

Cash and cash equivalents, consisting of cash and bank balances together with approved but non-utilised credit facilities, amounted to a combined SEK 2,167 million (2,113) at 31 March 2024.

Cash flow from operating activities amounted to SEK 2,575 million (1,911) during the financial year. Company acquisitions and disposals, including settlement of contingent purchase considerations for acquisitions implemented in previous years, amounted to SEK 1,303 million (1,204). Investments in non-current assets totalled SEK 188 million (192) and disposals of non-current assets amounted to SEK 9 million (9). Repurchases of treasury shares amounted to SEK 0 million (31) and repurchases of call options amounted to SEK 41 million (58). Exercised and issued call options totalled SEK 50 million (41). Dividends paid to shareholders of the Parent Company totalled SEK 674 million (485), corresponding to SEK 2.50 (1.80) per share. The dividends were paid out in the second quarter.





Risks and uncertainties

Business operations are always associated with risk. Addtech's profit and financial position, as well as its strategic position, are affected by various internal factors within Addtech's control and a number of external factors where opportunities to affect the course of events are limited. Effective risk assessment unites Addtech's business opportunities and performance with the demands of shareholders and other stakeholders for stable long-term value growth and control. When assessing the future development of Addtech it is therefore important to consider not only the opportunities for positive development, but also the various risks in the operations. Naturally, not all risk factors can be described in this section, for which reason an overall assessment must also include other information in the annual report, as well as a general assessment of external circumstances.

Addtech works systematically with risk management on both a strategic and operational level. Risk management involves identifying, measuring and preventing risks from occurring, as well as continually making improvements to mitigate future risks. The Addtech Group has guidelines and policies to identify deviations that could develop into risks. A risk is defined as the probability of an event occurring and its effect on Addtech's capacity to achieve its overarching goals, within a time frame of five years. The level of risk in the operations is followed up systematically at Board meetings and in monthly reports, in which deviations or risks are identified and remedied. The risk areas that mainly concern Addtech can be divided into four areas: strategic, operational, compliance-related and financial. The risk factors of greatest significance to Addtech are the economic situation, or other events affecting the economy, geopolitical conflicts, such as Russia's invasion of Ukraine, in combination with structural changes and the competitive situation. Addtech is also affected by financial risks, such as transaction exposure, translation exposure, financing and interest rate risk, as well as credit and counterparty risk. See Note 3 for a more detailed description of how Addtech manages financial risks. Other relevant risk areas are IT security, skills supply, risks associated with climate change and transition risks.

RISK/DESCRIPTION	ADDTECH'S RISK MANAGEMENT
Economy and market Demand for Addtech's products and services is greatly influenced by macroeconomic factors beyond Addtech's control, such as growth and investment appetite in the manufacturing industry, the state of the economy in general and conditions in the global capital market, or, as during 2020/2021, pandemic outbreaks that affect the business climate, as well as in 2021/2022 with Russia's invasion of Ukraine. A weakening of these factors in the markets in which Addtech operates could have adverse effects on its financial position and earnings.	With a large number of subsidiaries focusing on different niche markets and add-on sales of technical service, support and consumables, Addtech may be less sensitive to economic fluctuations in individual industries, sectors and geographical regions. Addtech also strives continuously to develop businesses that are less dependent on a specific market and to align expenses with specific conditions.
Structural changes Globalisation, digitalisation and rapid technical development drive structural change among customers. Developments may increase demand for Addtech's advanced services but can also result in Addtech's customers disappearing through mergers, closures and relocations, to low-cost countries for example.	Addtech's clear and unique added value services with their high technology content, specialisation in advanced technical advisory services, outstanding service and strong presence in niche markets offset price competition, Addtech's competitiveness also enables the Company to deliver beyond its immediate geographical region. Combined with the fact that no customer accounts for more than about 2 percent of consolidated sales, the Group's exposure to a large number of sectors constitutes a certain degree of protection against adverse impacts on earnings.
Competition Most of Addtech's subsidiaries operate in sectors that are vulnerable to competition. In addition, consolidation may occur among suppliers in the sector, and larger merged suppliers may have a broader offering, which could result in pressure on prices. Future competitive opportunities for the subsidiaries will depend on their ability to be at the leading edge of technology and to respond quickly to new market needs. Increased competition or a decline in the ability of a company to meet new market needs could have a negative impact on Addtech's financial position and earnings.	Addtech strives to offer products and services for which price is not the sole deciding factor. By working closely with both suppliers and customers, we are continuously developing our know-how and competitiveness. We add value in the form of wide-ranging technical knowledge, reliability of delivery, service and availability, limiting the risk of customers decreasing their demand. To reduce the risk of competition from suppliers, Addtech focuses continuously on ensuring that collaboration with the Group is the most profitable sales strategy.
Environment Changed environmental legislation and new regulations could affect product sales, goods transports and the way in which our customers use the products. An inability to meet customers' increased environmental requirements can affect sales. There is also a risk that the corporate ID number of a Group company could entail a historical liability for the company under the Swedish Environmental Code. Biodiversity losses may impact Addtech negatively. Our mapping shows that we have some production sites in areas where human activity will be associated with a higher risk for losses or degradation of important ecosystems. Appropriate measures to counteract this risk are to be developed.	Addtech's subsidiaries are primarily engaged in commerce and operations with limited direct environmental impact. The Group conducts limited production. The Group monitors operations and environmental risks through its sustainability reporting and all companies comply with the Group's Code of Conduct. In conjunction with acquisitions, Addtech conducts an analysis of the potential target's corporate ID number to counter the risk of being held liable for historical environmental issues.
Climate risks Climate change entails both transition risks as well as physical risks that may impact Addtech and its subsidiaries negatively. Relevant transition risks include higher taxes on carbon dioxide-intensive materials, products and services, disruptive changes in the market and generally higher prices for raw materials. Relevant physical risks include increased operating and capital costs due to more frequent damage to our operations by the effects of climate change, such as more frequent extreme weather events.	For Addtech, managing climate-related risks is a key parameter for future business development and we have performed scenario analyses to identify financial risks associated with climate change. Risks associated with climate change are included in our analysis of potential acquisitions. The Group seeks to integrate climate risks in connection with major investments.

RISK/DESCRIPTION	ADDTECH'S RISK MANAGEMENT
Ability to recruit and retain staff Addtech's continued success depends on being able to retain experienced employees with specific skills and to recruit skilled new people. There are a number of key individuals, both among senior executives and among the Group's employees in general. There is a risk that one or several senior executives or other key individuals could leave the Group at short notice, for reasons of stress, working environment or development opportunities, for example. In the event that Addtech fails to recruit suitable replacements, or to find skilled new key individuals in the future, this could have a negative impact on Addtech's financial position and earnings.	Addtech prioritises building favourable conditions for employees to develop within the Group and to enjoy their work. The Group's acquisition strategy includes ensuring that key individuals in the companies are highly motivated to continue running their companies independently within the Group. The Addtech Academy is aimed at both new employees and senior executives and serves to increase internal knowledge transfer, promote personal development among employees and develop the corporate culture. The Group's annual employee survey serves to ascertain how employees view their employers and their work situation, and what might be improved and developed.
Organisation Addtech's decentralised organisation is based on subsidiaries bearing extensive local responsibility for their operations. This imposes high standards on financial reporting and monitoring, with shortcomings in this regard potentially leading to inadequate control of the operations.	Addtech controls its subsidiaries through active board participation, Group-wide policies, financial targets and instructions regarding financial reporting. By being an active owner and monitoring the development of the subsidiaries, risks can quickly be identified and addressed in accordance with the Group's internal guidelines.
Seasonal effects There is a risk that Addtech's operations, earnings and cash flow could be affected by strong seasonal effects driven by customer demand.	No significant seasonal effects are associated with Addtech's sales of high-tech products and solutions to companies in the manufacturing and infrastructure sectors. However, the number of production days, customer demand and the willingness to invest may vary from one quarter to another.
Business ethics and human rights Addtech's continued success is strongly dependent on our good reputation and business ethics. Human rights violations in the Group's own operations or those of its suppliers would have a negative impact on the Group's reputation among employees, customers and other stakeholders and influence demand for the Group's products.	Internally, the Group works with business ethics through initiatives including Addtech Academy and compliance with anti-corruption and human rights regulations, as clearly communicated in our internal Code of Conduct, is reviewed annually. Addtech's many favourable relationships with carefully selected suppliers reduce the risk of human rights violations occurring among our suppliers. To safeguard the Group's superior standards regarding business ethics, Addtech's Supplier Code of Conduct shall be complied with. Addtech applies a digital platform for the assessment of suppliers in areas covered by our Supplier Code of Conduct.
Acquisitions and goodwill Historically, Addtech has, for the most part, grown through acquisitions. Strategic acquisitions will continue to represent an important part of our growth. However, there is a risk that Addtech will not be able to identify suitable objects for acquisition due, for example, to competition with other buyers. Expenses attributable to acquisitions may also be higher than expected, and positive impacts on earnings may take longer to realise than expected. The risk of goodwill impairment arises when a business unit underperforms in relation to the assumptions that applied at the time of valuation, and any impairment may adversely affect the Group's financial position and earnings. Further risks associated with acquisitions include integration risks and exposure to unknown commitments.	Addtech has many years of solid experience in acquiring and pricing companies. All potential acquisition targets and their operations are examined carefully before implementing the acquisition. There are well-established procedures and structures for pricing and implementing the acquisition, as well as for integrating the acquired companies. In the agreements, an effort is made to obtain the necessary guarantees limiting the risk of unknown liabilities. The large number of companies acquired entails a significant distribution of risk.

RISK/DESCRIPTION	ADDTECH'S RISK MANAGEMENT
Financial risks The Group is exposed to various financial risks. Currency risk is the risk of exchange rates having an adverse impact on Addtech's financial position and earnings. Transaction exposure is the risk that arises because the Group has incoming and outgoing payments based on payment flows in foreign currencies. Translation exposure arises because the Group, through its subsidiaries, has net investments in foreign currencies. The Group is also exposed to financial risk, that is, the risk that financing of the Group's capital requirements is made more difficult or expensive. Interest rate risk is the risk that unfavourable changes in interest rates have an adverse impact on Addtech's financial position and earnings. The Group's credit risk and counterparty risk are defined as the risk of Addtech's counterparties failing to fulfil their contractual obligations.	Addtech strives for structured and efficient management of the financial risks that arise in its operations, in accordance with the financial policy adopted by the Board of Directors. The financial policy expresses the ambition of identifying, minimising and controlling financial risks, and establishes responsibility for managing how such risks are to be delegated within the organisation. The aim is to minimise the impact of financial risks on earnings. See Note 3 for a more detailed description of how Addtech manages financial risks.
Suppliers and customers To deliver products, Addtech is dependent on the ability of external suppliers to fulfil agreements in terms of volume, quality, delivery date, etc. Deliveries that are erroneous or delayed, or that do not occur, may have an adverse impact on Addtech's financial position and earnings. Addtech's reputation is also dependent on its suppliers' ability to maintain a high level of business ethics, in terms of, for example, human rights, corruption, working conditions and the environment. Agreements with customers vary, for example in terms of contract length, warranties and limitations of liability. In some supplier relationships there are no written supplier agreements, which could result in legal uncertainty regarding the content of the agreement.	Addtech's numerous and favourable relationships with carefully selected suppliers reduce the risk of Addtech not being able to deliver as promised. To safeguard the Group's superior standards regarding business ethics, Addtech's Supplier Code of Conduct shall be complied with. Addtech applies a digital platform for the assessment of suppliers in areas covered by our Supplier Code of Conduct. Most of the companies also perform specific supplier reviews. In a longer-term perspective, Addtech is not dependent on any individual supplier or customer. Addtech's largest customer accounts for about 2 percent of consolidated net sales.
IT security and cyber risks Throughout society, the digital risks are continuously rising. Like most companies, Addtech and its subsidiaries rely on various information systems and other technologies to manage and develop their operations. Unplanned outages and cyber security incidents, such as data breaches, viruses, sabotage and other cyber crimes, can result in both loss of revenue and loss of reputation. IT events or cyber incidents among third parties, including suppliers or customers, can affect Addtech's capacity to deliver products and services and to generate profits.	To safeguard stable IT environments and prevent incidents, Addtech conducts regular risk assessments, as well as maintaining and reviewing IT security at both the Group and company levels. Addtech endeavours to systematically identify, analyse and assess IT risks. Addtech also engages external cyber security experts to ensure that the level of security is continuously adjusted and updated on the basis of prevailing threat scenarios and customers' increasing cyber security demands.

Employees and development

Employees

At the end of the financial year, the Group had 4,175 employees, compared with 3,911 at the beginning of the financial year. During the financial year, completed acquisitions increased the number of employees by 221. Over the past 12-month period, there were an average 4,109 employees.

	2023/2024	2022/2023	2021/2022
Average number of employees	4,109	3,781	3,317
Proportion of men	75%	74%	74%
Proportion of women	25%	26%	26%
Age distribution up to 29 years	10%	9%	10%
30-49 years	47%	49%	47%
50 and older	43%	42%	43%
Average age	46 years	46 years	46 years
Personnel turnover	13%	12%	14%
Average length of employment	about 10 years	about 9 years	about 10 years

Research and development

The Addtech Group conducts limited research and development. The Group's business model is to offer high-tech products and solutions to customers primarily within manufacturing industry and infrastructure.

Principles for remuneration to senior executives

The Board of Directors has resolved to propose that the Annual General Meeting in August 2024 approve the same guidelines as in the preceding year: The guidelines do not cover remunerations approved by the Annual General Meeting. Regarding terms of employment subject to non-Swedish regulations, as far as pension benefits and other benefits are concerned, appropriate adjustments are made to comply with mandatory regulations or established local practices, whereby the overall goals of these guidelines are to be met as far as possible. The guidelines are to relate to remuneration of the CEO and other members of Addtech Group Management. The guidelines also apply to Board members insofar as they receive remuneration for services rendered to the company beyond their Board assignments. Where applicable, the statutes established for the Company also applies to the Group.

How the guidelines foster the Company's business strategy, long-term interests and sustainability

Successful implementation of the company's business strategy and the safeguarding of the company's long-term interests, including its sustainability, requires that Addtech be able to recruit and retain qualified employees. This requires that the company be able to offer competitive overall remuneration, which is made possible by these guidelines. Overall remuneration must be market-based and competitive, and shall reflect the responsibilities and authority borne by the executive.

Remuneration formats, etc.

Remunerations shall be market-based and comprise the following components: fixed salary, with any variable salary being subject to a separate agreement, pension and other benefits. Beyond this and regardless of these guidelines, the Annual General Meeting may, for example, adopt share and share price-related remunerations.

Fixed salary

Fixed salary shall comprise a fixed cash salary to be reviewed annually. Fixed salary must be competitive and reflect the requirements placed on the position in terms of expertise, responsibilities, complexity and its contribution to the achievement of business goals. Fixed salary must also reflect the performance achieved by the executive and should therefore be individual and differentiated.

Variable salary

In addition to their fixed salary, the CEO and other senior executives may, from time to time, receive variable salary, subject to a separate agreement and on the fulfilment of predetermined criteria. It shall be possible for any variable salary to consist of annual cash salary, which may not exceed 40 percent of the fixed annual salary. An additional premium may be payable corresponding to 20 percent of paid variable remuneration used to acquire shares in Addtech AB.

To avoid unhealthy risk-taking, there must be a basic balance between fixed and variable salary. The fixed salary must account for a sufficiently large part of the senior executive's total remuneration, such that it is possible to reduce the variable part to zero. The variable salary must be linked to one or more predetermined and measurable financial criteria set by the Board of Directors, including consolidated earnings growth, profitability and cash flow. With the targets linking the senior executives' remunerations to the Company's profit, they foster the implementation of the Company's business strategy, long-term value creation and competitiveness. The terms for variable salary and the data on which they are calculated must be established for each financial year. It must be possible to measure the degree to which the criteria for payment of variable salary are fulfilled over a period of one financial year. Variable salary is disbursed during the year following that in which it was vested. When the measurement period for the fulfilment of criteria for disbursement of variable salary has ended, an assessment must be made regarding the extent to which the criteria were fulfilled. The Board of Directors is responsible for the assessment as far as variable cash remuneration for the CEO is concerned. As far as variable cash compensation for other senior executives is concerned, the CEO is responsible for the assessment. Where financial targets are concerned, the assessment shall be based on the financial information published most recently by the Company.

Terms for variable salary can be designed so that the Board of Directors has the option, if exceptional financial conditions prevail, to limit or withhold the disbursement of variable salary if such a measure is deemed reasonable. When designing variable compensation for company management, the Board of Directors shall consider introducing caveats that (i) condition the disbursement of a certain part of such compensation on the performance on which the earnings are based proving to be sustainable over time, and (ii) afford the Company the possibility of reclaiming compensation disbursed on the basis of information which later proved to be clearly incorrect.

Additional variable cash compensation may be paid in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and are made only at the individual level either with the purpose of recruiting or retaining executives, or as compensation for extraordinary work efforts in addition to the person's regular duties of the individual. Such compensation may not exceed an amount corresponding to 40 percent of the fixed annual salary and may not be disbursed more than once per year and per individual. Decisions on such compensation must be made by Board of Directors on the proposal of the Remuneration Committee.

Pension

The CEO and other senior executives' pension benefits are paid in accordance with individual agreements. In principle, pension benefits, including health insurance, shall be defined-contribution benefits, with the size of the pension being determined by the performance of the subscribed pension plans, although defined benefit pension solutions may occur in individual cases. Variable salary can be pensionable. The premiums for defined contribution pensions must not exceed 40 percent of pensionable salary.

The pensionable salary corresponds to the fixed monthly salary multiplied by a factor of 12.2 and, where applicable, variable salary. Salary deferrals can be used for enhanced occupational pension through one-off pension provisions provided that the total cost for the Company is neutral.

Other benefits

Other benefits, which may include a company car, travel benefits, extra health and care insurance, as well as occupational health care and wellness, must be market-based and only form a limited part of the total remuneration. Premiums and other expenses attributable to such benefits may amount to at most 10 percent of the fixed annual salary.

Terms of termination

All senior executives are required to observe a notice period of six months. In the event of termination by the company, a notice period of at most 12 months shall apply. On termination of employment by the Company, senior executives may, in addition to salary and other employment benefits during the notice period, be entitled to severance pay corresponding to at most 12 months' fixed salary. Severance pay shall not be offset against other income. No severance pay shall be paid in the event that the senior executive resigns.

In addition to severance pay, compensation may also be payable for any competition-limiting undertaking. Such compensation shall compensate for any loss of income and shall only be paid to the extent that the former executive lacks entitlement to severance pay. The compensation must be based on the fixed salary at the time of termination and amount to a maximum of 60 percent of the fixed salary at the time of termination, unless otherwise determined buy mandatory collective agreement regulations, and shall be issued during the time that the commitment on restriction of competition applies, which shall be a maximum of 12 months following termination of employment.

Board fees

In specific cases, it shall be possible, during a limited period, to compensate Addtech Board members elected by the Annual General Meeting for services within their particular areas of expertise that do not constitute Board work. A market-based fee shall be paid for such services (including services provided through any company wholly-owned by a Board member), provided that such services contribute to the implementation of Addtech's business strategy and the fostering of the company's long-term interests, including its sustainability. Such consultant fees may never exceed the annual Board fee for each Board member.

Salary and employment terms for employees

Employees' salaries and terms of employment have been taken into account when preparing the Board's proposal for these guidelines, with employees' total remuneration, the components of that remuneration, as well as the increase in remuneration and the increase over time having been included when the Remuneration Committee and the Board of Directors assess the reasonableness of the guidelines and the limitations they entail.

Preparation and decision-making process

The Board of Directors has resolved to establish a Remuneration Committee. The committee's tasks include: preparing principles for the remuneration of senior executives and the Board's decision on proposed guidelines for remuneration of senior executives. The Board of Directors shall prepare proposals for new guidelines at least every four years and submit its proposals for adoption by the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the Annual General Meeting. The Remuneration Committee shall also monitor and assess programmes of variable remuneration for senior executives, the application of guidelines for the remuneration of senior executives, as well as current remuneration structures and remuneration levels in the company. Following the preparation of recommendations by the Remuneration Committee, the CEO's remuneration shall be determined, within the framework of approved principles, by the Board of Directors. Based on a proposal by the CEO, the Remuneration Committee determines the remuneration for the other members of Group Management. The Board of Directors is informed of the Remuneration Committee's decision. Board meetings addressing and determining matters of remuneration, shall not be attended by the CEO or other senior executives insofar as these matters affect them.

Share-based incentive programmes approved by the Annual General Meeting

Each year, the Board shall assess the need for share-related incentive programmes and, if necessary, submit proposals for resolution by the Annual General Meeting. Any share and share price-related incentive programmes aimed at senior executives shall be approved by the Annual General Meeting and shall aid long-term growth in value.

Deviations from the guidelines

The Board of Directors may decide to deviate from the guidelines in whole or in part if there are specific reasons for this in an individual case and a deviation is necessary to fulfil the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As stated above, the tasks of the Remuneration Committee include preparing decisions by the Board of Directors on remuneration issues, which includes decisions regarding deviations from the guidelines. Decisions regarding deviations from the guidelines are to be explained at the next Annual General Meeting.

For further information regarding the remuneration of senior executives, See also Note 6 Employees and personnel expenses.

Dividend

Addtech's dividend policy is to propose a dividend that exceeds 30 percent of average Group profit after tax over a business cycle. In proposing a dividend, the Group's equity, long-term financing and investment needs, growth plans and other factors are taken into account that the Company's Board of Directors consider important.

The Board of Directors has resolved to propose dividend of SEK 2.80 (2.50) per share to the Annual General Meeting in August 2024. The dividend corresponds to a total of SEK 755 million (674), corresponding to a payout ratio of 46 (45) percent.

Parent Company

The operations of the Parent Company, Addtech AB, include Group Management and the Group's reporting and financial management staff units. The Parent Company's net sales for the financial year amounted to SEK 95 million (83) and its loss after financial items was SEK 687 million (676). Net investments in non-current assets were SEK 0 million (0). At the end of the financial year, the Parent Company's net financial liability was SEK 189 million (net financial asset of SEK 124 million for the preceding financial year).

Future prospects and events after the reporting period

Future prospects

Addtech operates in an international market in which demand is largely influenced by macroeconomic factors. Group companies operate in different but carefully selected niches, resulting in a smoothing effect between sectors, geographical markets and customer segments. Our independent companies work continuously to adapt to changes based on their markets and competitive situation.

Historically, Addtech's continuous pursuit of profit growth, profitability (P/WC) and development have provided favourable average value growth. Our cash flow and financial position form a stable foundation for continued long-term profitable and sustainable growth based on the same business concept. With our niche strategies, we are well positioned in structurally driven areas of development, such as the transition to renewable energy sources and the ongoing and increasing process of electrification. In challenging times, companies with stable business models and strong financial circumstances are able to benefit from new opportunities that arise. For this reason, it is important that we continue to focus on our long-term goals.

The risk and uncertainty factors are otherwise the same as in earlier periods. The Parent Company is indirectly affected by the above risks and uncertainties through its function in the Group.

Events following the close of the financial year

On 1 April, 2024, Michael Ullskog took office as the new Business Area Manager for the Automation business area, also joining the management team. Martin Fassl, former Business Area Manager for Automation, stepped down from the management team but will assist the business area as senior advisor until his planned retirement in June 2024.

On 10 April, Novomotec GmbH of Germany was acquired for the Electrification business area. Novomotec is a leading supplier of compact electric motors to OEM customers in light electric vehicles, medical technology and automation applications. The company has 9 employees and generates annual sales of approximately EUR 7 million.

On 15 April, 90 percent of the shares in Cell Pack Solutions Ltd in the UK were acquired for the Electrification business area. Cell Pack develops, internationally manufactures and markets own brand battery solutions to customers primarily in water treatment, safety and medical technology. The company has 30 employees and generates annual sales of approximately GBP 5.6 million.

On 29 April, GoDrive AS of Norway was acquired for the Industrial Solutions business area. GoDrive AS is a leading supplier of frequency converters and accessories in the Norwegian market. GoDrive joins our operations in the BEVI group, a supplier of electric drive systems, and complements those operations well. The company has 5 employees and generates annual sales of approximately NOK 75 million.

On 3 June, Nuova Elettromeccanica Sud SpA of Italy was acquired, for the Energy business area. Nuova Elettromeccanica Sud SpA develops, manufactures and sells equipment and components for electrical transmission lines and substations. The company is continuing to develop our position as a global player in equipment for high-voltage networks, complementing well the operations conducted in the Energy Supply business unit. The company has 60 employees and generates annual sales of approximately EUR 14 million.

On 11 June, an agreement was signed to acquire 89 percent of the shares in C. Gunnarssons Verkstad AB of Sweden for the Industrial Solutions business area. C. Gunnarssons Verkstad AB is a leading supplier of machinery and production lines for lumber handling in the Nordic market. The company has 45 employees and generates annual sales of approximately SEK 200 million.

On July 1, Analytical Solutions and Products B.V. of the Netherlands was acquired for the Process Technology business area. ASaP manufactures and supplies analytical solutions to primarily the process- and energy industries. The offering includes instrumentation, engineered systems with supporting software and service. The company has 30 employees and generates annual sales of approximately EUR 12 million.

Proposed allocation of earnings 2023/2024

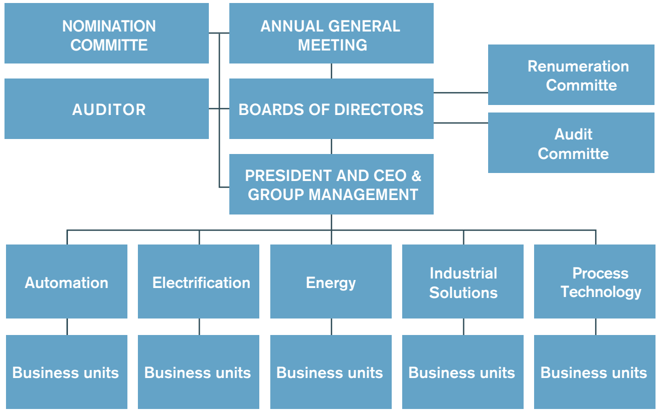
The following amounts are at the disposal of the Annual General Meeting of Addtech AB:	2023/2024
Retained earnings	SEK 435 million
Profit for the year	SEK 807 million
Total	**SEK 1,242 million**
The Board of Directors and the CEO propose that the funds available be allocated as follows:	
That a dividend of SEK 2.80 per share be paid to shareholders*	SEK 755 million
To be carried forward	SEK 487 million
Total	**SEK 1,242 million**

* Calculated based on the number of shares outstanding at 31 May 2024. The total dividend payout may change if the number of repurchased treasury shares changes prior to the proposed dividend record date of 26 August 2024.

Corporate Governance Report

Principles of corporate governance

The Addtech Group views sound corporate governance as an important basis on which to build a trustful relationship with shareholders and other key parties. The Swedish Code of Corporate Governance, applied by the Group, seeks to achieve a favourable balance between shareholders, the Board of Directors and senior management. In Addtech's operations, rational corporate governance, imposing strict standards on openness, reliability and ethical values, has always been a guiding principle.



Compliance with the Swedish Code of Corporate Governance

Addtech's shares are admitted to trading on the Nasdaq Stockholm exchange and, accordingly, Addtech complies with the Nasdaq Stockholm Rule Book for Issuers. As a listed company, Addtech also applies the Swedish Code of Corporate Governance (the Code), which can be accessed via www.bolagsstyrning.se. Deviations from the Code and the motivations for these are accounted for in this text on an ongoing basis. The Company deviates on one point, in the section on quarterly review by the auditor.

This Corporate Governance Report has been reviewed by the company's auditors. The address of the company's website is www.addtech.se.

Compliance with applicable exchange rules

No violations of applicable exchange rules occurred in 2023/2024 and Addtech's operations were conducted in accordance with generally accepted stock market practices.

Shares and shareholders

Addtech AB's share register is maintained by Euroclear Sweden AB. According to this share register, Addtech had 15,122 shareholders as of 31 March 2024, with a total 272,793,984 shares divided into 12,885,744 Class A shares, conveying ten votes apiece, and 259,908,240 Class B shares, conveying one vote apiece. There were 388,765,680 votes in total. More information regarding Addtech's share and shareholders can be found in the Addtech share section of this Annual Report.

Key events in 2023/2024

The resolutions of Addtech's Annual General Meeting were announced on 23 August 2023, which included the approval of a dividend of SEK 2.50 per share, amounting to a dividend payout ratio of 45 percent and corresponding to SEK 674 million. During the financial year, a total of 10 acquisitions were conducted, adding annual sales of approximately SEK 865 million.

Articles of Association

The Articles of Association state that the name of the company is Addtech Aktiebolag and that its financial year extends from 1 April to 31 March. The Articles of Association include no specific provisions regarding the appointment and dismissal of Board members or amendments to the Articles of Association. The Articles of Association contain no limitations regarding the number of votes that may be cast by each shareholder at a General Meeting. The full Articles of Association, adopted in their current form by the Annual General Meeting of 23 August 2023, can be accessed under Investors/Corporate Governance/Articles of Association at the company's website.

Annual General Meeting

Shareholders exercise their influence over the company at the Annual General Meeting, or, where applicable, at an Extraordinary General Meeting, such meetings being Addtech's highest decision-making body. The Annual

General Meeting shall be held in Stockholm within six months of the end of the financial year. At the Annual General Meeting, resolutions are made regarding matters including the election of the Board of Directors and the Chairman of the Board, the election of auditors, the approval of the income statement and balance sheet, the appropriation of the company's earnings and the discharge from liability of Board members and the CEO, the Nomination Committee and its work, as well as guidelines for the remuneration of senior executives. Addtech's website presents information regarding the company's previous Annual General Meetings. Information is also presented there regarding shareholders' entitlement to have matters addressed by the Annual General Meeting and the deadline by which Addtech must have received shareholders' requests for these matters to be addressed. No specific arrangements regarding the function of the General Meeting are applied within Addtech due to provisions in the Articles of Association or, as far as the company is aware, to shareholder agreements.

At General Meetings, resolutions are normally passed by a simple majority vote and, in elections, the recipient of the largest number of votes is considered elected. For certain decisions however, such as amendments to the Articles of Association, a qualified majority is required.

2023 Annual General Meeting

Addtech's Annual General Meeting was held on Wednesday, 23 August 2023 in Stockholm. At the meeting, 483 shareholders were represented, in person or by proxy. They represented 68.58 percent of the total number of votes and 56.13 percent of the capital. The Chairman of the Board, Kenth Eriksson was elected chairman of the Meeting.

All Board members and all members of Group Management attended the Meeting. Authorised Public Accountant Joakim Thilstedt, Addtech's Principal Auditor, was also present at the Meeting.

The Annual General Meeting resolved the following:

- That a dividend of SEK 2.50 per share be paid.
- Re-election of Board members Kenth Eriksson, Malin Nordesjö, Ulf Mattsson, Henrik Hedelius, Annikki Schaeferdiek and Niklas Stenberg. Kenth Eriksson was re-elected Chairman of the Board.
- To elect registered auditing firm Deloitte AB for a period of one year.
- The Annual General Meeting approved guidelines for the remuneration of senior executives in accordance with the Board of Directors' proposal.
- The Annual General Meeting resolved, in accordance with the Board of Directors' proposal, to issue call options on repurchased shares and to transfer repurchased shares to executives.
- Prior to the next Annual General Meeting, the Board of Directors is authorised to acquire a quantity of Class B shares, such that the Company's holding of its own shares does not, at any given time, exceed 10 percent of the total number of shares in the Company.
- The Board of Directors was authorised to issue new shares corresponding to at most 5 percent of the total number of Class B shares, for use as payment in connection with acquisitions.
- The remaining resolutions of the Annual General Meeting are included in the complete minutes of the Meeting, which are available at www.addtech.com together with other details of the Annual General Meeting.

2024 Annual General Meeting

Addtech's 2024 Annual General Meeting will be held on Thursday 22 August. For further details of the 2024 Annual General, see Addtech's website www.addtech.com.

Duties of the Nomination Committee

The Nomination Committee is tasked by the shareholders with assessing the composition and work of the Board of Directors for the Annual General Meeting, with proposing Board members, a Chairman of the Board and Board fees to the Annual General Meeting, and, when applicable, with proposing the election of a registered auditing firm and auditing fees, as well as principles for how members of the Nomination Committee are appointed.

The members of the Nomination Committee receive no remuneration from the Company for their work on the Nomination Committee. The Nomination Committee held three minuted meetings prior to the 2024 Annual General Meeting. The Nomination Committee's complete proposal to the Annual General Meeting is presented in the notice convening the Meeting and on the Company's website.

Composition of the Nomination Committee

The Annual General Meeting has resolved that the following principles shall apply until further notice. Accordingly, the Annual General Meeting does not adopt such principles and determine the duties of the Nomination Committee annually unless the actual principles or duties are to be amended. The Nomination Committee comprises representatives of the five largest shareholders in terms of votes at the end of the year (grouped according to owner as of 31 December). The Chairman of the Board is tasked with convening the first meeting of the Nomination Committee and shall ensure that the Nomination Committee receives relevant information regarding the results of the Board's assessment of its own work. The Chairman of the Board shall be co-opted if necessary. From among its number, the Nomination Committee appoints a chairman. The composition of the Nomination Committee shall be announced publicly at the latest six months prior to the Annual General Meeting.

In accordance with this, the following individuals were appointed as members of the Nomination Committee on 31 December 2023: Anders Börjesson (appointed by Tisenhult Invest), Henrik Hedelius (appointed by Tom Hedelius), Marianne Nilsson (appointed by Swedbank Robur Fonder), Leif Almhorn (appointed by SEB Investment Management) and Per Trygg (appointed by Lannebo Fonder). The composition of the Nomination Committee was presented in connection with publication of the third quarter report on of 7 February 2024. The composition of the Nomination Committee agrees with the principles set out by the Annual General Meeting.

Members of the Nomination Committee

The Nomination Committee in preparation for the 2024 Annual General Meeting (was appointed by the largest shareholders in terms of votes as of 31 December 2023).

Name	Representing	Share of votes, % 31 Dec 2023
Anders Börjesson (chairman)	Holders of Class A shares	16.4
Henrik Hedelius	Holders of Class A shares	15.2
Leif Almhorn	SEB Investment Management fonder	5.0
Marianne Nilsson	Swedbank Robur Fonder	4.1
Per Trygg	Lannebo Fonder	2.2
Total		**42.9**

Duties of the Board of Directors

The principal duty of the Board of Directors is to manage the Group's operations on behalf of the shareholders in a manner best meeting the shareholders' interest in a favourable return on capital over the long term. The Board of Directors bears the ultimate responsibility for Addtech's organisation and the administration of Addtech's operations. It is responsible for the Group's long-term development and strategy, for continuously monitoring and assessing the Group's operations and for other duties pursuant to the Swedish Companies Act.

Composition of the Board of Directors

In accordance with the Articles of Association, the Board of Directors shall consist of at least three and at most nine members. Members serve from the close of the Annual General Meeting at which they are elected until the close of the ensuing Annual General Meeting. There is no limit to the number of periods for which a member can sit on the Board of Directors consecutively. The 2023 Annual General Meeting re-elected Board members Kenth Eriksson, Ulf Mattsson, Malin Nordesjö, Henrik Hedelius, Annikki Schaeferdiek and Niklas Stenberg. Kenth Eriksson was re-elected Chairman of the Board. A presentation of the Board members is provided in the Board of Directors section in this Annual Report and on the Company's website.

In preparing its proposal regarding the Board of Directors, the Nomination Committee has applied Section 4.1 of the Code as its diversity policy. Taking the Company's operations, phase of development and general circumstances into account, this respects the need for the Board of Directors to be appropriately composed and characterised by versatility and breadth in terms of its skills, experience and background. An even gender distribution is to be sought.

Independence of the Board of Directors

Several different types of independence requirements apply to the Board of Directors and its committees. Addtech applies independence requirements stemming from applicable Swedish legislation, the Swedish Code of Corporate Governance and the rules of the Nasdaq Stockholm exchange. Ahead of the Annual General Meeting, the Nomination Committee assesses the independence of the Board of Directors. All Board members, with the exception of Niklas Stenberg who is employed by the Company as CEO, are independent in relation to the Company. Of the members who are independent in relation to the Company, Kenth Eriksson, Ulf Mattsson and Annikki Schaeferdiek are also independent in relation to the Company's major shareholders. Accordingly, it is deemed that the Board of Directors meets the requirement that at least two of the Board members who are independent of the Company shall also be independent of major shareholders.

Rules of procedure

Each year, the Board of Directors adopts written rules of procedure for the work of the Board in accordance with the Swedish Companies Act. The rules of procedure determine the distribution of work between the Board members, including the Board's committees, the number of regular Board meetings, matters to be dealt with at regular Board meetings and the duties of the Chairman of the Board. The Board of Directors has also issued written instructions stating how financial reports are to be presented to the Board of Directors and how efforts are to be distributed between the Board of Directors and the CEO.

Duties of the Chairman of the Board

The Chairman of the Board is responsible for ensuring that Board work is well organised, conducted efficiently and that the Board of Directors meets its obligations. The Chairman of the Board monitors operations in dialogue with the CEO. The Chairman of the Board is also responsible for ensuring that other Board members are provided the introduction, information and documentation necessary for maintaining a high level of quality in discussions and decisions, and checks that decisions made by the Board of Directors are executed. The Chairman of the Board represents Addtech regarding issues of ownership.

Work of the Board of Directors in 2023/2024

In accordance with the Board of Directors' rules of procedure, the Board of Directors is to meet in connection with the presentation of interim reports, at an annual strategy meeting and at its annual statutory meeting, and on other occasions if necessary. The Board of Directors held nine meetings over the financial year, whereof four were held before the 2023 Annual General Meeting and five following the Annual General Meeting. The following table shows the Board members' attendance:

	Personal data		Attendance (total number of meetings)			Independent in relation to:		Remunerations		
Board member	**Elected year**	**Born**	**Board of Directors***	**Remuneration Committee**	**Audit Committee****	**The Company**	**The Company's major shareholders**	**Board of Directors, SEK**	**Remuneration Committee, SEK**	**Total remuneration, SEK**
Kenth Eriksson (chairman)	2016	1961	9 (9)	2 (2)	4 (4)	Yes	Yes	1,240,000	100,000	1,340,000
Ulf Mattsson	2012	1964	9 (9)		4 (4)	Yes	Yes	490,000		490,000
Malin Nordesjö	2015	1976	9 (9)	2 (2)	4 (4)	Yes	No	490,000	100,000	590,000
Henrik Hedelius	2017	1966	9 (9)		4 (4)	Yes	No	490,000		490,000
Niklas Stenberg	2020	1974	9 (9)			No	Yes	0		0
Annikki Schaeferdiek	2021	1969	9 (9)		4 (4)	Yes	Yes	490,000		490,000
								3,200,000	**200,000**	**3,400,000**

* Number of meetings attended by the member, including the statutory meeting.
** The Audit Committee comprises the Board of Directors in its entirety, with the exception of the CEO. Its work is performed as an integral part of the work of the Board of Directors.

All meetings followed an approved agenda that was provided to members prior to Board meetings, together with documentation for each agenda item. Regular Board meetings usually take half a day to allow time for presentations and discussions. The CEO, or someone appointed by him, presents all matters concerning the operations of the Company and the Group.

Other Company officials participate in Board meetings to present specific matters or if otherwise deemed appropriate. The company's CFO acts as the Board of Directors' secretary and as the secretary of the Nomination Committee. The Board of Directors addressed the following at its meetings:

- Approval of essential policies such as the Board of Directors' Rules of Procedure, Attestation Policy, Financial Policy, Code of Conduct, Insider Policy, Communications Policy, Sustainability Policy, Dividend Policy and its IT and Data Security Policy.
- Strategic focus and key targets.
- Key issues involving optimisation of capital structure, financing, dividends, repurchasing of the Company's own shares, investments, acquisitions and disposals of operations.
- Follow-up and control of operations, financial development, disclosure of information and organisational matters.

- Review and report by the Company's external auditors.
- Review with the auditors without the presence of Group Management for assessment of the CEO and Group management.
- Assessment of the work of the Board of Directors. Each year, the Chairman of the Board initiates and directs this assessment.
- Approval of interim reports, the Year-end Report and the Annual Report.
- An extraordinary Board meeting held in September 2023 addressed an acquisition proposal and feedback from the Remuneration Committee.

Assessment of the work of the Board of Directors

The Board of Directors conducts an assessment of its work on an annual basis. Each year, the Chairman of the Board initiates and directs the assessment of the work of the Board of Directors. The assessment serves to further develop working methods, dynamics, efficiency and working climate, as well as the principal focus of the work of the Board of Directors. This assessment also focuses on access to, and the need for, specific areas of expertise among Board members. The assessment includes interviews, joint discussions and the Chairman holding separate discussions with individual Board members. The assessments are discussed at a Board meeting and also serve as a basis for the Nomination Committee's work to propose Board members.

Remuneration Committee

The Remuneration Committee appointed by the Board of Directors consists of Kenth Eriksson, Chairman of the Board and Board member Malin Nordesjö, with CEO Niklas Stenberg attending to present information. The Remuneration Committee prepares the "Board's proposal for principles regarding remuneration of senior executives". The proposal is considered by the Board of Directors before being submitted for resolution by the Annual General Meeting. Based on the resolution of the Annual General Meeting, the Board of Directors determines the remuneration for the CEO. The CEO does not present information regarding his own remuneration and does not participate in the Board's decision. Based on a proposal by the CEO, the Remuneration Committee determines the remuneration for the other members of Group Management. The Board of Directors is informed of the Remuneration Committee's decision. The Remuneration Committee is then tasked with monitoring and assessing the application of the guidelines for the remuneration of senior executives adopted by the Annual General Meeting. The Remuneration Committee shall also monitor and assess programmes of variable remuneration for Company management ongoing and completed during the year. During the financial year, the Remuneration Committee met on two occasions.

Audit Committee

The duties of the Audit Committee are performed by the Board of Directors as a whole and are conducted as an integral part of the work of the Board at its regular meetings. Board member Malin Nordesjö has expertise in accounting and auditing. The Audit Committee is tasked with monitoring the Company's financial reporting, monitoring the effectiveness of the Company's internal control and risk management regarding the financial reporting, keeping informed regarding the audit of the annual and consolidated accounts, assessing and monitoring the impartiality and independence of the auditor and, in doing so, paying particular attention to whether the auditor provides the Company with services other than auditing services, and helping draw up proposals for the Annual General Meeting when electing an auditor.

In connection with the adoption of the 2023/2024 annual accounts, the Board of Directors was briefed by the Company's external auditors and presented with their report. At this meeting, the Board of Directors was also briefed by the auditors without the presence of the CEO or other members of Company management.

Auditor

In accordance with the Articles of Association, a registered auditing firm must be elected as auditor. The 2023 Annual General Meeting elected Deloitte AB as the Company's auditor until the close of the 2024 Annual General Meeting. Authorised Public Accountant Kent Åkerlund is the Principal Auditor. The company's auditor follows an audit plan into which viewpoints collected from the Board of Directors have been integrated and reports his observations to the company and business area management teams, to Group Management and the Board of Directors of Addtech AB. This occurs both during the audit and when approving the annual accounts. The company's auditor also takes part in the Annual General Meeting, describing and commenting on his audit work.

The independence of the external auditor is regulated in a specific directive adopted by the Board of Directors. This states the areas where the services of the external auditor, which are not part of the regular auditing, may be enlisted. The company's auditors continually assesses their independence in relation to the Company and each year submit a written affirmation to the Board stating that the auditing firm is independent of Addtech. In the past year, the auditors performed advisory assignments, mainly concerning accounting, taxation matters and listing rules.

Quarterly review by auditors

During the 2023/2024 financial year, Addtech's six-month or nine-month report was not reviewed by Addtech's external auditors, representing a deviation from rule 7.6 of the Code. To date, it has been the view of the Board of Directors that the benefit and additional expense for the Company of an extended quarterly review by the auditor cannot be justified.

Elected auditor Deloitte AB

Kent Åkerlund

Principal Auditor

Authorised Public Accountant, Stockholm. Born 1974. Kent Åkerlund has been principally responsible for auditing the Addtech Group since 2023/2024 and also works as the Principal Auditor for Trelleborg, OX2, Diös Fastigheter, SkiStar and RaySearch, among others.

Chief Executive Officer and Group Management

CEO Niklas Stenberg directs the operations in accordance with the Swedish Companies Act and the frameworks established by the Board of Directors. In consultation with the Chairman of the Board, the CEO prepares the data and information needed by the Board of Directors to reach decisions at Board meetings, as well as gives presentations and motivates proposed decisions. The CEO directs the work of Group Management and makes decisions in consultation with other members of Group Management. At the close of the 2023/2024 financial year, Group Management comprised Niklas Stenberg (CEO), Malin Enarson (CFO), Martin Fassl (Business Area Manager Automation), Per Lundblad (Business Area Manager Electrification), Hans Andersén (Business Area Manager Energy), Daniel Prelevic (Business Area Manager Industrial Solutions) and Claus Nielsen (Business Area Manager Process Technology). Group management regularly reviews operations at meetings headed by the CEO.

The Chief Executive Officer is presented in greater detail in the Board of Directors and Management section of this Annual Report and on the Company's website.

Remuneration of senior executives

The principles for the remuneration of senior executives at Addtech are adopted by the Annual General Meeting. Senior executives comprise the CEO and other members of Group Management. The 2023 Annual General Meeting approved the Board of Directors' proposal regarding guidelines for the remuneration for senior executives. These guidelines are consistent with the principles previously applied.

Addtech seeks to offer an overall remuneration package that is both reasonable and competitive, while enabling the Company to attract and retain skilled employees. The overall remuneration, which varies in relation to the performance of the individual and the Group, may include the various components stated below. Fixed salary forms the base of the overall remuneration package. This salary shall be competitive and reflect the responsibilities of the position. Fixed salaries are reviewed annually. Variable compensation is based primarily on the Group's growth in earnings, profitability and cash flow. On an annual basis, the variable component may amount to at most 40 percent of the fixed salary. Each year, the Board of Directors evaluates whether or not a long-term incentive scheme should be proposed to the Annual General Meeting and, if it should, whether the proposed long-term incentive scheme should include the transfer of Company shares or not. Retirement pension, health insurance and other benefits are to be structured in accordance with applicable rules and market norms. Where possible, pensions are to be based on defined-contribution plans.

For further details regarding remuneration for senior executives, please see Note 6 of this Annual Report. The principles for the remuneration of senior executives approved by the Annual General Meeting were adhered to during the financial year.

Long-term incentive schemes

At the end of the financial year, Addtech had four call option programmes outstanding, involving a total 2,353,880 Class B shares. The purpose of long-term incentive schemes is to enable Group executives, through an investment of their own, to participate in and work for a favourable trend in the value of the Company's shares. The schemes are also expected to generate improved conditions for recruiting and retaining skilled personnel for the Addtech Group, to provide competitive compensation and to unite the interests of the shareholders with those of the executives. The schemes are intended to contribute to executives increasing their shareholding in Addtech over the long term. The executives encompassed by the schemes are those who, in an otherwise heavily decentralised organisation, are able to impact profit positively by means of partnerships between Group companies. The share-related incentive schemes approved by the Annual General Meeting do not entail a net charge against Company equity.

Remuneration to the Board of Directors and auditors

Each year, the Annual General Meeting of Addtech AB adopts guidelines regarding the remuneration of the Board of Directors and the auditors.

In accordance with the resolution of the 2023 Annual General Meeting, Board fees are to total SEK 3,400,000 and are to be distributed as follows: SEK 1,240,000 to the Chairman of the Board, SEK 490,000 to each of the other Board members appointed by the Annual General Meeting who are not employees of the Company and SEK 100,000 to each member of the Remuneration Committee. For further details of Board fees, see Note 6 in this Annual Report.

In accordance with the resolution of the Annual General Meeting, auditor's fees are to be paid in accordance with an approved invoice. For further details of auditor's fees and of fees for non-auditing services, see Note 7 of this Annual Report.

Operating organisation and governance

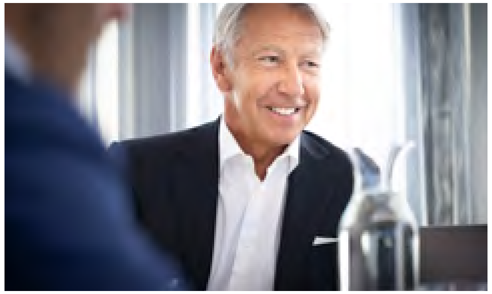
During the 2023/2024 financial year, Addtech was organised into the following five business areas: Automation, Electrification, Energy, Industrial Solutions and Process Technology. The division into business areas reflects Addtech's internal organisation and reporting system.

Overall, the Addtech Group comprises some 150 independent companies in 20 countries. Although decisions regarding the companies' operations are taken close to the market, from a governance perspective it is important to integrate the acquired company into certain areas of significance for the Group.

Each operating company has a board of directors, in which that company's Managing Director is a member, as well as executives from the business area or business unit. Within each business area, companies are grouped in business units based on product or market concepts. The Managing Director of each company reports to a Business Unit Manager, who in turn reports to the Business Area Manager. Each Business Area Manager reports to the CEO of Addtech AB. The business areas and business units hold internal board meetings chaired by the CEO and attended by the CFO of Addtech AB, along with the relevant Business Area Manager and controller. Other officials participate in the business area's Board meetings to present specific matters or if otherwise deemed appropriate.

Board of Directors

Disclosures of shareholdings and call options pertain to 31 May 2024.



KENTH ERIKSSON, *Chairman of the Board*

M. Eng. and MBA Born 1961. Board member since 2016. **Other board assignments:** Board member at Zalaris and Athanase Innovation AB. **Professional experience:** CEO of Tradimus and senior positions within Electrolux. Partner at Athanase Industrial Partner. **Shareholding:** 236,400 Class B shares and 40,320 Class A shares (including related parties).

ULF MATTSSON, *Board member*

M.Sc. Econ. Born 1964. Board member since 2012. **Other board assignments:** Chairman of the Board at Attendo, Eltel, VaccinDirect, Swemac and Lideta. Board member at Oras Invest Oy and Priveq V & VI. **Professional experience:** CEO at Domco Tarkett, Mölnlycke Health Care, Capio, Gambro and Karo Pharma. **Shareholding:** 32,000 Class B shares (including related parties).

HENRIK HEDELIUS, *Board member*

M.Sc. Econ. Born 1966. Board member since 2017. **Other board assignments:** Board member at Bergman & Beving, Swedish Tonic AB, Wyld Networks AB and Service and Care AB. **Professional experience:** Board member at Mannerheim Invest, Vinovo AB, Team Sportia, Gigasense and Mind Industrial Group. Senior positions at Jarl Securities, Storebrand Kapitalförvaltning, Swedbank and ABN Amro. **Shareholding:** 6,400 Class B shares (including related parties)

MALIN NORDESJÖ. *Board member*

M.Sc. Econ. Born 1976. Board member since 2015. **Other board assignments:** Board member at Bergman & Beving AB and at a number of companies in the Tisenhult group. **Professional experience:** Senior positions at Tisenhult-gruppen and Tritech Technology. **Shareholding:** 70,558 Class B shares (including related parties).

NIKLAS STENBERG, *Board member*

Bachelor of Laws. Born 1974. President and CEO since 2018. Board member since 2020. Employed by the Group since 2010. **Other board assignments:** Board member at Bergman & Beving AB. **Professional experience:** Senior positions within Bergman & Beving and previously as a lawyer. **Shareholding:** 257,076 Class B shares (including related parties). Call options equivalent to 129,000 shares.

ANNIKKI SCHAEFERDIEK, *Board member*

M.Sc. Eng. Born 1969. Board member since 2021. **Other board assignments:** Chairman of the Board at Formpipe Software AB and Board member at Proact IT AB and Progrits AB. **Professional experience:** Founder and CEO of Syster P AB, CEO at Netwise and Business Area Manager at Ericsson Multimedia. **Shareholding:** 2,000 Class B shares (including related parties).

Group Management

Disclosures of shareholdings and call options pertain to 31 May 2024.

NIKLAS STENBERG, *Bachelor of Laws*

Born 1974. President and CEO. Employed by the Group since 2010. **Professional experience:** senior positions within Bergman & Beving and previously as a lawyer. **Shareholding:** 257,076 Class B shares (including related parties). Call options equivalent to 129,000 shares.

MALIN ENARSON, *M.Sc. Econ.*

Born 1973. CFO. Employed by the Group since 2004. **Professional experience:** Business Controller Addtech Power Solutions, several accountancy roles at Addtech, auditor at Mazars (SET) Revisionsbyrå. **Shareholding:** 56,628 Class B shares (including related parties). Call options equivalent to 76,000 shares.

MICHAEL ULLSKOG, *Electronics Engineer.*

Born 1966. Business Area Manager Automation. Employed by the Group since 2015. **Professional experience:** Business Unit Manager positions within Addtech, CEO of Compotech Provider AB, CEO and Partner at RECAB AB. **Shareholding:** 1,152 Class B shares (including related parties). Call options equivalent to 47,250 shares.

HANS ANDERSÉN, *Electric Power Engineer*

Born 1961. Business Area Manager Energy. Employed by the Group since 2006. **Professional experience:** CEO and owner of AB Gevea and Business Unit Manager, Energy Supply. **Shareholding:** 328,896 Class B shares (including related parties). Call options equivalent to 65,000 shares.

PER LUNDBLAD, *Mechanical Engineer and Market Economist*

Born 1967. Business Area Manager Electrification. Employed by the Group since 2008. **Professional experience:** CEO and partner at Emcomp International AB and Business Unit Manager Power Systems. **Shareholding:** 55,330 Class B shares (including related parties). Call options equivalent to 70,000 shares.

DANIEL PRELEVIC, *M.Sc. Econ.*

Born 1977. Business Area Manager Industrial Solutions. Employed by the Group since 2011. **Professional experience:** Deputy Business Area Manager, Business Unit Manager and Business Controller within Addtech, Business Controller at Atlas Copco. **Shareholding:** 104,000 Class B shares (including related parties). Call options equivalent to 85,000 shares.

CLAUS NIELSEN, *Export Technician*

Born 1969. Business Area Manager Process Technology. Employed by the Group since 1994. **Professional experience:** Various management positions at Addtech and Bergman & Beving. **Shareholding:** 61,804 Class B shares (including related parties). Call options equivalent to 70,000 shares.

Systems for internal control and risk management in financial reporting

Internal control

The Board of Directors bears the overall responsibility for ensuring that the Group has an effective system of management and internal control. This responsibility includes evaluating the financial reports that the Board of Directors receives on an annual basis and setting requirements regarding content and format of these reports to assure their quality. This requirement means that the financial reporting must fulfil its purpose while complying with applicable accounting regulations and the other requirements imposed on listed companies. Each year, the CFO reports on the Group's internal control work to the Board of Directors.

Control environment

Addtech builds and organises its operations around decentralised responsibility for profitability and earnings. In decentralised operations, internal control is based on deeply rooted process that serves to define targets and strategies for each area of operations. Internal directives and Board-approved policies convey well-defined decision-making channels, authorities and responsibilities. The Group's foremost documents for financial control are the accounting manual, the financial policy, the reporting manual and the instructions issued ahead of each annual/quarterly closing. A Group-wide reporting system, with related analysis tools, is used in the Group's process for closing the annual/quarterly accounts. At a more comprehensive level, all operations in the Addtech Group must comply with the Group's Code of Conduct.

Risk assessment

With regard to the risks that the Board of Directors and Group Management consider significant, Addtech applies well-established procedures of internal control and risk management in its financial reporting. Risk assessments start with the Group's income statement and balance sheet to identify the risk of material error. In the Addtech Group as a whole, the greatest risks in the financial reporting are associated with intangible non-current assets related to business acquisitions. The exposure is determined by the degree of dependence on internal control or assessments that could affect the financial reporting. The Group applies annual procedures for impairment testing to identify any indications that impairment should be recognised.

Control activities

Control activities include transaction-related controls such as authorisation and investment rules and clear payment procedures, but also analytical controls performed by the Group's controllers function and the central finance and accounting function. Controllers and finance managers at all levels within the Group play a key role in building environment needed for transparent and accurate financial reporting. The role imposes considerable demands on integrity, expertise and individuals' capabilities.

Regular finance conferences are held to discuss current issues and ensure the effective sharing of knowledge and experience within the finance and accounting functions. The monthly review of results that is performed via the internal reporting system and that is analysed and commented on internally by the Board of Directors is a key, overarching control activity. The review includes an evaluation of results in comparison with set targets and previous performance, as well as a follow-up of key indicators.

Each year, all Group companies perform a self-assessment regarding matters of internal control. The companies comment on how important issues were handled, such as business terms and conditions in customer contracts, customer credit assessments, checking and evaluating inventory, payment procedures, documentation and analysis of closing accounts, and compliance with internal policies and procedures. For critical issues and processes, an accepted minimum level has been set and all companies are expected to meet this level. Each company's responses are validated and commented on in connection with the regular audit. The responses are then compiled and analysed, after which they are presented to business area management and Group management. The results of self-assessment process are taken into consideration in planning self-assessment and external auditing for future years.

In addition to the self-assessment process, a more in-depth analysis of internal control is performed in about 25 operating companies each year. This process is referred to as an internal audit and is performed at the companies by business area controllers and employees from the Parent Company's central finance and accounting function. Central processes at the companies, and control points for these, are analysed, tested and recorded. The external auditors study the records kept in connection with the auditing of the companies. The process provides a solid basis on which to chart and assess internal control within the Group. An external party also reviews and assesses the Group's internal control processes on a regular basis.

Information and communications

Governing guidelines, policies and instructions are accessible from internal digital fora, such as Teams. Codes of Conduct are available publicly on the Addtech website. These documents are updated on an ongoing basis as needs arise. Amendments are communicated separately by e-mail and at meetings for those concerned.

Accessibility of internal information via internal channels is determined by means of authorisations. Group employees are organised into different groups whose access to information differs. All financial guidelines, policies and instructions can be accessed by the Managing Directors, Chief Accountants, Business Unit Managers, Business Area Managers and Business Area Controllers of each of the companies, as well as by the central financial and accounting staff. Financial data at the Group level is also controlled centrally by means of authorisations.

Review

The outcome of the internal control work is analysed and reported annually. An assessment is made regarding what improvement measures should be undertaken in the various companies. The boards of the various Group companies are informed of the outcome of the internal control work within each company and of what improvement measures should be implemented. Together with the boards of the companies, the Business Area Controllers then review these efforts on an ongoing basis over the ensuing years. The Board of Directors of the Addtech Group receives monthly comments from the CEO regarding the business situation and how the operations are developing. The Board of Directors discusses all quarterly financial accounts and Annual Reports prior to these being published. The Board of Directors is given an annual status report regarding the internal control work and its outcome. The Board of Directors is also informed of the assessment made by the external auditors of the Group's internal control processes.

Internal audit

Given the risk assessment described above and how the control activities are designed, including self-assessment and in-depth analysis of the internal control, the Board of Directors has chosen not to maintain a specific internal audit function.

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Consolidated income statement

SEK million	Note	2023/2024	2022/2023
Net sales	4, 5	20,019	18,714
Cost of sales		-13,672	-13,091
GROSS PROFIT		**6,347**	**5,623**
Selling expenses		-2,932	-2,593
Administrative expenses		-979	-922
Other operating income	9	94	114
Other operating expenses	9	-108	-61
Profit from participations in associated companies		4	6
OPERATING PROFIT	3-10, 16	**2,426**	**2,167**
Financial income	11	47	14
Financial expenses	11	-290	-176
NET FINANCIAL ITEMS		**-243**	**-162**
PROFIT BEFORE TAX		**2,183**	**2,005**
Tax	13	-492	-451
PROFIT FOR THE YEAR		**1,691**	**1,554**
Attributable to:			
Parent Company shareholders		1,632	1,495
Non-controlling interests		59	59
Earnings per share before dilution (SEK)	30	6.05	5.55
Earnings per share after dilution (SEK)	30	6.05	5.55
Average number of shares after repurchases (thousands)		269,634	269,557
Number of shares at end of period after repurchases (thousands)		269,779	269,565

Consolidated statement of comprehensive income

SEK million	2023/2024	2022/2023
Profit for the year	1,691	1,554
Items that may later be reversed in the income statement		
Changes for the year in fair value of cash flow hedges	-4	2
The year's translation differences when translating foreign operations	184	312
Tax attributable to items that can later be reversed in the income statement	1	-1
Items that may not be reversed in the income statement		
Revaluations of defined benefit pension plans	-22	102
Tax attributable to items that cannot be reversed in the income statement	4	-20
OTHER COMPREHENSIVE INCOME	**163**	**395**
COMPREHENSIVE INCOME FOR THE YEAR	**1,854**	**1,949**
Attributable to:		
Parent Company shareholders	1,790	1,882
Non-controlling interests	64	67

Consolidated balance sheet

SEK million	Note	31 Mar 2024	31 Mar 2023
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets	14	7,466	6,312
Property, plant and equipment	15	631	457
Right-of-use assets	16	694	722
Deferred tax assets	13	39	45
Other financial assets		35	35
TOTAL NON-CURRENT ASSETS		**8,865**	**7,571**
CURRENT ASSETS			
Inventories	18	3,125	3,326
Tax assets		37	45
Accounts receivable	3	3,260	3,295
Prepaid expenses and accrued income	19	339	259
Other receivables		233	169
Cash and cash equivalents		798	606
TOTAL CURRENT ASSETS		**7,792**	**7,700**
TOTAL ASSETS		**16,657**	**15,271**
EQUITY AND LIABILITIES			
EQUITY	20		
Share capital		51	51
Other contributed capital		344	344
Reserves		620	442
Retained earnings, including profit for the year		4,959	4,347
Equity attributable to Parent Company shareholders		**5,974**	**5,184**
Non-controlling interests		504	389
TOTAL EQUITY		**6,478**	**5,573**

SEK million	Note	31 Mar 2024	31 Mar 2023
LIABILITIES			
Non-current liabilities			
Non-current interest-bearing liabilities	24	3,892	3,617
Provisions for pensions	22	241	218
Deferred tax liabilities	13	767	633
Non-current non-interest-bearing liabilities		25	18
Total non-current liabilities		**4,925**	**4,486**
Current liabilities			
Current interest-bearing liabilities	25	1,333	1,096
Accounts payable		1,537	1,668
Tax liabilities		210	164
Other liabilities		1,203	1,316
Accrued expenses and prepaid income	26	862	881
Provisions	23	109	87
Total current liabilities		**5,254**	**5,212**
TOTAL LIABILITIES		**10,179**	**9,698**
TOTAL EQUITY AND LIABILITIES		**16,657**	**15,271**

For disclosures regarding contingent liabilities and pledged assets, see Note 27.

Consolidated statement of changes in equity

	2023/2024						
SEK million	Share capital	Other contri-buted capital	Reserves	Retained earnings, including profit for the year	Total, Parent Company sharehol-ders	Non-controlling interests	Total equity
EQUITY, OPENING BALANCE, 1 APR 2023	**51**	**344**	**442**	**4,347**	**5,184**	**389**	**5,573**
Profit for the year	-	-	-	1,632	1,632	59	1,691
Cash flow hedges	-	-	-2	-2	-4	-	-4
Translation differences	-	-	179	-	179	5	184
Tax attributable to items that can later be reversed in the income statement	-	-	1	-	1	-	1
Revaluations of defined benefit pension plans	-	-	-	-22	-22	-	-22
Tax attributable to items that cannot be reversed in the income statement	-	-	-	4	4	-	4
Other comprehensive income	**-**	**-**	**178**	**-20**	**158**	**5**	**163**
Comprehensive income for the year	**-**	**-**	**178**	**1,612**	**1,790**	**64**	**1,854**
Call options issued	-	-	-	21	21	-	21
Call options redeemed	-	-	-	29	29	-	29
Repurchases of call options	-	-	-	-41	-41	-	-41
Repurchases of treasury shares	-	-	-	-	-	-	-
Dividend	-	-	-	-674	-674	-48	-722
Option liability, acquisitions	-	-	-	-329	-329	-	-329
Change in non-controlling interests	-	-	-	-6	-6	99	93
EQUITY, CLOSING BALANCE, 31 MAR 2024	**51**	**344**	**620**	**4,959**	**5,974**	**504**	**6,478**

	2022/2023						
SEK million	Share capital	Other contri-buted capital	Reserves	Retained earnings, including profit for the year	Total, Parent Company sharehol-ders	Non-controlling interests	Total equity
EQUITY, OPENING BALANCE, 1 APR 2022	**51**	**344**	**137**	**3,399**	**3,931**	**328**	**4,259**
Profit for the year	-	-	-	1,495	1,495	59	1,554
Cash flow hedges	-	-	2	-	2	-	2
Translation differences	-	-	304	-	304	8	312
Tax attributable to items that can later be reversed in the income statement	-	-	-1	-	-1	-	-1
Revaluations of defined benefit pension plans	-	-	-	102	102	-	102
Tax attributable to items that cannot be reversed in the income statement	-	-	-	-20	-20	-	-20
Other comprehensive income	**-**	**-**	**305**	**82**	**387**	**8**	**395**
Comprehensive income for the year	**-**	**-**	**305**	**1,577**	**1,882**	**67**	**1,949**
Call options issued	-	-	-	18	18	-	18
Call options redeemed	-	-	-	23	23	-	23
Repurchases of call options	-	-	-	-58	-58	-	-58
Repurchases of treasury shares	-	-	-	-31	-31	-	-31
Dividend	-	-	-	-485	-485	-34	-519
Option liability, acquisitions	-	-	-	-96	-96	-	-96
Change in non-controlling interests	-	-	-	-	-	28	28
EQUITY, CLOSING BALANCE, 31 MAR 2023	**51**	**344**	**442**	**4,347**	**5,184**	**389**	**5,573**

SEK	2023/2024	2022/2023
Dividend per share	2.80[1)]	2.50

1) As proposed by the Board of Directors.

Consolidated cash flow statement

SEK million	Note	2023/2024	2022/2023
Operating activities			
Profit after financial items		2,183	2,005
Adjustment for items not included in cash flow	28	842	707
Income tax paid		-522	-474
Cash flow from operating activities before changes in working capital		**2,503**	**2,238**
Cash flow from changes in working capital			
Change in inventories		432	-537
Change in operating receivables		112	-387
Change in operating liabilities		-472	597
CASH FLOW FROM OPERATING ACTIVITIES		**2,575**	**1,911**
INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment		-151	-118
Disposals of property, plant and equipment		4	5
Acquisitions of intangible non-current assets		-38	-79
Disposals of intangible non-current assets		0	2
Acquisitions of operations, net liquidity effect	28	-1,303	-1,204
Change in financial assets		6	7
CASH FLOW FROM INVESTING ACTIVITIES		**-1,482**	**-1,387**

SEK million	Note	2023/2024	2022/2023
FINANCING ACTIVITIES			
Repurchases of treasury shares		-	-31
Call options redeemed, issued and repurchased		9	-17
Borrowings	28	189	3,000
Loan repayments	28	-127	-2,541
Amortisation of leases	28	-267	-243
Acquisitions of non-controlling interests		-11	-20
Other financing		7	0
Dividend paid to Parent Company's shareholders		-674	-485
Dividends paid to non-controlling interests		-48	-34
CASH FLOW FROM FINANCING ACTIVITIES		**-922**	**-371**
CASH FLOW FOR THE YEAR		**171**	**153**
Cash and cash equivalents at beginning of the year		606	437
Exchange rate difference in cash and cash equivalents		21	16
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**798**	**606**

Parent Company income statement

SEK million	Note	2023/2024	2022/2023
Net sales		95	83
Administrative expenses		-143	-116
OPERATING PROFIT	6–8	**-48**	**-33**
Profit from participations in Group companies	11	700	750
Profit from financial non-current assets	11	226	82
Interest income and similar items	11	91	29
Interest expenses and similar items	11	-282	-152
PROFIT AFTER FINANCIAL ITEMS		**687**	**676**
Appropriations	12	148	338
PROFIT BEFORE TAX		**835**	**1,014**
Tax	13	-28	-56
PROFIT FOR THE YEAR		**807**	**958**

Parent Company comprehensive income

SEK million	2023/2024	2022/2023
Profit for the year	807	958
OTHER COMPREHENSIVE INCOME	**-**	**-**
COMPREHENSIVE INCOME FOR THE YEAR	**807**	**958**

Parent Company balance sheet

SEK million	Note	2023/2024	2022/2023
ASSETS			
NON-CURRENT ASSETS			
Intangible non-current assets	14	1	1
Property, plant and equipment	15	0	0
Financial non-current assets			
Participations in Group companies	17	1,004	1,004
Receivables from Group companies	17	4,719	4,493
Other financial assets		3	6
Total financial non-current assets		**5,726**	**5,503**
TOTAL NON-CURRENT ASSETS		**5,727**	**5,504**
CURRENT ASSETS			
Receivables from Group companies		2,105	1,654
Other receivables		48	18
Prepaid expenses and accrued income	19	36	26
Total current receivables		**2,189**	**1,698**
Cash and bank balances		99	-
TOTAL CURRENT ASSETS		2,288	1,698
TOTAL ASSETS		**8,015**	**7,202**
EQUITY AND LIABILITIES			
EQUITY	20		
Restricted equity			
Share capital		51	51
Statutory reserve		18	18
Unrestricted equity			
Retained earnings		435	142
Profit for the year		807	958
TOTAL EQUITY		**1,311**	**1,169**

SEK million	Note	2023/2024	2022/2023
UNTAXED RESERVES	21	**374**	**391**
PROVISIONS			
Provisions for pensions and similar obligations	22	14	14
LIABILITIES			
Liabilities to Group companies	24	474	410
Liabilities to credit institutions	24	2,950	3,000
Total non-current liabilities		**3,424**	**3,410**
Liabilities to credit institutions	25	481	292
Accounts payable		3	2
Liabilities to Group companies		2,350	1,853
Tax liabilities		-	-
Other liabilities		21	40
Accrued expenses and prepaid income	26	37	31
Total current liabilities		**2,892**	**2,218**
TOTAL EQUITY AND LIABILITIES		**8,015**	**7,202**

Changes in the Parent Company equity

	2023/2024			
	Restricted equity		Unrestricted equity	
SEK million	Share capital	Statutory reserve	Retained earnings, including profit for the year	Total equity
EQUITY, OPENING BALANCE, 1 APR 2023	**51**	**18**	**1,100**	**1,169**
Profit for the year	-	-	807	807
Comprehensive income for the year	**-**	**-**	**807**	**807**
Dividend	-	-	-674	-674
Call options issued	-	-	21	21
Call options redeemed	-	-	29	29
Repurchases of call options	-	-	-41	-41
Repurchases of treasury shares	-	-	-	-
EQUITY, CLOSING BALANCE, 31 MAR 2024	**51**	**18**	**1,242**	**1,311**

	2022/2023			
	Restricted equity		Unrestricted equity	
SEK million	Share capital	Statutory reserve	Retained earnings, including profit for the year	Total equity
EQUITY, OPENING BALANCE, 1 APR 2022	**51**	**18**	**675**	**744**
Profit for the year	-	-	958	958
Comprehensive income for the year	**-**	**-**	**958**	**958**
Dividend	-	-	-485	-485
Call options issued	-	-	18	18
Call options redeemed	-	-	23	23
Repurchases of call options	-	-	-58	-58
Repurchases of treasury shares	-	-	-31	-31
EQUITY, CLOSING BALANCE, 31 MAR 2023	**51**	**18**	**1,100**	**1,169**

For comments on equity, see Note 20.

Parent Company cash flow statement

SEK million	Note	2023/2024	2022/2023
Operating activities			
Profit after financial items		687	676
Adjustment for items not included in cash flow	28	-13	20
Income tax paid		-56	-51
Cash flow from operating activities before changes in working capital		**618**	**645**
Cash flow from changes in working capital			
Change in operating receivables		-10	-5
Change in operating liabilities		6	1
CASH FLOW FROM OPERATING ACTIVITIES		**614**	**641**
INVESTING ACTIVITIES			
Acquisitions of property, plant and equipment and intangible non-current assets		-	0
Increase in non-current receivables from Group companies		-281	-952
Decrease in non-current receivables from Group companies		55	99
CASH FLOW FROM INVESTMENT ACTIVITIES		**-226**	**-853**

SEK million	Note	2023/2024	2022/2023
FINANCING ACTIVITIES			
Repurchases of treasury shares		-	-31
Options redeemed, issued and repurchased		9	-17
Borrowings	28	189	3,000
Loan repayments	28	-50	-2,493
Change in receivables from Group companies		-748	-603
Change in liabilities to Group companies		561	455
Dividend paid		-674	-485
Group contributions		427	385
Other financing activities		-3	1
CASH FLOW FROM FINANCING ACTIVITIES		**-289**	**212**
CASH FLOW FOR THE YEAR		**99**	**0**
Cash and cash equivalents at beginning of the year		0	0
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		**99**	**0**

Note 1

Accounting and valuation principles

General accounting principles

The consolidated annual accounts have been prepared in compliance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). Recommendation RFR 1 Supplementary Accounting Rules for Groups, issued by the Swedish Sustainability and Financial Reporting Board, has also been applied.

The annual accounts of the Parent Company have been prepared in accordance with the Swedish Annual Accounts Act (1995:1554) and recommendation RFR 2 Accounting for Legal Entities issued by the Swedish Sustainability and Financial Reporting Board. The accounting principles of the Parent Company and the Group coincide except where reporting transaction expenses in connection with acquisitions, additional contingent purchase considerations, put and call options, pensions, leases, financial instruments, untaxed reserves and appropriations. Where deviations occur, the relevant notes provide further details under "Deviations in Parent Company accounting principles."

On 3 July 2024, the Board of Directors approved the annual accounts of the Parent Company and the consolidated accounts for publication. The Parent Company's income statement and balance sheet and the consolidated income statement and balance sheet will be submitted for approval by the Annual General Meeting on 22 August 2024.

Presentation of the Annual Report

The financial accounts are presented in millions of Swedish kronor (SEK million) unless otherwise stated. The functional currency of the Parent Company is the Swedish krona (SEK), and this is also the currency of presentation for the Parent Company and the Group.

New standards and interpretations applied as of 1 April 2023

Amendments to IAS 1 Presentation of Financial Statements (Disclosure of Accounting Policies)

As of 31 March 2024, Addtech has applied the amendments to IAS 1, meaning that disclosure of significant accounting principles has been replaced with a requirement to submit key details of accounting principles. Accordingly, the amendments have only affected the presentation of the Annual Report.

Addtech has taken the amendments into account by mapping assessments regarding key details of accounting principles. The impacts of the amendments on accounting principles presented to the Group primarily entail a reduction in the amount of standardized and non-essential details, emphasising instead key details of accounting principles and supplementing company-specific details.

Amendments to IAS 12 Income Taxes

As of 1 April 2023, Addtech has applied the amendments to IAS 12 that clarify the exception – this means that deferred tax is not reported on temporary differences arising on initial recognition of an asset or liability, is not applicable to transactions simultaneously giving rise to both an asset and a liability, such as a right-of-use asset and a lease liability.

The amendments encompass the Group's reporting of right-of-use assets and lease liabilities. As the Group already reports deferred tax on both the asset and the liability, the amendment has had no impact on the Group's financial statements beyond the extended disclosure requirements to present deferred tax assets and deferred tax liabilities, see Note 13.

Amendments to IAS 12 Income Taxes (the OECD's Pillar Two rules)

In December 2021, the Organisation for Economic Co-operation and Development (OECD) published its framework "Tax Challenges Arising from the Digitalisation of the Economy – Global Anti-Base Erosion Model Rules (Pillar Two): Including a Framework on BEPS." The rules are designed to ensure that, within the framework of the rules, major multinational groups pay a minimum tax on income earned over a certain period in each jurisdiction in which they operate. The rules have been introduced into Swedish law and have resulted in amendments to IAS 12.

The amendments to IAS 12 include:

- a mandatory temporary exemption from reporting and submitting disclosures of deferred tax assets and liabilities regarding income taxes under Pillar Two,
- disclosure requirements for affected companies to help users of the financial statements understand a company's exposure to income taxes under Pillar Two as a result of the legislation. Disclosures of known or reasonably estimated exposures to Pillar Two income taxes are required for financial years commencing on or after 1 January 2023.

The Group applies the exemption from reporting and submitting disclosures of deferred tax assets and liabilities regarding income taxes under Pillar Two.

In other regards, no new IFRS standards have had a material impact on the Group's earnings or financial position for the 2023/2024 financial year. No newly issued IFRS standards or interpretations have been applied prematurely.

New standards and interpretations applicable to financial years commencing 1 April 2024 or later

Amendments to IAS 1 Presentation of Financial Statements (classification of liabilities)

The IASB has published amendments to IAS 1 regarding the classification of liabilities as current or non-current and, where covenants apply, explaining the significance of deferring payment beyond 12 months from the balance sheet date. The amendment will come into effect in 2024. New disclosure requirements are also being introduced regarding loans payable subject to covenants over the ensuing 12-month period.

The Group currently assesses that the amendments will not have any significant impact on the financial statements of either the Group or the Parent Company – however, given that Group has loan payables subject to covenants, it will continuously consider and assess the amendments in connection with the classification of liabilities as current or non-current. The financial statements may be affected by extended disclosure requirements.

No new IFRS standards will have a material impact on the Group's earnings or financial position for the 2024/2025 financial year. No newly issued IFRS standards or interpretations have been applied prematurely.

Consolidated accounts

The consolidated accounts include the annual accounts of the Parent Company and those companies that are under the controlling influence of the Parent Company. Subsidiary companies are reported in accordance with the acquisition method and include all companies over

Note 1 cont.

which the Group has a controlling influence. The companies included in the consolidated financial statements are listed in Note 17 Financial assets and liabilities.

Exchange rate effects

Translation of the financial reports of foreign Group companies
Assets and liabilities in foreign operations, including goodwill and other surpluses and deficits on consolidation, are converted to Swedish kronor applying the exchange rate valid on the balance sheet date and in accordance with the exchange rates published by the European Central Bank. Income and expenses in foreign operations are translated to Swedish kronor applying the European Central Bank's average rate, which is an approximation of the rates prevailing at the time of each transaction. Translation differences arising on the translation of foreign operations are reported through other comprehensive income, under the translation reserve in equity.

Transactions in foreign currencies
Exchange rate differences arising on the recalculation of transactions in foreign currencies to the functional currency are reported in the Consolidated statement of comprehensive income. Exchange rate gains and exchange rate losses from receivables and liabilities attributable to investing activities or financing activities are reported as financial items for which exchange rate gains/exchange rate differences from receivables are reported as financial income and exchange rate losses/exchange rate differences from liabilities are reported as financial expenses. Other types of exchange rate gains and exchange rate losses are reported in the operating profit where exchange rate gains are reported as other operating income and exchange rate losses as other operating expenses. Addtech reports gains and losses arising from a group of similar transactions on a net basis.

Note 2

Critical estimates and assumptions

Preparing financial accounts in accordance with IFRS requires management to make judgements, estimates and assumptions affecting the application of the accounting principles and the carrying amounts for assets, liabilities, income and expenses. Estimates and assumptions are based on historical experience and several other factors deemed reasonable under the circumstances at the time. Estimates and assumptions are reviewed regularly.

Listed below are the foremost accounting principles, the application of which is based on significant assessments, as well as the foremost sources of uncertainty in estimates considered by Addtech to have the greatest impact on reported profit and financial position. The section is divided into:

1) Assessments made by company management in applying Addtech's accounting principles
2) Sources of uncertainty in estimates

Further information is provided by each note, as indicated in parentheses below.

Significant assessments made by company management in applying the accounting principles pertain to:

- Judgements regarding the inclusion of extension options in calculating lease liabilities and right-of-use assets (Note 16).

Sources of uncertainty in estimates are:

- Testing of needs for goodwill impairment (Note 14).
- Allocation of paid purchase consideration, and the valuation of intangible assets in preparing acquisition analyses (Note 29).
- Valuation of additional contingent purchase considerations and of put/call options (Note 29).

Climate-related risks and opportunities

In making estimates and assumptions, Addtech takes climate-related matters into account where appropriate, primarily regarding the areas identified in the analysis inspired by the Task-Force on Climate-Related Disclosures (TCFD). This assessment covers both risks and opportunities for Addtech due to both physical risks and transition risks. For a more detailed description, see Sustainability Facts on pages 148-149.

Although Addtech's assessment is that the business model will remain viable following the transition to a carbon-friendly economy, climate-related matters increase the uncertainty in the estimates and assumptions underlying items in the financial statements. Although, climate-related risks are not currently considered to have a significant impact on Addtech's financial statements, the Group closely monitors relevant changes and developments, such as new climate-related legislation.

Currently, Addtech primarily assesses goodwill to be the item in the financial statements that could be impacted by climate-related matters. It is thought that climate-related risks could impact Addtech's testing for goodwill impairment in several ways, above all through transition risks, such as climate-related regulations and changes in customer behaviours. For more information on assessments related to the valuation of goodwill, see Note 14 Intangible non-current assets.

Note 3

Financial risks and risk management

Risk management policy and goals

Addtech strives for structured and efficient management of the financial risks that arise in operations, which is manifested in the financial policy adopted by the Board of Directors. The financial operations are not conducted as a separate line of the business; they are merely intended to constitute support for the business and limit the effect of financial risks in the Group. The policy stipulates goals and risks in the financial operations, and how they are to be managed. Financial risks arising in the operating activities are addressed by each company's management according to principles in the financial policy and subordinate process descriptions approved by the Group's Board of Directors and management. The Group's financial risks are concentrated within the Parent Company, Addtech AB, where Group Treasury is responsible for addressing currency and interest rate risk, financing and liquidity risk, as well as credit and counterparty risk. Financial derivatives with external counterparties are only entered by Addtech AB.

Capital management

Addtech seeks to maintain a favourable degree of consolidation and a capital structure that maintains the trust of investors, creditors and the market and that supports the future development of the operations. The Group is not subject to any external capital requirements, beyond certain covenants in its loan agreements, see the section on Refinancing risk below.

Currency risk

The Addtech Group conducts extensive trade abroad and a material currency exposure therefore arises in the Group, which must be managed such that the impact on earnings caused by exchange rate fluctuations is limited.

Currency risk arises 1) as a result of future payment flows in foreign currency, known as transaction exposure, and 2) because parts of the Group's equity comprise net assets in foreign companies, known as translation exposure. Monetary financial assets and liabilities in currencies other than each Group company's functional currency occur to a limited extent.

Transaction exposure

Transaction exposure comprises future contracted and forecast ingoing and outgoing payments in foreign currency. The Group's currency flows usually pertain to flows in foreign currency from purchases, sales and dividends. Transaction exposure also comprises financial transactions and balances. During the year, the Group's payment flows in foreign currencies were distributed as follows:

SEK million	Currency flows, gross 2023/2024		Currency flows, net	
	Inflows	Outflows	2023/2024	2022/2023
EUR	3,950	3,725	225	-326
USD	1,752	1,778	-26	-121
NOK	119	57	62	30
JPY	95	84	11	-19
DKK	73	225	-152	-171
GBP	82	155	-73	-102
CHF	67	113	-46	-82
PLN	0	124	-124	-96

The effects of exchange rate fluctuations are reduced by buying and selling in the same currency, through currency clauses in customer contracts and, to a certain degree, by forward purchases or sales of foreign currency. In the industry, currency clauses are a common method for handling uncertainty associated with future cash flows. A currency clause means that compensation is paid for any changes in the exchange rate exceeding a certain predefined level during the contract period. If these thresholds are not reached, for example when the exchange rate changes by less than 2 percentage points, no compensation is paid. The currency clauses adjust the exchange rate change between the time the order is placed and the invoice date. Currency clauses are symmetrically designed, meaning that compensation is charged or credited when the exchange rate rises or falls beyond the predefined thresholds. Currency clauses constitute embedded derivatives, which are, in all material respects, reported as part of their host contracts, as they are considered to be closely associated with them.

Of consolidated net sales, currency clauses cover about 6 percent (7) and sales in the purchasing currency make up about 43 percent (43). In certain transactions, there is a direct link between the customer's order and the associated purchase order, which is a good basis for effective currency risk management. However, in many cases the dates of the orders do not coincide, which may reduce the effectiveness of these measures. The Group has reduced its currency exposure by using forward foreign exchange contracts. At the end of the financial year, the following forward foreign exchange contracts were outstanding:

	Forward foreign exchange contracts outstanding, SEK million[1]	
	31 Mar 2024	31 Mar 2023
CAD	44	30
CHF	6	14
DKK	19	6
EUR	361	612
GBP	1	10
JPY	3	3
NOK	1	0
PLN	0	11
USD	280	85
	715	**771**

1) Nominal amount translated to SEK at the exchange rate on the balance sheet date

Note 3 cont.

	Maturity of forward foreign exchange contracts outstanding, SEK million	
	31 Mar 2024	31 Mar 2023
Within 6 months	537	498
Within 12 months	87	124
Within 18 months	76	102
Later than 18 months	15	47
	715	**771**

Forward foreign exchange contracts are not hedged but are classified as a financial asset respective debt measured at fair value through other operating income or operating costs in profit or loss.

The Group applies a decentralised responsibility for transaction exposure, entailing, for example, that risk identification and risk hedging occur at the company level, within the framework of the Group's guidelines. According to the Group's guidelines, the companies shall hedge transaction exposures that could impact more than 5 percent of the budgeted profit. Currency hedging is arranged monthly for a rolling 12 month period at most. In hedging specific projects, longer-term currency hedging may occur. The companies hedge their risk in relation to Addtech AB which, in turn, obtains hedges on the external market. This makes use of the size and circumstances of the Group to match flows.

Currency flows in the Parent Company are mainly in Swedish kronor (SEK). To the extent that internal and external loans and investments in the Parent Company are in foreign currency, 100 percent of the capital amount is hedged.

Translation exposure

The translation exposure of the Addtech Group is currently not hedged. The Group's net assets are divided among foreign currencies as follows:

	31 Mar 2024		31 Mar 2023	
Net investments	SEK million	Sensitivity analysis[1]	SEK million	Sensitivity analysis[2]
NOK	2,089	104.5	1,775	88.8
EUR	3,899	195.0	3,851	192.6
DKK	1,744	87.2	1,507	75.4
PLN	210	10.5	192	9.6
GBP	1,954	97.7	1,240	62.0
HKD	110	5.5	103	5.2
USD	56	2.8	55	2.8
CNY	221	11.1	234	11.7
CHF	290	14.5	308	15.4

1) Impact of +/−5% in exchange rate on consolidated equity
2) Circumstances in the previous year

When translating the income statement of units with a functional currency other than SEK, a translation effect arises when exchange rates vary. Given a shift of 5 percentage points in exchange rates at the current distribution between the Group companies' various functional currencies, the effect on net sales would total SEK +/- 694 million (590), whereof SEK 289 million would be attributable to the EUR, SEK 152 million to the DKK and SEK 119 million to the NOK (EUR 258, DKK 153, NOK 115). The corresponding effect on the operating result amounts to SEK +/- 70 million (67), whereof SEK 32 million would be attributable to the EUR, SEK 12 million to the DKK and SEK 12 million to the NOK (EUR 27, DKK 16, NOK 12).

The exchange rates applied in the financial statements are shown in the following table:

	Average rate		Closing day rate	
Exchange rate	2023/2024	2022/2023	31 Mar 2024	31 Mar 2023
CAD 1	7.86	7.85	7.86	7.65
CHF 1	11.97	10.89	11.80	11.32
CNY 100	147.88	151.56	147.48	150.88
DKK 100	154.27	145.31	154.53	151.45
EUR 1	11.50	10.81	11.53	11.28
GBP 1	13.33	12.50	13.48	12.83
HKD 1	1.36	1.33	1.36	1.32
INR 100	12.81	12.93	12.82	12.60
JPY 1000	73.40	76.70	70.50	77.90
NOK 100	99.72	104.33	98.51	99.00
PLN 1	2.59	2.30	2.67	2.42
TRY 1	0.40	0.58	0.33	0.54
TTD 1	1.56	1.53	1.57	1.52
TWD 1	0.34	0.34	0.33	0.34
USD 1	10.61	10.40	10.66	10.37

Financing and liquidity

The overall objective of Addtech's financing and debt management is to secure financing for the operations in both the long and short term, and to minimise borrowing costs. The capital requirement is to be secured through an active and professional borrowing procedure comprising overdraft and other credit facilities. Raising of external financing is centralised at Addtech AB. Adequate payment capacity is to be achieved through contractual credit facilities and via liquidity forecasts, whereby the Group ensures that it has a sufficient liquidity reserve. Surplus liquidity is primarily used to pay down outstanding credits. The Parent Company is responsible for the Group's long-term financing as well as its supply of liquidity. The Parent Company provides an internal bank for loans and deposits to and from the companies, and cash pools to efficiently gather the Group's cash.

To manage surpluses and deficits in different currencies, Addtech uses currency swaps from time to time. This allows the Group to reduce its financing costs and the Company's liquid funds to be used in an efficient manner.

Note 3 cont.

Refinancing risk

The refinancing risk is the risk of Addtech not having access to sufficient financing on each occasion. The refinancing risk increases if Addtech's credit rating deteriorates or if Addtech becomes too dependent on one source of financing.

To limit refinancing risk, procurement of non-current contractual credit facilities commences no later than 12 months prior to the maturity of the credit facility, with Addtech maintaining the dialogue with various creditors. In connection with a major maturity of financing facilities, Addtech aims for the new financing to already be in place 12 months prior to maturity.

	Group		Parent Company	
Credit facilities, SEK million	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
Overdraft facilities	1,301	1,300	1,300	1,300
Other agreed credit facilities	3,531	3,528	3,500	3,500
Credit approvals	**4,832**	**4,828**	**4,800**	**4,800**
Portion of overdraft facilities utilised	482	292	481	292
Portion of other credit facilities utilised	2,981	3,028	2,950	3,000
Portion of overdraft facilities and other credit facilities not utilised	1,369	1,508	1,369	1,508

Agreement on overdrafts of SEK 1,300 million mature by calendar year. After the end of the year, other credit facilities of SEK 3,500 million granted to the Parent Company were extended until 27 June 2027.

The Tenor analysis table to the right presents the Group's undiscounted future cash flows for financial liabilities. Cash flows in foreign currencies have been translated to SEK at the exchange rate on the balance sheet date, and for interest payments based on floating rates (Stibor, etc.) the current interest rate for the liability is applied.

	Group		Parent Company	
Non-current liabilities	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
Liabilities to credit institutions:				
Maturing within 1 year	648	918	647	918
Maturing within 1-2 years	158	129	145	129
Maturing within 2-5 years	3,144	3,195	3,134	3,195
Maturing after 5 years or later	4	-	-	-
Total non-current liabilities to credit institutions	**3,954**	**4,242**	**3,926**	**4,242**
Liabilities for derivatives:				
Maturing within 1 year	17	27	17	27
Maturing within 1-2 years	1	10	1	10
Maturing within 2-5 years	-	-	-	-
Maturing after 5 years or later	-	-	-	-
Total liabilities for derivatives	**18**	**37**	**18**	**37**
Leasing debt:				
Maturing within 1 year	256	251	-	-
Maturing within 1-2 years	196	192	-	-
Maturing within 2-5 years	233	256	-	-
Maturing after 5 years or later	55	49	-	-
Total leasing debts	**740**	**748**	**-**	**-**
Other interest-bearing liabilities and accounts payable:				
Maturing within 1 year	2,137	2,199	3	2
Maturing within 1-2 years	167	97	-	-
Maturing within 2-5 years	375	69	-	-
Maturing after 5 years or later	-	-	-	-
Total other non-current interest-bearing liabilities and accounts payable:	**2,679**	**2,365**	**3**	**2**
Total liabilities including interest SEK million				
Maturing within 1 year	**3,058**	**3,395**	**667**	**947**
Maturing within 1-2 years	**522**	**428**	**146**	**139**
Maturing within 2-5 years	**3,752**	**3,520**	**3,134**	**3,195**
Maturing after 5 years or later	**59**	**49**	**-**	**-**
Total liabilities including interest SEK million	**7,391**	**7,392**	**3,947**	**4,281**

Note 3 cont.

The Parent Company's credit facilities are contingent upon loan terms, so called covenants, which are fulfilled with a wide margin. For covenants, Addtech uses two ratios: EBITDA/net financial items and equity/assets.

The Group's and Parent Company's non-current and current interest-bearing liabilities are shown in Notes 24 and 25.

Interest rate risk

The interest rate risk is regulated by ensuring that the average fixed interest term of the debt portfolio varies between 0-3 years. The debt portfolio consists of bank overdraft facilities and outstanding external loans. The interest rate at 31 March 2024 was variable, that is, 0-3 months. Addtech's main exposure to interest rate risk is in its debt portfolio. Aside from the pension liability, interest-bearing external debt totals SEK 5,225 million (4,713).

With the current net financial debt, the impact on the Group's net financial items would be SEK +/- 41 million if interest rates were to fluctuate by 1 percentage point.

Credit risk and counterparty risk

Credit risk and counterparty risk are defined as the risk of Addtech's counterparties failing to fulfil their contractual obligations. Addtech is exposed to credit and counterparty risk in its financial transactions, that is, in investing its surplus liquidity and executing forward foreign exchange transactions, and in its commercial operations in connection with accounts receivable and advance payments to suppliers. Maximum credit risk exposure from financial assets is consistent with the carrying amount of those assets.

Addtech's finance function at the Parent Company is responsible for assessing and addressing counterparty risk in financial transactions. Addtech requires counterparties for derivatives and cash placement to have a very good credit rating, at least A. Derivative transactions are made under ISDA agreements.

To utilise its companies' detailed knowledge of Addtech's customers and suppliers, Addtech has each company assess the credit risk and selection of suppliers in its commercial transactions. New customers are assessed before credit is granted, and credit limits set are strictly enforced. Short credit periods are the goal, and avoiding excessive concentration of business with individual customers and with specific sectors helps mitigate the risks. No individual customer accounts for more than 3 percent (3) of total credit exposure during a one-year period. The equivalent figure for the ten largest customers is about 9 percent (9). Exposure per customer segment and geographic market is presented in Note 4 and 5.

Confirmed bad debt losses totalled SEK 20 million (5) during the year, equal to 0 percent (0) of net sales. Expected credit losses on accounts receivable correspond to smaller amounts.

Accounts receivable, SEK million	**31 Mar 2024**	31 Mar 2023
Carrying amount	3,260	3,295
Impairment	25	24
Cost	**3,285**	**3,319**

Change in impaired accounts receivable	**2023/2024**	2022/2023
Amount at beginning of year	-24	-22
Corporate acquisitions	-1	-1
Year's impairment losses/reversals	-1	-2
Settled impairment	2	2
Translation effect	-1	-1
Amount at end of year	**-25**	**-24**

Time analysis of accounts receivable that are overdue but not impaired:	**31 Mar 2024**	31 Mar 2023
< = 30 days	471	390
31–60 days	61	59
> 60 days	104	83
Total	**636**	**532**

Commodity price risks

The Group's exposure to commodity price risks, including electricity prices, is limited. These limited risks are not hedged.

Note 4

Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

Accounting principle

The Group's revenue comprises sales of high-tech products and solutions to customers, primarily in manufacturing industries and infrastructure. The Group's sales consist mainly of sales of goods, but also including service assignments to some extent. Sales are invoiced, normally with payment terms of 30-90 days. The original expected term of the agreements is at most one year. Most of the Group's revenues are reported at specific points in time.

Sales of goods

Sales of goods occur in all of the Group's segments. Sales consist mainly of standard products, but also, to some extent, of products manufactured in-house. Framework agreements with customers usually occur where an agreement with a customer is considered to arise only once the customer has placed an order based on the terms of the framework agreement, since it is only at this time that enforceable rights and obligations arise for the Group and the customer. The period between an order being placed and goods being delivered is normally brief. Each separate product in the order is considered to constitute a separate performance commitment.

In the relevant agreement with the customer, the transaction price usually consists only of fixed amounts. To the extent that the transaction price includes variable amounts, the Group estimates the amount to which it will be entitled and includes this in the transaction price, taking limitations of uncertain amounts into account. Revenue is reported on a single occasion because the conditions for transfer of control over time are not met. The Group considers control to be transferred on completion of delivery in accordance with applicable delivery terms, coinciding with the time at which the risks and benefits transfer to the customer.

Geographical locations of customers	2023/2024						
SEK million	Automation	Electrification	Energy	Industrial Solutions	Process Technology	Group items	Addtech Group
Sweden	955	1,145	1,266	1,190	668	-	5,224
Denmark	650	322	816	32	555	0	2,375
Finland	603	423	385	657	389	0	2,457
Norway	258	362	982	319	518	-	2,439
Rest of Europe	975	1,642	1,474	830	979	-	5,900
Other countries	138	199	382	562	343	-	1,624
Group items	5	7	2	4	12	-30	-
Total	**3,584**	**4,100**	**5,307**	**3,594**	**3,464**	**-30**	**20,019**

Geographical locations of customers	2022/2023						
SEK million	Automation	Electrification	Energy	Industrial Solutions	Process Technology	Group items	Addtech Group
Sweden	822	1,113	1,264	1,090	645	-	4,934
Denmark	654	376	934	24	475	1	2,464
Finland	591	416	401	656	385	0	2,449
Norway	206	358	1,038	152	441	-	2,195
Rest of Europe	971	1,564	1,201	746	721	-	5,203
Other countries	161	202	288	566	252	0	1,469
Group items	5	8	3	2	13	-31	-
Total	**3,410**	**4,037**	**5,129**	**3,236**	**2,932**	**-30**	**18,714**

Note 4 cont.

Service assignments

Service assignments occur primarily in the Energy and Industrial Process segments. These assignments essentially comprise project agreements in which the Group delivers and, to a certain extent, installs products for specific customer projects. Such assignments are considered to constitute a combined performance commitment, since no individual product is distinct within the framework of the agreements. The transaction price normally consists only of fixed amounts.

Because control of the performance commitments is considered to be transferred to the customer over time, revenue is also recognised over time. The Group applies a production method, based on the time and materials devoted to projects, to measure progress towards completion of a performance commitment.

Customer segments	2023/2024						
SEK million	Automation	Electrification	Energy	Industrial Solutions	Process Technology	Group items	Addtech Group
Building and installation	156	263	1,062	95	58	-	1,634
Data and telecommunications	122	170	412	2	5	-	711
Electronics	230	1,035	183	13	13	0	1,474
Energy	179	595	2,421	40	630	-	3,865
Vehicles	239	583	60	1,266	174	-	2,322
Medical technology	556	447	34	17	220	-	1,274
Mechanical industry	983	429	306	363	427	-	2,508
Forestry and process	455	52	118	1,195	1,201	-	3,021
Transport	121	83	402	234	535	-	1,375
Other	538	436	307	365	189	0	1,835
Group items	5	7	2	4	12	-30	-
Total	**3,584**	**4,100**	**5,307**	**3,594**	**3,464**	**-30**	**20,019**

Customer segments	2022/2023						
SEK million	Automation	Electrification	Energy	Industrial Solutions	Process Technology	Group items	Addtech Group
Building and installation	144	325	1,055	88	59	-	1,671
Data and telecommunications	109	211	394	2	3	-	719
Electronics	238	987	217	10	21	1	1,474
Energy	224	555	2,350	27	416	-	3,572
Vehicles	208	537	57	1,212	188	-	2,202
Medical technology	576	508	35	15	194	-	1,328
Mechanical industry	936	397	311	300	436	-	2,380
Forestry and process	398	60	124	1,017	1,052	-	2,651
Transport	163	48	380	236	428	-	1,255
Other	409	401	203	327	122	0	1,462
Group items	5	8	3	2	13	-31	-
Total	**3,410**	**4,037**	**5,129**	**3,236**	**2,932**	**-30**	**18,714**

Note 5

Segment reporting

Assets and liabilities as well as income and expenses are attributed to the operating segment in which they are used, earned and consumed, respectively. The operating segment's earnings are monitored by the highest executive decision-maker, i.e. the CEO of Addtech.

The division into business areas reflects Addtech's internal organisation and reporting system. Addtech reports its business areas as operating segments. Addtech is organised into the following five business areas: Automation, Electrification, Energy, Industrial Solutions and Process Technology.

Automation

Automation produces and sells subsystems and components for industrial automation and infrastructure. The strategy is to capture the potential in strong driving forces, such as Industry 4.0, smart cities and the Industrial Internet of Things (IIOT). The objective is to continue developing added value by securing cutting-edge expertise and growing internationally, with a clear focus on sustainability.

Electrification

Electrification produces and sells battery solutions, energy-efficient power supply and power transmission solutions, as well as components and subsystems for electric driveline solutions. By maintaining our position as market leader in selected niches, the strategy is to generate profitable growth from society's rapid technical development, particularly in terms of electrification, data communications and the 5G expansion. The focus is on strengthening the digital offering, responding to customers' increased demands for sustainable products and continuing to pursue the international agenda.

Energy

Energy produces and sells products for electrical transmission, electrical installation and safety products, primarily in transport. By means of the companies' strong positions in electrical transmission, wind power and distribution networks, the strategy is to generate profitable growth from society's ongoing transition towards carbon dioxide-neutrality. The business area will also continue to invest in the smart homes niche, as well as in public safety.

Industrial Solutions

Industrial Solutions produces and sells solutions and systems primarily for the forest, special vehicles and waste/recycling segments. The strategy is to capture the potential of sustainable technical solutions that mitigate society's environmental impact. Waste and recycling systems, ergonomic products (particularly for special vehicles) and the increased use of wood are future growth areas.

Process Technology

Process Technology produces and sells solutions for measuring, controlling and streamlining industrial flows. The strategy is to capture the potential in increased demand for industry's sustainable transformation, particularly in terms of emissions to both water and air. With strong positions in selected market niches and with a growing need for technical solutions that control and analyse various industrial processes, the business area perceives favourable growth opportunities.

Data by operating segment	2023/2024			2022/2023		
Net sales	External	Internal	Total	External	Internal	Total
Automation	3,579	5	3,584	3,405	5	3,410
Electrification	4,093	7	4,100	4,029	8	4,037
Energy	5,305	2	5,307	5,126	3	5,129
Industrial Solutions	3,590	4	3,594	3,235	1	3,236
Process Technology	3,452	12	3,464	2,919	13	2,932
Parent Company and Group items	-	-30	-30	-	-30	-30
Total	**20,019**	**0**	**20,019**	**18,714**	**0**	**18,714**

Operating profit, EBITA, assets and liabilities	2023/2024			2022/2023		
	EBITA	Assets[1]	Liabilities[1]	EBITA	Assets[1]	Liabilities[1]
Automation	459	2,522	632	427	2,356	602
Electrification	514	2,658	644	501	2,740	737
Energy	683	3,767	1,083	660	3,854	1,137
Industrial Solutions	754	3,864	1,507	585	3,111	1,592
Process Technology	498	2,814	845	397	2,389	751
Parent Company and Group items	-48	1,032	5,468	-30	821	4,879
EBITA	**2,860**	**16,657**	**10,179**	**2,540**	**15,271**	**9,698**
Amortisation, intangible non-current assets	-434			-373		
Operating profit	**2,426**			**2,167**		
Financial income and expenses	-243			-162		
Profit after financial items	**2,183**			**2,005**		

1) Excluding transactions on Group accounts and financial transactions with Group companies.

Note 5 cont.

	2023/2024			2022/2023		
Investments in non-current assets	Intangible assets[1]	Property, plant and equipment[1]	Total	Intangible assets[1]	Property, plant and equipment[1]	Total
Automation	2	10	12	4	18	22
Electrification	14	33	47	36	23	59
Energy	7	38	45	19	27	46
Industrial Solutions	5	38	43	3	24	27
Process Technology	10	31	41	17	25	42
Parent Company and Group items	0	1	1	0	1	1
Total	**38**	**151**	**189**	**79**	**118**	**197**

1) Amounts do not include effects of corporate acquisitions.

	2023/2024			2022/2023		
Depreciation, property, plant and equipment	Intangible assets	Property, plant and equipment	Total	Intangible assets	Property, plant and equipment	Total
Automation	-73	-58	-131	-64	-53	-117
Electrification	-66	-64	-130	-56	-56	-112
Energy	-104	-98	-202	-99	-87	-186
Industrial Solutions	-112	-72	-184	-91	-58	-149
Process Technology	-78	-68	-146	-61	-58	-119
Parent Company and Group items	-1	-25	-26	-2	-20	-22
Total	**-434**	**-385**	**-819**	**-373**	**-332**	**-705**
– whereof acquisitions	-408	-	-408	-350	-	-350
– whereof leasing	-	-272	-272	-	-243	-243

Significant profit or loss items, other than depreciation or amortisation, not matched by payments in 2023/2024	Net gains/ losses	Change in pension liability	Other items	Total
Automation	0	1	-19	-18
Electrification	0	2	6	8
Energy	0	-2	21	19
Industrial Solutions	0	3	13	16
Process Technology	0	-	-17	-17
Parent Company and Group items	-	-3	18	15
Total	**0**	**1**	**22**	**23**

	2023/2024			2022/2023		
Data by country	Net sales external[1]	Assets[1]	Whereof, non-current assets	Net sales external[1]	Assets[1]	Whereof, non-current assets
Sweden	5,224	5,433	3,036	4,934	5,355	3,028
Denmark	2,375	2,014	929	2,465	1,829	678
Finland	2,457	1,579	740	2,449	1,801	749
Norway	2,439	1,991	1,130	2,195	1,544	738
Rest of Europe	5,900	4,615	2,821	5,226	3,964	2,235
Other countries	1,624	332	113	1,445	257	37
Parent Company, Group items and unallocated assets	–	693	22	–	521	26
Total	**20,019**	**16,657**	**8,791**	**18,714**	**15,271**	**7,491**

1) Excluding transactions on Group accounts and financial assets. External net sales are based on the customers' location, and the carrying amounts of assets are based on where the assets are located.

	2023/2024			2022/2023		
Investments in non-current assets	Intangible assets	Property, plant and equipment	Total	Intangible assets	Property, plant and equipment	Total
Sweden	8	43	51	11	43	54
Denmark	4	7	11	15	10	25
Finland	10	32	42	20	16	36
Norway	12	14	26	26	12	38
Rest of Europe	3	50	53	7	35	42
Other countries	1	5	6	0	2	2
Total	**38**	**151**	**189**	**79**	**118**	**197**

Note 6

Employees and personnel expenses

Average number of employees	2023/2024			2022/2023		
	Men	Women	Total	Men	Women	Total
Sweden						
Parent Company	6	3	9	6	3	9
Other companies	979	292	1271	919	284	1,203
Denmark	314	139	453	265	143	408
Finland	462	97	559	448	95	543
Norway	336	119	455	325	118	443
Rest of Europe	868	301	1169	715	271	986
Other countries	111	82	193	107	82	189
Total	**3,076**	**1,033**	**4,109**	**2,785**	**996**	**3,781**

Salaries and remunerations	2023/2024			2022/2023		
	Senior executives	whereof bonuses	Other employees	Senior executives	whereof bonuses	Other employees
Sweden						
Parent Company	50	20	2	38	12	2
Other companies	73	12	724	73	39	653
Denmark	43	6	365	39	5	305
Finland	34	4	339	34	6	301
Norway	36	7	325	35	4	306
Rest of Europe	68	12	589	59	11	450
Other countries	12	2	56	12	1	48
Total	**316**	**63**	**2,400**	**290**	**78**	**2,065**

Senior executives are defined as Group Management and the Managing Directors and Deputy Managing Directors of the Group's companies.

Salaries, remunerations and social security expenses	Group		Parent Company	
	2023/2024	2022/2023	2023/2024	2022/2023
Salaries and other remunerations	2,716	2,355	52	40
Contract-based pensions for senior executives	35	33	7	6
Contract-based pensions for others	208	186	2	2
Other social security expenses	474	415	16	13
Total	**3,433**	**2,989**	**77**	**61**

At the end of the year, outstanding pension obligations to the Group's senior executives amounted to SEK 10 million (10) for the Group and SEK 0 million (0) for the Parent Company. Regarding pension costs in the Parent Company and in the Group, different accounting principles are applied (see Note 22 Provisions for pensions and similar obligations).

Proportion of women	Group		Parent Company	
	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
Board of Directors (excl. alternates)	11%	9%	33%	29%
Other senior executives	21%	21%	14%	14%

Note 6 cont.

Process for evaluating and determining remunerations to the Board of Directors, the CEO and Group Management

The guidelines applied to the remuneration of senior executives in the 2023/2024 financial year correspond to those adopted at the 2020 Annual General Meeting and are equivalent, essentially, to the guidelines proposed for the upcoming year, as set out in the Administration Report. The principle for remuneration to the Board of Directors, Chief Executive Officer (CEO) and Group management is that remuneration should be competitive. The Nomination Committee proposes Board fees to the Annual General Meeting. Fees are paid to the Board of Directors in accordance with a resolution by the Annual General Meeting.

For remuneration to the CEO, members of Group Management and other senior executives in the Group, the Board of Directors has appointed a Remuneration Committee consisting of the Chairman of the Board and a Board member and the CEO attending in a reporting capacity. The CEO, members of Group Management and other senior executives are paid a fixed salary, variable remuneration and conventional employment benefits. Pension benefits and incentive programmes also apply as detailed below. The Remuneration Committee follows the guidelines on remunerations for senior executives approved by the Annual General Meeting of Addtech AB.

Call options for senior executives

Accounting principles

Addtech's long-term incentive schemes include a subsidy whereby employees receive the amount corresponding to a paid-in option premium as cash compensation if they remain employed by the Group for two years. Accordingly, the cost of this subsidy and the associated social security contributions accrue as a personnel expense over the two-year vesting period.

At each closing date, Addtech reassesses its estimate of how many employees will remain employed for the two years and, accordingly, the amount of subsidy expected to be disbursed. Any deviations from the original estimates to which this reassessment gives rise are reported under personnel expenses in the income statement and corresponding adjustments are made in the reported liability.

Further information on each of the share-related incentive programmes is provided below.

Background and motivation for long-term incentive programmes

The purpose of long-term incentive schemes is to enable Group executives, through an investment of their own, to participate in and work for a favourable trend in the value of the Company's shares.

The schemes are also expected to generate improved conditions for recruiting and retaining skilled personnel for the Addtech Group, to provide competitive compensation and to unite the interests of the shareholders with those of the executives. The schemes are intended to contribute to executives increasing their shareholding in Addtech over the long term. The executives encompassed by the schemes are those who, in an otherwise heavily decentralised organisation, are able to impact profit positively by means of partnerships between the Group's companies. The share-related incentive schemes approved by the Annual General Meeting do not entail a net charge against Company equity.

Similar call option schemes for senior executives and a select number of management members in the Addtech Group were adopted by the 2009-2023 Annual General Meetings. With the exception of the CEO, Board members have not been entitled to acquire call options. The schemes involve call options for shares repurchased by Addtech, with each call option entitling the holder to acquire one repurchased Class B share. As financial instruments, the call options are freely transferable. To encourage participation in the scheme, a subsidy is paid corresponding to the premium paid for each call option. This subsidy will be paid out two years after the Annual General Meeting, providing that the option holder's employment with the Group has not been terminated and that the call options have not been sold before this time. The expenses for the scheme consist of the subsidy plus social security expenses. The subsidy corresponds to the option premium that the Company receives on the transfer of the call options and, accordingly, the scheme entails no net charge on the Company's equity.

In the event that the option holder does not wish to exercise all of the call options acquired, the Company is entitled, although not obliged, to repurchase call options from the holder. Options are to be acquired at a price corresponding at most to their market value at any given time. Call options may not, however, be repurchased during any period in which trade in the Company's shares is forbidden.

At the end of the financial year, Addtech had four call option programmes outstanding, involving a total 2,353,880 Class B shares.

2023/2027 scheme

The allotment for 2023 approved by the 2023 Annual General Meeting included about 100 executives and a total of 1,000,000 call options, corresponding to about 0.4 percent of the total number of shares and approximately 0.3 percent of the total number of votes in the Company. The allotment varied between 4,000 and 40,000 options per person. The Chief Executive Officer acquired 40,000 and other members of Group Management 135,000.

Each option entitles the holder to acquire one repurchased Class B share between 7 September 2026 and 9 June 2027. The purchase price for shares when exercising options will correspond to 120 percent of the volume-weighted average price paid for the Company's Class B shares on NASDAQ Stockholm between 24 August 2023 and 6 September 2023. The premium for the call options will correspond to the market value of the call options in accordance with an external independent valuation applying the Black & Scholes model. The measurement period for calculating the option premium will be based on the volume-weighted average price paid for the Company's Class B shares on NASDAQ Stockholm between 31 August 2023 and 6 September 2023.

The exercise price for the call options was set at SEK 221.00. The market value of the call options was set at SEK 31.70. The expenses for the scheme consist of the subsidy paid in September 2025, as detailed above, and the social security fees payable on that subsidy. The total cost of the subsidy, including social security fees, is estimated at approximately SEK 22.2 million after corporation tax. The subsidy corresponds to the option premium that the Company receives on the transfer of the call options.

2022/2026 scheme

The allotment for 2022 approved by the 2022 Annual General Meeting included about 100 executives and a total of 1,000,000 call options, corresponding to about 0.4 percent of the total number of shares and approximately 0.3 percent of the total number of votes in the Company.

Note 6 cont.

The allotment varied between 4,000 and 50,000 options per person. The Chief Executive Officer acquired 50,000 and other members of Group Management 162,000.

Each option entitles the holder to acquire one repurchased Class B share between 8 September 2025 and 10 June 2026. The purchase price for shares when exercising options will correspond to 120 percent of the volume-weighted average price paid for the Company's Class B shares on NASDAQ Stockholm between 26 August 2022 and 8 September 2022. The premium for the call options will correspond to the market value of the call options in accordance with an external independent valuation applying the Black & Scholes model. The measurement period for calculating the option premium will be based on the volume-weighted average price paid for the Company's Class B shares on NASDAQ Stockholm between 2 September 2022 and 8 September 2022.

The exercise price for the call options was set at SEK 180.10. The market value of the call options was set at SEK 22.50. The expenses for the scheme consist of the subsidy paid in September 2024, as detailed above, and the social security fees payable on that subsidy. The total cost of the subsidy, including social security fees, is estimated at approximately SEK 18.6 million after corporation tax.
The subsidy corresponds to the option premium that the Company receives on the transfer of the call options.

2021/2025 scheme

The allotment for 2021 approved by the 2021 Annual General Meeting included about 100 executives and a total of 1,000,000 call options, corresponding to about 0.4 percent of the total number of shares and approximately 0.3 percent of the total number of votes in the Company. The allotment varied between 4,000 and 39,000 options per person. The Chief Executive Officer acquired 39,000 and other members of Group Management 129,000.

Each option entitles the holder to acquire one repurchased Class B share between 9 September 2024 and 11 June 2025. The purchase price for shares when exercising options will correspond to 120 percent of the volume-weighted average price paid for the Company's Class B shares on NASDAQ Stockholm between 27 August 2021 and 9 September 2021. The premium for the call options will correspond to the market value of the call options in accordance with an external independent valuation applying the Black & Scholes model. The measurement period for calculating the option premium will be based on the volume-weighted average price paid for the Company's Class B shares on NASDAQ Stockholm between 3 September 2021 and 9 September 2021.

The exercise price for the call options was set at SEK 214.40. The market value of the call options was set at SEK 21.90. The expenses for the scheme consist of the subsidy paid in September 2023, as detailed above, and the social security fees payable on that subsidy. The total cost of the subsidy, including social security fees, is estimated at approximately SEK 17.5 million after corporation tax. The subsidy corresponds to the option premium that the Company receives on the transfer of the call options.

2020/2024 scheme

The allotment for 2020 approved by the 2020 Annual General Meeting included about 25 executives and a total of 250,000 call options, corresponding to about 0.4 percent of the total number of shares and approximately 0.3 percent of the total number of votes in the Company. The allotment varied between 7,000 and 20,500 options per person. The Chief Executive Officer acquired 20,500 and other members of Group Management 96,500.

Each option entitles the holder to acquire one repurchased Class B share between 4 September 2023 and 5 June 2024. The purchase price for shares when exercising options will correspond to 120 percent of the volume-weighted average price paid for the Company's Class B shares on NASDAQ Stockholm between 31 August 2020 and 11 September 2020. In the event that, on invoking call options, the market price for Class B shares in the Company exceeds 200 percent of the average price during the period 31 August 2020 to 11 September 2020, the exercise price shall be raised by the amount exceeding 200 percent in SEK 1 increments. The premium for the call options will correspond to the market value of the call options in accordance with an external independent valuation applying the Black & Scholes model. The measurement period for calculating the option premium will be based on the volume-weighted average price paid for the Company's Class B shares on NASDAQ Stockholm between 7 September 2020 and 11 September 2020.

The exercise price for the call options was set at SEK 538.10. The market value of the call options was set at SEK 43.40. The expenses for the scheme consist of the subsidy paid in September 2022, as detailed above, and the social security fees payable on that subsidy. The total cost of the subsidy, including social security fees, is estimated at approximately SEK 11.7 million after corporation tax. The subsidy corresponds to the option premium that the Company receives on the transfer of the call options.

Between 4 September 2023 and 31 March 2024, 175,380 options were repurchased under current market conditions, based on an independent external valuation applying the Black & Scholes model. During the corresponding period, 53,270 options were also redeemed, corresponding to 213,080 shares.

Board of Directors

In accordance with the resolution of the Annual General Meeting, the total Board fees of SEK 3,200 thousand (3,100) approved by the Annual General Meeting are distributed between the Board members not employed by the Parent Company.

Managing Director of the Parent Company

Over the 2023/2024 financial year, Niklas Stenberg, the Managing Director of the Parent Company, received SEK 8,845 thousand (7,922) in fixed salary and SEK 11,749 thousand (3,467) in variable salary. Variable remuneration includes SEK 1,093 thousand (931) regarding the cost for the year of the subsidy for participants in the Group's incentive programme as well as an additional non-recurring bonus of SEK 8,100 thousand. They also received taxable benefits amounting to SEK 201 thousand (193). Pension premiums of SEK 2,556 thousand (2,268) were paid.

From the age of 65, the Managing Director is covered by a defined contribution pension plan, the scale of which depends on the outcome of pension insurance agreements. The size of the pension premiums is determined annually by the Remuneration Committee. Variable salary paid based on the Group's earnings may not exceed 30 percent of fixed salary and is not pensionable. An additional premium may be payable corresponding to 20 percent of paid variable remuneration used to acquire shares in Addtech AB. On termination by the Company, the period of notice is of 12 months and, on resignation by the Managing

Note 6 cont.

Director, the period of notice is six months. Beyond salary paid during the period of notice, on termination by the Company, the Managing Director is entitled to severance pay equivalent to one year's salary. In the event that the employee resigns, he/she does not receive any severance pay.

Other members of Group Management

For other members of Group Management, fixed salary of SEK 16,250 thousand (14,768) was paid, as well as variable salary of SEK 8,434 thousand (8,276). Variable remuneration included SEK 3,317 thousand (3,422) regarding the subsidy expense for the year for participation in the Group's incentive programmes. The variable remuneration was expensed in the 2023/2024 financial year and is to be disbursed in 2024/2025. They also received taxable benefits amounting to SEK 541 thousand (543). From the age of 65, members of Group management are covered by pension entitlements in accordance with individual agreements. Certain pension solutions are defined premium plans, with the size of the pension depending on the outcome of pension insurance agreements, while others are defined benefit plans.

In terms of the expense, both the defined benefit pension plans and the defined premium plans are basically equivalent to the ITP plan. During 2023/2024, a total of SEK 4,020 thousand (3,648) in pension premiums was paid for the group "Other members of Group Management".

Variable salary paid based on the Group's earnings may not exceed 30 percent of fixed salary. An additional premium may be payable corresponding to 20 percent of paid variable remuneration used to acquire shares in Addtech AB.

On termination by the Company, the maximum period of notice is of 12 months and, on resignation by the employee, the period of notice is six months. Severance pay is payable equivalent to no more than one year's salary. In the event that the employee resigns, he/she does not receive any severance pay.

Remuneration and other benefits 2023/2024	Basic salary/ Board fees	Variable remuneration [1]	Other benefits	Pension expenses	Total
Chairman of the Board	1.2	–	–	–	1.2
Other Board members	2.0	–	–	–	2.0
Managing Director	8.8	11.7	0.2	2.6	23.3
Other senior executives[2]	16.2	8.4	0.5	4.0	29.1
Total	**28.2**	**20.1**	**0.7**	**6.6**	**55.6**

1) Including remuneration to senior executives participating in incentive programmes.
2) During the year, there were six other senior executives, one woman and five men.

Remuneration and other benefits 2022/2023	Basic salary/ Board fees	Variable remuneration [1]	Other benefits	Pension expenses	Total
Chairman of the Board	1.2	–	–	–	1.2
Other Board members	1.9	–	–	–	1.9
Managing Director	7.9	3.5	0.2	2.3	13.9
Other senior executives[2]	14.8	8.3	0.5	3.6	27.2
Total	**25.8**	**11.8**	**0.7**	**5.9**	**44.2**

1) Including remuneration to senior executives participating in incentive programmes.
2) During the year, there were seven other senior executives, one woman and six men.

Board fees, SEK thousands		2023/2024	2022/2023
Name	**Position**	**Fee**	**Fee**
Kenth Eriksson[1]	Chairman of the Board, Chairman of the Remuneration Committee	1,240	1,200
Malin Nordesjö[1]	Board member, member of the Remuneration Committee	490	475
Henrik Hedelius	Board member	490	475
Ulf Mattsson	Board member	490	475
Annikki Schaeferdiek	Board member	490	475
Niklas Stenberg	Board member	–	–
Total		**3,200**	**3,100**

1) During the 2023/2024 financial year, a fee of SEK 100 thousand, beyond the aforementioned, was paid to each member of the Remuneration Committee.

Note 7

Remuneration to Auditors

	Group		Parent Company	
	2023/2024	2022/2023	2023/2024	2022/2023
Deloitte/KPMG				
Audit assignment	13	13	3	2
Tax consultation	0	0	-	-
Other assignments	0	1	0	0
Total remuneration to Deloitte/KPMG	**13**	**14**	**3**	**2**
Other auditors				
Audit assignment	10	5	0	-
Tax consultation	1	0	0	-
Other assignments	4	3	0	-
Total remuneration to other auditors	**15**	**8**	**0**	**-**
Total remuneration to auditors	**28**	**22**	**3**	**2**

At Addtech AB's Annual General Meeting on 23 August 2023, Deloitte AB was elected as the principal auditor for the Group. The previous auditor was KPMG AB.

Note 8

Depreciation/amortisation

	Group		Parent Company	
Depreciation/amortisation by function	2023/2024	2022/2023	2023/2024	2022/2023
Cost of sales	-130	-113	-	-
Selling expenses	-590	-508	-	-
Administrative expenses	-95	-81	0	0
Other operating expenses	-4	-3	-	-
Total	**-819**	**-705**	**0**	**0**

	Group		Parent Company	
Depreciation/amortisation by asset class	2023/2024	2022/2023	2023/2024	2022/2023
Intangible assets	-434	-373	0	0
Buildings and land	-14	-10	-	-
Leasehold improvements	-5	-4	-	0
Machinery	-33	-24	-	-
Equipment	-61	-51	-	0
Right-of-use assets	-272	-243	-	-
Total	**-819**	**-705**	**0**	**0**

Note 9

Other operating income and expenses

Group	2023/2024	2022/2023
Other operating income		
Rental revenue	14	14
Gain on sale of operations and non-current assets	6	5
Change in value of derivatives, net	-	1
Exchange rate changes, net	-	-
Revaluations of contingent purchase considerations	37	64
Subsidies received	17	12
Other	20	18
Total	**94**	**114**
Other operating expenses		
Property expenses	-	0
Loss on sale of operations and non-current assets	-2	-2
Change in value of derivatives, net	-2	-
Exchange losses, net	-30	-25
Revaluations of contingent purchase considerations	-22	-24
Dispute settlement	-39	-
Other	-13	-10
Total	**-108**	**-61**

Note 10

Operating expenses

Group	2023/2024	2022/2023
Inventories, raw materials and consumables	11,948	11,644
Personnel expenses	3,557	3,097
Depreciation/amortisation	819	705
Impairment of inventories	30	18
Impairment of doubtful accounts receivable	20	5
Other operating expenses	1,317	1,198
Total	**17,691**	**16,667**

Note 11

Financial income and expenses

Accounting principle

Interest income on receivables and interest expenses on liabilities are computed using the effective interest method. The effective interest rate is the rate that makes the present value of all future incoming and outgoing payments during the term equal to the carrying amount of the receivable or liability. Interest income includes accrued rebates, premiums and other differences between the original value of the receivable and the amount received on maturity.

Group	2023/2024	2022/2023
Interest income on bank balances	46	11
Dividends	0	0
Changes in value from revaluation of financial assets/liabilities, net	0	-
Other financial income	1	3
Financial income	**47**	**14**
Interest expense on financial liabilities measured at amortised cost	-241	-115
Interest expense on financial liabilities measured at fair value	-15	-11
Interest expense on pension liability	-8	-7
Exchange rate changes, net	-6	-18
Changes in value from revaluation of financial assets/liabilities, net	-	0
Other financial expenses	-20	-25
Financial expenses	**-290**	**-176**
Net financial items	**-243**	**-162**

Parent Company	2023/2024	2022/2023
Dividends received	700	750
Profit from participations in Group companies	**700**	**750**
Interest income:		
Group companies	226	82
Profit from financial non-current assets	**226**	**82**
Interest income, etc.:		
Group companies	39	20
Other interest income, change in value of derivatives and exchange rate differences	52	9
Interest income and similar items	**91**	**29**
Interest expenses, etc.:		
Group companies	-56	-13
Other interest expense, change in value of derivatives, exchange rate differences and banking fees	-226	-139
Interest expenses and similar items	**-282**	**-152**
Financial income and expenses	**735**	**709**

Note 12

Appropriations – Parent Company

Accounting principles

In the Parent Company, Group contributions are recognised in accordance with the alternative rule, meaning that Group contributions received by the Parent Company, or Group contributions paid to the companies by the Parent Company are reported as appropriations in the Parent Company. Shareholder contributions are reported in the item shares and participations.

	2023/2024	2022/2023
Group contributions received	389	451
Group contributions paid	-258	-24
Reversal of tax allocation reserve	47	-
Provision made to tax allocation reserve	-30	-90
Excess amortisation/depreciation	0	1
Total	**148**	**338**

Had the Parent Company reported deferred tax on year-end appropriations as per the policies applied in the consolidated financial statements, the deferred tax expense would have totalled SEK 31 million (70).

Note 13

Taxes

	Group		Parent Company	
	2023/2024	2022/2023	2023/2024	2022/2023
Current tax for the period	-543.1	-493.6	-24.2	-59.9
Adjustment from previous years	-0.3	1.6	-0.9	0.1
Total current tax expense	**-543.4**	**-492.0**	**-25.1**	**-59.8**
Deferred tax	51.5	41.1	-2.8	4.3
Total recognised tax expense	**-491.9**	**-450.9**	**-27.9**	**-55.5**

Group	2023/2024	%	2022/2023	%
Profit before tax	2,182.5		2,004.6	
Weighted average tax based on national tax rates	-483.9	22.2	-427.7	21.3
Tax effect of				
Non-deductible expenses	-13.9	0.6	-9.1	0.5
Non-taxable income	3.9	-0.2	5.0	-0.3
Adjustment regarding prior years' current tax	-0.3	0.0	1.6	-0.1
Changed tax rate	-	-	-11.6	0.6
Transaction expenses, revaluations of contingent considerations for acquisitions	-5.6	0.3	3.0	-0.1
Losses for which carryforwards were not capitalised	-5.3	0.2	-6.8	0.3
Deficits utilised but not capitalised	15.2	-0.7	0.1	0.0
Other	-2.0	0.1	-5.4	0.3
Recognised tax expense	**-491.9**	**22.5**	**-450.9**	**22.5**

Parent Company	2023/2024	%	2022/2023	%
Profit before tax	834.6		1,014.1	
Tax based on current tax rate for Parent Company	-171.9	20.6	-208.9	20.6
Tax effect of				
Standard interest on tax allocation reserves	-2.1	0.3	-0.3	0.0
Non-deductible expenses	-0.8	0.1	-0.8	0.1
Non-taxable dividends	144.2	-17.3	154.5	-15.2
Other	2.7	-0.4	0.0	0.0
Recognised tax expense	**-27.9**	**3.3**	**-55.5**	**5.5**

Note 13 cont.

Deferred tax, net, at end of year

	31 Mar 2024			31 Mar 2023		
Group	Receivables	Liabilities	Net	Receivables	Liabilities	Net
Non-current assets	5	-611	-606	9	-521	-512
Untaxed reserves	-	-152	-152	-	-118	-118
Pension provisions	7	-	7	5	-	5
Other	50	-27	23	51	-14	37
Net recognised	-23	23	0	-20	20	0
Deferred tax, net, at end of year	**39**	**-767**	**-728**	**45**	**-633**	**-588**

	31 Mar 2024					
Group	Amount at beginning of year	Recognised in the income statement	Acquisitions & divest-ments	Recognised in other comprehen-sive income	Translation effect	Amount at end of year
Non-current assets	-512	89	-175	0	-8	-606
Untaxed reserves	-118	-30	-4	-	-	-152
Pension provisions	5	-2	-	4	0	7
Other	37	-5	-9	0	0	23
Deferred tax, net	**-588**	**52**	**-188**	**4**	**-8**	**-728**

	31 Mar 2023					
Group	Amount at beginning of year	Recognised in the income statement	Acquisitions & divest-ments	Recognised in other comprehen-sive income	Translation effect	Amount at end of year
Non-current assets	-436	66	-124	-2	-16	-512
Untaxed reserves	-89	-26	-3	-	-	-118
Pension provisions	26	-3	2	-21	1	5
Other	29	5	2	0	1	37
Deferred tax, net	**-470**	**42**	**-123**	**-23**	**-14**	**-588**

	31 Mar 2024			31 Mar 2023		
Parent Company	Amount at beginning of year	Recognised in the income statement	Amount at end of year	Amount at beginning of year	Recognised in the income statement	Amount at end of year
Financial instruments	5.8	-3.1	2.7	1.6	4.2	5.8
Pension provisions	-	0.3	0.3	-	-	-
Deferred tax, net	**5.8**	**-2.8**	**3.0**	**1.6**	**4.2**	**5.8**

The Group has tax loss carryforwards of SEK 108 million (43) that have not been capitalised.

The effects of the introduction of Pillar Two, applicable to the Group as of 1 April 2024, have been analysed. The initial assessment is that the effects of the new legislation are expected to be immaterial for the Group. See also Note 1 "Accounting and valuation principles" for further information.

Note 14

Intangible non-current assets

Accounting principle

Goodwill is measured cost less any accumulated impairment. Goodwill is allocated between cash-generating units or groups of cash-generating units and is not amortised but tested annually for impairment.

Aside from goodwill, intangible assets are recognised at their original cost, less accumulated amortisation and impairment.

Amortisation is charged on a straight-line basis and is based on the useful lives of the assets, which are reviewed on an annual basis. An asset's useful life is based on the historical experience of use of similar assets, areas of application and other specific features of the asset. Amortisation is included in cost of sales, selling expenses or administrative expenses, depending on where in the business the assets are used.

At the end of each reporting period, the Group assesses whether there are any internal or external indications that an intangible non-current asset with a determinable useful life may have decreased in value. If there is such an indication, the need for impairment is determined after calculating the recoverable amount of the asset, which is the asset's value in use or its fair value, whichever is higher. Impairment is recognised if the recoverable amount is less than the carrying amount. If the recoverable amount of an individual asset cannot be determined, the recoverable amount is set at the recoverable amount for the cash-generating unit to which the asset belongs.

	31 Mar 2024									
	Acquired intangible assets								Intangible assets developed internally	
Group	Goodwill	Supplier relationships	Customer relationships	Technology	Trade marks	Capitalised R&D expenses	Leaseholds and similar rights	Software	Software	Total
Accumulated cost										
At beginning of year	3,935	2,010	2,158	47	25	92	4	132	4	8,407
Corporate acquisitions	724	16	702	3	0	9	1	5	-	1,460
Investments	-	4	2	1	1	14	0	16	-	38
Divestments and scrappings	-	-	-	-1	-	0	-	-3	-	-4
Reclassifications	-	-	-	0	-	0	-	-1	-	-1
Translation effect for the year	57	20	38	0	0	2	0	2	-	119
At end of year	**4,716**	**2,050**	**2,900**	**50**	**26**	**117**	**5**	**151**	**4**	**10,019**
Accumulated amortisation and impairment										
At beginning of year	-	-1,289	-628	-31	0	-53	-1	-89	-4	-2,095
Corporate acquisitions	-	-	-	-3	0	-1	-	-3	-	-7
Depreciation/amortisation	-	-152	-256	-3	-1	-6	-1	-15	-	-434
Divestments and scrappings	-	-	-	0	-	-	-	2	-	2
Reclassifications	-	-	-	0	-	-	-	1	-	1
Translation effect for the year	-	-10	-8	0	0	-1	0	-1	-	-20
At end of year	**-**	**-1,451**	**-892**	**-37**	**-1**	**-61**	**-2**	**-105**	**-4**	**-2,553**
Carrying amount at end of year	**4,716**	**599**	**2,008**	**13**	**25**	**56**	**3**	**46**	**0**	**7,466**
Carrying amount at beginning of year	**3,935**	**721**	**1,530**	**16**	**25**	**39**	**3**	**43**	**0**	**6,312**

Note 14 cont.

	31 Mar 2023									
	Acquired intangible assets								Intangible assets developed internally	
Group	Goodwill	Supplier relationships	Customer relationships	Technology	Trade marks	Capitalised R&D expenses	Leaseholds and similar rights	Software	Software	Total
Accumulated cost										
At beginning of year	3,306	1,852	1,641	45	23	79	3	107	4	7,060
Corporate acquisitions	522	123	404	-	-	2	-	5	-	1,056
Investments	-	10	27	1	2	12	1	26	-	79
Divestments and scrappings	-	-	-	-	-	-5	0	-9	-	-14
Reclassifications	-	-20	20	-	-	-	-	0	-	0
Translation effect for the year	107	45	66	1	0	4	0	3	-	226
At end of year	**3,935**	**2,010**	**2,158**	**47**	**25**	**92**	**4**	**132**	**4**	**8,407**
Accumulated amortisation and impairment										
At beginning of year	-	-1,121	-414	-27	0	-49	0	-77	-4	-1,692
Corporate acquisitions	-	-	-	-	-	-2	-	-4	-	-6
Depreciation/amortisation	-	-153	-199	-3	0	-4	-1	-13	-	-373
Divestments and scrappings	-	-	-	-	-	4	0	8	-	12
Reclassifications	-	2	-2	-	-	-	-	-	-	0
Translation effect for the year	-	-17	-13	-1	0	-2	0	-3	-	-36
At end of year	**-**	**-1,289**	**-628**	**-31**	**0**	**-53**	**-1**	**-89**	**-4**	**-2,095**
Carrying amount at end of year	**3,935**	**721**	**1,530**	**16**	**25**	**39**	**3**	**43**	**0**	**6,312**
Carrying amount at beginning of year	**3,306**	**731**	**1,227**	**18**	**23**	**30**	**3**	**30**	**0**	**5,368**

Note 14 cont.

	31 Mar 2024		31 Mar 2023	
Parent Company	Software	Total	Software	Total
Accumulated cost				
At beginning of year	4.6	4.6	4.6	4.6
Investments	-	-	-	-
At end of year	**4.6**	**4.6**	**4.6**	**4.6**
Accumulated amortisation				
At beginning of year	-4.0	-4.0	-4.0	-4.0
Depreciation/ amortisation	-0.4	-0.4	-	-
At end of year	**-4.4**	**-4.4**	**-4.0**	**-4.0**
Carrying amount at end of year	**0.2**	**0.2**	**0.6**	**0.6**
Carrying amount at beginning of year	**0.6**	**0.6**	**0.6**	**0.6**

	Group	
Goodwill by business area	31 Mar 2024	31 Mar 2023
Automation	789	705
Electrification	732	668
Energy	1,111	1,054
Industrial Solutions	1,272	899
Process Technology	812	609
Total	**4,716**	**3,935**

Critical estimates and assumptions

Estimates with regard to impairment of goodwill are assessed on an ongoing basis and are based on historical experience and expectations regarding future events deemed reasonable under prevailing circumstances. In March/April each year, that is, when targets are set, goodwill is tested for any impairment needs. The recoverable amount for cash-generating units has been determined by calculating values in use. To make these calculations, certain estimates must be made – the most significant of which are described in the section below. Currently, however, Addtech does not deem the uncertainty in the impairment testing of goodwill to be so high that a significant risk prevails for a material adjustment of the carrying amount within a year.

Goodwill impairment testing

The Group's recognised goodwill amounts to SEK 4,716 million (3,935), allocated as above to the units where impairment testing is performed. Goodwill is not monitored internally at a level lower than the business areas, and impairment testing is therefore performed at that level. The business areas coincide with the Group's operating segments. Impairment testing took place most recently in March 2024. The recoverable amount was based on value in use, calculated from a current estimate of cash flows over the year ahead.

Forecast earnings and investments in working capital and non-current assets for the next financial year, 2024/2025, are based on previous outcomes and experiences. The forecast is produced on the basis of a relatively detailed budgeting process for the various parts of Group. The major components of the cash flow are sales, the various operating costs and investments in working capital and non-current assets. The sales forecast is based on judgements taking into account factors such as order bookings, the general economy and the market situation. The forecast for operating costs is based on current pay agreements and previous years' levels of gross margins and overheads, adapted to expectations for the year ahead taking into account factors as referred to for the sales forecast. Anticipated investments in working capital and non-current assets are linked to the growth in sales. Since the operations are deemed to be in a phase that is representative of the long-term perspective, the cash flow from the first forecast year is extrapolated by a long-term growth rate of 2 percent (2) per year for all business areas. Cash flows were discounted applying a weighted cost of capital corresponding to roughly 13 percent (13) before tax.

The key assumptions that have the greatest effect on the recoverable amount are gross margin, discount rate and long-term growth rate, where gross margin is most important. Neither a 1-percent increase in the discount rate, a 2-percentage point decrease in long-term growth, nor a 1-percent decrease in the margin shows a need for impairment. These calculations show that value in use significantly exceeds the carrying amount. Consequently, impairment testing indicated no impairment. The margin for impairment is considerable for all business areas and it is not judged that any possible changes in important assumptions that may be reasonably expected to lead to impairment.

Addtech continuously monitors climate-related risks and opportunities, including physical risks and transition risks, when measuring recovery value in connection with goodwill impairment testing. Transition risks, in particular, are expected to be able to influence goodwill impairment testing and Addtech takes into account, for example, expected shifts in customer behaviour, such as reduced demand for carbon dioxide-intensive products, and increased costs for carbon dioxide-intensive raw materials resulting from taxes, for example, or similar regulation. The assumptions are deemed to be in line with Addtech's climate-related targets in accordance with the Paris Agreement. For further description of Addtech's climate-related targets and assessed transition risks, see Sustainability facts on pages 148-149. As the assumptions represent a merger of possible financial effects to achieve the climate-related targets, Addtech surmises that no individual climate-related assumption is currently an important assumption in goodwill impairment testing.

Note 15

Property, plant and equipment

Accounting principle

Property, plant and equipment are recognised at cost, less accumulated depreciation and any impairment. The cost comprises the purchase price, including customs and excise duties, as well as costs directly attributable to the asset to bring it to the location in such condition that it can be used as intended by the acquisition. Discounts etc. are deducted from the purchase price. Examples of directly attributable costs included in the cost are shipping and handling, installation, title registration and consulting services. Amortisation is applied linearly across the estimated useful life. Impairment is applied in accordance with the same principles as for intangible assets with a determinable useful life, see Note 14.

	31 Mar 2024					
Group	Buildings and land	Leasehold improve-ments	Machinery	Equipment	Construc-tion in progress	Total
Accumulated cost						
At beginning of year	269	75	493	730	11	1,578
Corporate acquisitions	39	4	77	69	-	189
Investments	8	1	35	81	26	151
Divestments and scrappings	-	0	-5	-13	-	-18
Reclassifications	2	0	4	10	-7	9
Translation effect for the year	6	0	11	12	1	30
At end of year	**324**	**80**	**615**	**889**	**31**	**1,939**
Accumulated amortisation and impairment						
At beginning of year	-122	-54	-369	-576	0	-1,121
Corporate acquisitions	-2	-2	-32	-23	-	-59
Depreciation/amortisation	-14	-5	-33	-61	0	-113
Divestments and scrappings	-	0	5	9	-	14
Reclassifications	-	0	0	-8	-	-8
Translation effect for the year	-2	-1	-8	-10	0	-21
At end of year	**-140**	**-62**	**-437**	**-669**	**0**	**-1,308**
Carrying amount at end of year	**184**	**18**	**178**	**220**	**31**	**631**
Carrying amount at beginning of year	**147**	**21**	**124**	**154**	**11**	**457**

	31 Mar 2023					
Group	Buildings and land	Leasehold improve-ments	Machinery	Equipment	Construc-tion in progress	Total
Accumulated cost						
At beginning of year	232	53	389	532	18	1224
Corporate acquisitions	11	17	57	134	-	219
Investments	8	4	31	63	12	118
Divestments and scrappings	-7	-1	-9	-23	-	-40
Reclassifications	12	-	7	2	-21	0
Translation effect for the year	13	2	18	22	2	57
At end of year	**269**	**75**	**493**	**730**	**11**	**1,578**
Accumulated amortisation and impairment						
At beginning of year	-106	-34	-295	-415	0	-850
Corporate acquisitions	-8	-14	-43	-113	-	-178
Depreciation/amortisation	-10	-4	-24	-51	-	-89
Divestments and scrappings	7	0	8	20	-	35
Reclassifications	-	0	0	0	-	0
Translation effect for the year	-5	-2	-15	-17	0	-39
At end of year	**-122**	**-54**	**-369**	**-576**	**0**	**-1,121**
Carrying amount at end of year	**147**	**21**	**124**	**154**	**11**	**457**
Carrying amount at beginning of year	**126**	**19**	**94**	**117**	**18**	**374**

Note 15 cont.

	31 Mar 2024			31 Mar 2023		
Parent Company	Leasehold improvements	Equipment	Total	Leasehold improvements	Equipment	Total
Accumulated cost						
At beginning of year	4	3	7	4	3	7
Investments	-	-	-	-	-	-
Divestments and scrappings	-	-	-	-	-	-
At end of year	**4**	**3**	**7**	**4**	**3**	**7**
Accumulated depreciation according to plan						
At beginning of year	-4	-3	-7	-4	-3	-7
Depreciation/amortisation	-	-	-	-	0	0
Divestments and scrappings	-	-	-	-	-	-
At end of year	**-4**	**-3**	**-7**	**-4**	**-3**	**-7**
Carrying amount at end of year	**0**	**0**	**0**	**0**	**0**	**0**
Carrying amount at beginning of year	**0**	**0**	**0**	**0**	**0**	**0**

Note 16

Leases

Accounting principle

On the date on which a lease commences, a lease liability is recognised corresponding to the present value of the lease payments yet to be paid. These lease liabilities are reported as non-current and current interest-bearing liabilities in the balance sheet.

The leasing term is determined as the non-cancellable period together with the periods by which the contract may be extended or shortened and terminated if Addtech is reasonably certain to exercise the extension option or not exercise the termination option.

In calculating the present value of lease payments, Addtech applies the interest rate implicit in the contract if this can easily be determined, as is the case for car leases and the category "other." In the remaining instances, for premises that is, the marginal lending rate is applied as of the date on which the lease commences. Addtech determines the marginal lending rate by having the treasury function prepare interest rates based on individual currencies and varied maturities. These interest rates are based on a term of 2-3 years as this is deemed to best reflect the average maturity of Addtech's leases. These interest rates are calculated based on the interest rate on government bonds plus a 1-percent margin.

Addtech reports right-of-use assets in the balance sheet on the commencement date of the lease. Right-of-use assets are valued at cost less accumulated depreciation and any impairment, and adjusted for revaluations of the lease liability. The cost of right-of-use assets includes the initial value reported for the attributable lease liability, initial direct expenses, as well as any advance payments made on or before the commencement date of the lease. The right-of-use assets are reported separately from other assets in the balance sheet and amortised on a straight-line basis over the lease term. Impairment of right-of-use assets is applied in accordance with the same principles as for intangible assets with a determinable useful life, see Note 14.

Addtech applies the relief rules regarding current leases and leases where the underlying asset is of lesser value. Expenses incurred in connection with these leases are reported on a straight-line basis over the lease term as operating expenses in the income statement.

Critical estimates and assumptions

Assessments made by company management in applying Addtech's accounting principles

On the initial date of a right-of-use asset and a lease liability, as well as on subsequent valuation, company management needs to make estimates regarding the lease term. Most of the Group's leases regarding premises include extension options whereby an assessment is made as to whether Addtech is reasonably certain to make use of the extension option and thus include it in the lease period. In this assessment, Addtech takes business-strategic and contract-specific prerequisites into account that comprise a financial incentive for Addtech to extend the lease. The assessment can have a significant impact on the carrying amounts for the right-of-use asset and the lease liability.

Addtech has established a principle of including at most one extension option at a time, as well as a maximum period of five years, provided that the extension option is not non-cancellable. Non-cancellable contracts or extension options are included in their entirety. This is because, given the nature of the leasing contracts, it is deemed too uncertain that Addtech is reasonably certain that the agreement will be extended for a longer period than this.

Deviations in the Parent Company's accounting principles

The Parent Company does not apply IFRS 16, in accordance with the exception included in RFR 2. As a lessee, leasing fees are reported as an expense on a straight-line basis over the lease term, and the right-of-use assets and lease liabilities are not therefore reported in the balance sheet.

Leases

At the end of 2023/2024, the lease liability amounted to SEK 698 million (720), whereof SEK 251 million (247) was a current liability and SEK 447 million (473) was a non-current liability. A tenor analysis for the lease liability is presented in Note 3 Financial risks and risk management. The average remaining lease term at the end of March 2024 was 24 months, with extension options accounting for one month of that. The Group's right-of-use assets are primarily leased premises, vehicles and other leases (of, for example, production equipment, office equipment and other assets not considered individually significant). Depreciation of right-of-use assets is specified in Note 8 Depreciation. Interest expenses on the lease liability for the 2023/2024 financial year amounted to SEK 18 million (11) and, in cash flow for the year, the amortisation component of the lease fees amounted to SEK 272 million (243) in addition to the interest expense. The cash flow effect from leases of lesser value amounted to an outflow of SEK 11 million (13), the cash flow effect from current leases to an outflow of SEK 9 million (6) and cash flow from leases with variable fees to an outflow of SEK 4 million (3).

Note 16 cont.

	31 Mar 2024			
Group	Buildings	Vehicles	Other	Total
Accumulated cost				
At beginning of year	1,153	144	34	1,331
Corporate acquisitions	54	3	0	57
Additional right-of-use assets	108	85	7	200
Ended contracts	-154	-53	-7	-214
Translation effect for the year	12	-1	0	11
At end of year	**1,173**	**178**	**34**	**1,385**
Accumulated amortisation and impairment				
At beginning of year	-525	-64	-20	-609
Corporate acquisitions	0	0	0	0
Depreciation/amortisation	-211	-54	-7	-272
Ended contracts	143	45	6	194
Translation effect for the year	-4	0	0	-4
At end of year	**-597**	**-73**	**-21**	**-691**
Carrying amount at end of year	**576**	**105**	**13**	**694**
Carrying amount at beginning of year	**628**	**80**	**14**	**722**

	31 Mar 2023			
Group	Buildings	Vehicles	Other	Total
Accumulated cost				
At beginning of year	956	125	33	1,114
Corporate acquisitions	59	4	0	63
Additional right-of-use assets	164	54	4	222
Ended contracts	-53	-43	-3	-99
Translation effect for the year	27	4	0	31
At end of year	**1,153**	**144**	**34**	**1,331**
Accumulated amortisation and impairment				
At beginning of year	-360	-55	-16	-431
Corporate acquisitions	-1	0	0	-1
Depreciation/amortisation	-192	-44	-7	-243
Ended contracts	40	37	3	80
Translation effect for the year	-12	-2	0	-14
At end of year	**-525**	**-64**	**-20**	**-609**
Carrying amount at end of year	**628**	**80**	**14**	**722**
Carrying amount at beginning of year	**596**	**70**	**17**	**683**

Contractual expenses from leases	2023/2024	2022/2023
Depreciation/amortisation	-272	-243
Interest on lease liabilities	-18	-11
Lease expenses for current contracts	-9	-6
Lease expenses for lesser-value assets	-11	-13
Lease expenses for variable fees	-4	-3
Lease expenses	**-314**	**-276**

Note 17

Financial assets and liabilities

A financial asset or financial liability is recognised in the balance sheet when the company becomes a party to the terms and conditions of the instrument. Accounts receivable are recognised in the balance sheet when an invoice has been sent. Accounts receivable and other operating receivables are recognised after deducting expected credit losses, which are assessed foremost on an individual basis and secondarily on the basis of the extent to which payments are overdue. Impairments of accounts receivable are recognised in operating expenses. See further information in Note 3. A liability is recognised when the counterparty has completed its undertaking and a contractual obligation to pay prevails, even if no invoice has yet been received. A financial asset (or part thereof) is removed from the balance sheet when the entitlements of the contract are realised or expire, or if the Company loses control over them. A financial liability (or part thereof) is removed from the balance sheet when the obligation in the contract is fulfilled or otherwise ceases to exist. The table below presents carrying amounts based on each of Addtech's categories of financial instruments. All financial assets and liabilities are measured at amortised cost except for derivatives and contingent considerations, which are measured at fair value through profit or loss. Addtech does not apply any offsetting of financial assets and financial liabilities.

Derivatives and hedging

Derivative instruments include currency forward contracts and swaps used to offset risks of exchange rate fluctuations. An embedded derivative, such as a currency clause, is separated out and accounted for separately only if it is not closely related to the host contract, which is normally not the case. Hedge accounting is not applied for the Group's derivatives. Derivatives are initially recognised at fair value, with the result that transaction costs are charged to profit or loss for the period. Following initial recognition, the derivative instrument is measured at fair value through profit or loss. Derivatives are reported at fair value in level 2 of the fair value hierarchy, meaning that fair value is determined based directly or indirectly on observable market data – in this case, exchange rates and interest rates.

Increases and decreases in the value of such derivatives are recognised as income and expenses respectively in operating profit or loss or in net financial items, based on the intended use of the derivative and whether its use is related to an operating item or a financial item.

Additional contingent purchase considerations and put/call options

Contingent purchase considerations and liabilities relating to put/call options are included in the items "Non-current interest-bearing liabilities" and "Current interest-bearing liabilities".

Additional contingent purchase considerations are measured at fair value on the transaction date and are subsequently remeasured on each reporting occasion. Fair value is determined applying a cash flow-based valuation and is included in level 3 in the fair value hierarchy, that is, where there is no observable market data. Effects of the revaluation are reported as other operating income or other operating costs.

The accounting of put/call options is not regulated by IFRS, which is why Addtech, in accordance with IAS 8, has developed and applied a uniform accounting principle for similar transactions. Addtech reports a holding without a controlling influence, see also the description in Note 29. The commitment to acquire additional shares from holdings without a controlling influence constitutes a financial liability reported at amortised cost. The liability is valued in the same way as for additional contingent purchase considerations, in accordance with a cash flow-based valuation regarding fulfilment of conditions. Initial booking and effects of revaluations and changes in ownership are reported directly in equity, under retained earnings.

Critical estimates and assumptions

Sources of uncertainty in estimates

The fair value of additional contingent purchase considerations, as well as of put/call options classified as financial liabilities, has been calculated based on the expected outcomes of financial and operational targets for each agreement. The estimated expected settlement will vary over time depending on the degree to which the conditions are fulfilled. Estimates differing from management's estimates may lead to the operations achieving other results and a different financial position.

Parent Company's accounting principles

All financial instruments in the Parent Company are classified at amortised cost, except for derivatives which are classified at fair value through profit or loss.

For participations in Group companies, impairment testing is conducted in accordance with the same principles as for intangible assets with a determinable useful life, see Note 14.

	Parent Company	
Receivables from Group companies	**31 Mar 2024**	31 Mar 2023
At beginning of year	4,493	3,640
Increase during the year	281	952
Decrease during the year	-55	-99
Carrying amount at end of year	**4,719**	**4,493**

A complete statutory specification is included as an annex to the annual accounts submitted to the Swedish Companies Registration Office. The specification can be obtained from Addtech AB.

	Parent Company					
Specification of participations in Group companies	Country	Number of shares	Quotient value	Holding, %	**Carrying amount, 31 March 2024**	Carrying amount, 31 March 2023
Addtech Nordic AB, 556236-3076, Stockholm	Sweden	1,750	100	100	1,004	1,004
Total					**1,004**	**1,004**

Note 17 cont.

	Parent Company	
Participations in Group companies	**31 Mar 2024**	31 Mar 2023
Accumulated cost		
At beginning of year	1,119	1,119
Reclassification	-115	-
At end of year	**1,004**	**1,119**
Accumulated impairment		
At beginning of year	-115	-115
Reclassification	115	-
At end of year	**-**	**-115**
Carrying amount at end of year	**1,004**	**1,004**
Carrying amount at beginning of year	**1,004**	**1,004**

Carrying amounts of financial instruments are recognised in the balance sheet according to the following tables.

	31 Mar 2024			
Group	Measured at fair value through profit or loss	Equity instruments recognised at fair value through other comprehensive income	Measured at amortised cost[1)]	Total carrying amount
Other financial assets	-	3	-	3
Non-current receivables	-	-	8	8
Accounts receivable	-	-	3,260	3,260
Other receivables	7	-	226	233
Cash and cash equivalents	-	-	798	798
Non-current interest-bearing liabilities	183	-	3,709	3,892
Current interest-bearing liabilities	177	-	1,156	1,333
Accounts payable	-	-	1,537	1,537
Other liabilities	20	-	0	20

	31 Mar 2023			
Group	Measured at fair value through profit or loss	Equity instruments recognised at fair value through other comprehensive income	Measured at amortised cost[1)]	Total carrying amount
Other financial assets	-	3	-	3
Non-current receivables	-	-	12	12
Accounts receivable	-	-	3,295	3,295
Other receivables	9	9	151	169
Cash and cash equivalents	-	-	606	606
Non-current interest-bearing liabilities	81	-	3,536	3,617
Current interest-bearing liabilities	214	-	882	1,096
Accounts payable	-	-	1,668	1,668
Other liabilities	38	3	0	41

1) The future commitment to acquire in the future additional shares from non-controlling interests, which constitutes a financial liability, is recognised at amortised cost.

Current and non-current loans are carried at amortised cost. The difference between the carrying amount and fair value is marginal for these items. The same applies to other financial instrument for larger amounts, since maturity is short.

Interest bearing liabilities measured at fair value in the income statement refer to contingent purchase considerations for acquisitions of operations.

Note 17 cont.

	31 March 2024			31 March 2023		
Financial instruments measured at fair value	Carrying amount	Level 2	Level 3	Carrying amount	Level 2	Level 3
Derivatives – fair value, hedging instruments	-	-	-	9	9	-
Derivatives – fair value through profit or loss	7	7	-	9	9	-
Total financial assets at fair value per level	**7**	**7**	**-**	**18**	**18**	**-**
Derivatives – fair value, hedging instruments	-	-	-	3	3	-
Derivatives – fair value through profit or loss	20	20	-	38	38	-
Contingent purchase considerations – fair value through profit or loss	360	-	360	295	-	295
Total financial liabilities at fair value per level	**380**	**20**	**360**	**336**	**41**	**295**

Fair value and carrying amount are recognised in the balance sheet in accordance with the above table.

Level 1 is where fair value is determined based on quoted prices in an active market. At the end of the reporting period, the Group had no items in this category.

Level 2 is where fair value is determined based on either directly or indirectly observable market data not included in level 1. This is done for foreign currency accounts and embedded derivatives.

Level 3 is not observable in the market. A cash flow-based valuation is carried out for the Group's contingent purchase considerations.

Contingent purchase considerations	2023/2024	2022/2023
Carrying amount, opening balance	295	349
Acquisitions during the year	251	150
Change through the income statement	-15	-40
Purchase considerations paid	-200	-192
Interest expenses	15	11
Exchange rate differences	14	17
Carrying amount, closing balance	**360**	**295**

Impact of financial instruments on net earnings	2023/2024	2022/2023
Assets and liabilities measured at fair value through the income statement	1	-31
Equity instruments recognised at fair value through other comprehensive income	-3	1
Measured at amortised cost	-261	-121
Total	**-263**	**-151**

Note 18

Inventories

The inventory comprises both processed and non-processed products. The inventory is recorded at cost and the net sales value, whichever is lower. hence taking into account the risk of obsolescence. However, given that products are mainly held only for brief periods in inventory, the risk of obsolescence is not deemed to significant for Addtech. The cost is calculated using the first in, first out (FIFO) principle or weighted average prices.

In the case of finished and semi-finished goods manufactured in-house, the cost consists of direct manufacturing costs and a reasonable portion of indirect manufacturing costs. Measurement takes normal capacity utilisation into account.

Group	**31 Mar 2024**	31 Mar 2023
Raw materials and consumables	393	386
Work in progress	374	300
Finished goods	2,358	2,640
Total	**3,125**	**3,326**

The consolidated cost of sales includes impairment of SEK 30 million (18) on inventories. No significant reversals of prior impairment were made in 2023/2024 or 2022/2023.

Note 19

Prepaid expenses and accrued income

	Group		Parent Company	
	31 Mar 2024	31 Mar 2023	**31 Mar 2024**	31 Mar 2023
Rent	19	16	2	2
Insurance premiums	32	23	14	11
Pension costs	5	5	1	1
Lease fees	7	7	0	0
Other prepaid expenses	87	80	16	10
Income earned but yet to be invoiced	170	112	0	0
Other accrued income	19	16	3	2
Total	**339**	**259**	**36**	**26**

Note 20

Equity

Addtech's dividend policy involves a pay-out ratio exceeding 30 percent of consolidated average profit after tax over a business cycle.

Repurchasing of treasury shares occurs, and the Board normally proposes obtaining a mandate to repurchase treasury shares that entails acquiring an amount of shares such that Addtech's own holding at no time exceeds 10 percent of all shares in the Company. Repurchasing serves to provide the Board with increased scope for action in its work with the Company's capital structure, to enable the use of repurchased shares as payment in acquisitions, and to secure the Company's commitments in existing incentive programmes.

The entire purchase consideration for share repurchase is charged against retained earnings. Proceeds from disposals of equity instruments are recognised as an increase in retained earnings, as are any transaction expenses.

Capital

No express measure related to equity is applied internally. Externally, Addtech's objective is to maintain a robust equity/assets ratio.

Group

Other contributed capital

Refers to equity contributed by shareholders.

	Group	
Reserves[1)]	**2023/2024**	2022/2023
Translation reserve		
Opening translation reserve	441	137
Translation effect for the year	179	304
Closing translation reserve	**620**	**441**
Hedging reserve[2)]		
Opening balance, hedging reserve	1	0
Revaluations recognised in other comprehensive income	8	-1
Recognised in profit or loss on disposal (other operating income/expenses)	-10	3
Tax attributable to revaluations for the year	-2	0
Tax attributable to disposals	3	-1
Closing hedge reserve	**0**	**1**
Total reserves	**620**	**442**

1) Refers to reserves attributable to shareholders in the Parent Company.
2) Refers to cash flow hedges, consisting of currency clauses in customer contracts.

Translation reserve

The translation reserve includes all exchange differences arising on the translation of the financial reports of foreign operations prepared in a currency other than the Group's presentation currency for financial reports. The Parent Company and Group present their financial reports in Swedish kronor (SEK).

Hedging reserve

The hedging reserve includes the effective portion of the accumulated net change in fair value for a cash-flow hedging instrument attributable to hedge transactions that have not yet occurred.

Retained earnings, including profit for the year

Retained earnings including profit for the year include earnings in the Parent Company and its subsidiary companies. Prior provisions to the legal reserve are included in this equity item.

Repurchased shares

Repurchased shares includes the cost of treasury shares held by the Parent Company. At the end of the reporting period, the Group held 3,014,692 treasury shares (3,229,272).

Dividend

After the reporting period, the Board of Directors proposed a dividend of SEK 2.80 per share. The dividend is subject to approval by the Annual General Meeting on 22 August 2024.

Proposed allocation of earnings 2023/2024	
The following amounts are at the disposal of the Annual General Meeting of Addtech AB:	
Retained earnings	SEK 435 million
Profit for the year	SEK 807 million
Total	**SEK 1,242 million**
The Board of Directors and the CEO propose that the funds available for distribution be allocated as follows:	
A dividend paid to shareholders of SEK 2.80 per share[1)]	SEK 755 million
To be carried forward	SEK 487 million
Total	**SEK 1,242 million**

1) Calculated based on the number of shares outstanding at 31 May 2024. The total dividend payout may change if the number of repurchased treasury shares changes prior to the proposed dividend record date of 26 August 2024.

Note 20 cont.

Parent Company

Accounting principles
Group contributions are recognised in the Parent Company in accordance with the alternative rule. A Group contribution received from a subsidiary company by a Parent Company, or a Group contribution paid from a Parent Company to a subsidiary company is recognised in the Parent Company as an appropriation. Shareholder contributions are recognised directly in the equity of the recipient and are capitalised in the contributor's shares and participations, to the extent that no impairment needs to be recognised.

Restricted reserves
Restricted reserves are funds that cannot be paid out as dividends.

Statutory reserve
The purpose of the statutory reserve is to save a portion of net profit that will not be used to cover a loss carried forward.

Retained earnings
Retained earnings comprises the previous year's unrestricted equity, less any dividend paid. Together with profit for the year and any fair value reserve, retained earnings constitute the sum of unrestricted equity, that is, the amount available to be paid as dividends to shareholders.

Number of shares
As of 31 March 2024, there were 12,885,744 Class A shares conveying ten votes per share, and 259,908,240 Class B shares conveying one vote per share. The quotient value of the share is SEK 0.19.
The Company has repurchased 3,014,692 Class B shares within the framework of the Company's ongoing repurchasing programme. After subtracting repurchased shares, the number of Class B shares is 256,893,548.

	31 Mar 2024		
Number of shares outstanding	**Class A shares**	**Class B shares**	**All share classes**
At beginning of year	12,885,744	256,678,968	269,564,712
Redemption of call options	-	214,580	214,580
Repurchases of treasury shares	-	-	-
Conversion of Class A shares to Class B shares	-	-	-
At end of year	**12,885,744**	**256,893,548**	**269,779,292**

	31 Mar 2023		
Number of shares outstanding	**Class A shares**	**Class B shares**	**All share classes**
At beginning of year	12,885,744	256,642,688	269,528,432
Redemption of call options	-	236,280	236,280
Repurchases of treasury shares	-	-200,000	-200,000
Conversion of Class A shares to Class B shares	-	-	-
At end of year	**12,885,744**	**256,678,968**	**269,564,712**

Note 21

Untaxed reserves

Parent Company	31 Mar 2024	31 Mar 2023
Tax allocation reserve, 2017/2018	-	47
Tax allocation reserve, 2018/2019	84	84
Tax allocation reserve, 2019/2020	-	-
Tax allocation reserve, 2020/2021	80	80
Tax allocation reserve, 2021/2022	90	90
Tax allocation reserve, 2022/2023	90	90
Tax allocation reserve, 2023/2024	30	-
Accumulated excess depreciation/ amortisation	0	0
At end of year	**374**	**391**

SEK 79 million of the Parent Company's total untaxed reserves of SEK 374 million represents deferred tax included in the deferred tax line item in the consolidated balance sheet.

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Note 22

Provisions for pensions and similar obligations

Accounting principle

Addtech has defined-contribution and defined-benefit pension plans in Sweden, Switzerland, the UK and Italy. The plans cover a large number of employees. The defined-benefit pension plans are mainly based on the individual's final salary and the number of years of service. The Group's companies in other countries have mainly defined-contribution pension plans. Premiums for defined-contribution plans are paid on an ongoing bases over the year with the pension costs being charged to profit for the period.

Defined-benefit pension plans are both funded and unfunded. The net value of the estimated present value of the obligations and the fair value of plan assets is recognised in the balance sheet, either as a provision or as a non-current financial receivable for each pension plan, except where surpluses or deficits may be offset. When a surplus in a plan cannot be fully utilised, only the portion of the surplus that the Company can recover through reduced future fees or repayments is recognised.

The present value of pension obligations reported as defined benefit are dependent on a number of actuarial assumptions. In determining these assumptions, Addtech consults with actuaries. The pension cost and the pension obligation for defined benefit pension plans are calculated in accordance with the so-called Projected Unit Credit Method. The Group's commitment is calculated annually by independent actuaries and in accordance with established assumptions. The assumptions used to determine the present value of the commitment include the discount rate, inflation and salary increases. Each change in these assumptions will affect the carrying amount of pension commitments. The assumed discount rate for Swedish pension liabilities is based on the interest rate for Swedish mortgage bonds and, for the foreign pension liabilities, on the interest rate for first-class corporate bonds in the relevant currency.

A large part of the Group's pension commitments for salaried employees are defined-benefit commitments covered by collective policies with Alecta. Since it is not currently possible to obtain data from Alecta on the Group's share of commitments and plan assets, the pension plan signed with Alecta must be recognised as a defined-contribution plan. The consolidation ratio reported by Alecta does not indicate any deficit, although it is not possible to obtain detailed information from Alecta about the size of the pension commitment.

Deviations in the Parent Company's accounting principles

The Parent Company applies the simplification rules in accordance with the Swedish Act on Safeguarding Pension Obligations and the PRI principles when calculating defined benefit pension plans and not IAS 19. The most significant differences compared with IAS 19 are the method for determining the discount rate, that the defined benefit obligation is calculated based on current salaries without assuming future salary increases and that all actuarial gains and losses are recognised in profit or loss as they occur.

Defined-contribution plans

The plans mainly cover retirement pension, disability pension and family pension and the premiums paid by the Group are generally based on salary level.

Commitments in accordance with ITP2 for retirement pension and family pension for white-collar workers in Sweden were partly safeguarded through insurance in Alecta, which comprises a defined benefit plan encompassing several employers. For the 2023/2024 financial year, the Group did not have access to information enabling it to report this plan as a defined-benefit plan. Thus the pension plan according to ITP2 and secured by insurance in Alecta is recognised as a defined-contribution plan. The year's fees for pension insurance with Alecta totalled SEK 32 million (32). Fees for the next financial year are considered to be in line with those for the year reported. The collective consolidation level for Alecta was 163 percent (169) in March 2024. The ITP1 pension plan is a defined-contribution plan.

In Sweden, direct pensions occur that are safeguarded through endowment insurance policies, these direct pensions are classified as defined-contribution plans.

Defined-benefit plans

These pension plans primarily comprise retirement pensions. Each employer generally has an obligation to pay a lifelong pension and vesting is based on the number of years of employment. In certain cases, the employee must subscribe to the plan for a certain number of years to be fully entitled to retirement benefits. Each year increases the employee's entitlement to retirement benefits, which is recognised as pension earned during the period and as an increase in pension obligations. Both funded and unfunded pension plans apply in Sweden, Switzerland, the UK and Italy. The funded pension obligations are secured by plan assets that are managed by insurance companies.

The defined benefit pension plans expose Addtech for risks in the form of actuarial risks and investment risks in the plan assets. The actuarial risks relate primarily to the fact that future pension payments increase with increased life expectancy and adjusted for inflation for pensioners and former employees (paid-up insurance).

The Group estimates that SEK 10 million (9) will be paid in 2024/2025 to the funded defined benefit plans and SEK 10 million (10) in pension payments regarding the unfunded plans. The defined benefit pension commitments relate to 136 active employees (135), 426 paid-up insurance holders (422) and 382 pensioners (385).

Note 22 cont.

Obligations for employee benefits, defined-benefit pension plans

	Group		Parent Company	
Pension liability as per balance sheet	**31 Mar 2024**	31 Mar 2023	**31 Mar 2024**	31 Mar 2023
Net liability, Sweden, ITP 2	207	194	14	14
Net liability, other pension obligations	34	24	-	-
Total cost of defined-benefit plans	**241**	**218**	**14**	**14**

	Group		Parent Company	
Obligations for defined-benefit plans and the value of plan assets	**31 Mar 2024**	31 Mar 2023	**31 Mar 2024**	31 Mar 2023
Funded obligations:				
Present value of funded defined-benefit obligations	331	301	-	-
Fair value of plan assets	-304	-284	-	-
Net debt, funded obligations	**27**	**17**	**-**	**-**
Present value of unfunded defined-benefit obligations	214	201	14	14
Net amount in the balance sheet (obligation +, asset –)	**241**	**218**	**14**	**14**
Pension obligations and plan assets per country:				
Sweden				
Pension obligations	228	215	14	14
Plan assets	-21	-21	-	-
Net amount in Sweden	**207**	**194**	**14**	**14**
Switzerland				
Pension obligations	290	261	-	-
Plan assets	-263	-244	-	-
Net amount in Switzerland	**27**	**17**	**-**	**-**
UK				
Pension obligations	20	19	-	-
Plan assets	-20	-19	-	-
Net amount in the UK	**0**	**0**	**-**	**-**
Italy				
Pension obligations	7	7	-	-
Plan assets	-	-	-	-
Net amount in Italy	**7**	**7**	**-**	**-**
Net amount in the balance sheet (obligation +, asset –)	**241**	**218**	**14**	**14**

Note 22 cont.

Reconciliation of net amount for pensions in the balance sheet	Group		Parent Company	
	2023/2024	2022/2023	2023/2024	2022/2023
Opening balance	218	314	14	13
Cost of defined-benefit plans	17	16	2	2
Disbursements of benefits	-9	-9	-2	-1
Funds contributed by employer	-7	-5	-	-
Revaluations	22	-102	-	-
Corporate acquisitions	-	-	-	-
Translation effect	0	4	-	-
Net amount in the balance sheet (obligation +, asset –)	**241**	**218**	**14**	**14**

Changes in plan assets	Group	
	2023/2024	2022/2023
Opening balance	284	270
Funds contributed by employer	7	5
Funds contributed by employees	4	5
Benefits paid	-30	-5
Interest income recognised in profit or loss	8	5
Return on plan assets, excluding interest income	19	-24
Corporate acquisitions	-	-
Translation effect	12	28
Fair value of plan assets	**304**	**284**

Changes in the obligation for defined-benefit plans recognised in the balance sheet	Group	
	2023/2024	2022/2023
Opening balance	502	584
Pensions earned during the period	8	9
Pensions earned prior periods, vested	1	-
Interest on plan assets	16	12
Benefits paid	-39	-14
Funds contributed by employees	4	5
Revaluations:		
Gain (-)/loss (+) resulting from demographic assumptions	3	-
Gain (-)/loss (+) resulting from financial assumptions	28	-132
Experience-based gains (-)/losses (+)	10	6
Corporate acquisitions	-	-
Translation effect	12	32
Present value of pension obligations	**545**	**502**

Pension costs	Group		Parent Company	
	2023/2024	2022/2023	2023/2024	2022/2023
Defined-benefit plans				
Cost for pensions earned during the year	8	9	2	2
Cost for pensions earned in prior periods	1	-	-	-
Interest on plan assets	16	12	0	0
Interest income recognised in profit or loss	-8	-5	-	-
Total cost of defined-benefit plans	**17**	**16**	**2**	**2**
Total cost of defined-contribution plans	234	210	7	7
Social security costs on pension costs	26	27	1	1
Total cost of benefits after termination of employment	**277**	**253**	**10**	**10**

Note 22 cont.

Allocation of pension costs in the income statement	Group 2023/2024	2022/2023
Cost of sales	65	59
Selling and administrative expenses	204	187
Net financial items	8	7
Total pension costs	**277**	**253**

	2023/2024				2022/2023			
Actuarial assumptions	Sweden	Switzerland	UK	Italy	Sweden	Switzerland	UK	Italy
The following material actuarial assumptions were applied in calculating obligations:								
Discount rate, 1 April, %	4.20	2.15	5.20	3.50	2.60	1.30	3.23	1.60
Discount rate, 31 March, %	3.70	1.50	5.30	3.50	4.20	2.15	5.20	3.50
Future salary increases, %	2.60	1.60/1.70	–	3.00	3.10	1.80/2.20	–	3.00
Future increases in pensions, %	1.60	0.00	3.10	2.10	2.10	0.00	3.00	2.50
Personnel turnover, %	10.0	–	–	5.0	10.0	–	–	5.00
Mortality table	DUS23	BVG 2020 GT	S3PA	Table IPS55	DUS21	BVG 2020 GT	S3PA	Tavole IPS55

Sensitivity of pension obligations to changes in assumptions	Sweden	Switzerland	UK	Italy	Total
Defined-benefit pension obligations at 31 March 2024	**228**	**290**	**20**	**7**	**545**
The discount rate increases by 0.5%	-19	-20	-1	0	-40
The discount rate decreases by 0.5%	21	23	1	0	45
Expected life expectancy increases by 1 year	10	2	1	–	13
Expected life expectancy decreases by 1 year	-10	-2	-1	–	-13

The weighted average maturity of the obligations is about 15 years (15). Future increases in pensions being disbursed are based on inflation assumptions. Life expectancy is based on current statistics and mortality surveys.

The sensitivity analyses are based on a change in an assumption, while all other assumptions are held constant. The same method, the projected unit credit method, is used to calculate the sensitivity in the defined-benefit obligation as to calculate the pension obligation recognised in the balance sheet.

Note 23

Provisions

Accounting principle
A provision is recognised at its present value in the balance sheet when the company has a formal or informal commitment as a result of an event that has occurred, it is likely that an outflow of resources will be required to settle the commitment and the amount can be estimated reliably.

Premises
The provision for premises refers to premises that the Group has vacated and cannot sublet or use during the remainder of the lease.

Personnel
The provision refers to costs of personnel, including estimated remuneration upon termination of employment in connection with changes in operations. A provision is made when there is an approved restructuring plan and the restructuring has been announced.

Warranties
Recognised provisions for warranties associated with products and services are based on calculations performed based on historical data or, in specific cases, on an individual assessment.

Other
Other includes provisions not classified under premises, personnel or warranties, such as equipment that cannot be used due to changes in operations. All provisions are classified as short-term and are expected to lead to an outflow of resources within 12 months of the balance sheet date.

Group 2023/2024	Premises	Personnel	Warranties	Other	Total
Carrying amount at beginning of period	8	3	43	33	87
Corporate acquisitions	1	-	2	2	5
Provisions made during the period	0	0	29	10	39
Amounts utilised during the period	-	-	-1	-16	-17
Unutilised amounts reversed	-	0	-3	-3	-6
Translation effect	0	0	1	0	1
Carrying amount at end of period	**9**	**3**	**71**	**26**	**109**

Group 2022/2023	**Premises**	**Personnel**	**Warranties**	**Other**	**Total**
Carrying amount at beginning of period	0	14	34	24	72
Corporate acquisitions	-	-	1	-	1
Provisions made during the period	8	3	12	16	39
Amounts utilised during the period	0	-13	-3	-7	-23
Unutilised amounts reversed	-	-1	-2	-1	-4
Translation effect	0	0	1	1	2
Carrying amount at end of period	**8**	**3**	**43**	**33**	**87**

Note 24

Non-current interest-bearing liabilities

	Group		Parent Company	
	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
Non-current liabilities to credit institutions	2,977	3,000	2,950	3,000
Non-current lease liabilities	447	473	–	–
Other interest-bearing liabilities	468	144	–	–
Total	**3,892**	**3,617**	**2,950**	**3,000**
Liabilities to Group companies	–	–	474	410
Total			**3,424**	**3,410**

Other interest-bearing liabilities largely consist of additional contingent purchase considerations with estimated interest of 5.0 percent. The Parent Company's liabilities to Group companies have no fixed maturity.

A maturity analysis is presented in Note 3.

Note 25

Current interest-bearing liabilities

	Group		Parent Company	
	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
Credit facilities, amount utilised	482	292	481	292
Other liabilities to credit institutions	4	28	-	-
Leasing liability	251	247	-	-
Other interest-bearing liabilities	596	529	-	-
Total	**1,333**	**1,096**	**481**	**292**

Other interest-bearing liabilities largely consist of contingent purchase considerations with estimated interest of 5.0 percent. The Group's financing is primarily managed by the Parent Company, Addtech AB.

Note 26

Accrued expenses and prepaid income

	Group		Parent Company	
	31 Mar 2024	31 Mar 2023	31 Mar 2024	31 Mar 2023
Other prepaid income	13	14	0	1
Income invoiced but yet to be earned	24	14	0	0
Salaries and holiday pay	470	444	20	18
Social security contributions and pensions	156	153	10	9
Other accrued expenses[1]	199	256	7	3
Total	**862**	**881**	**37**	**31**

1) Other accrued expenses mainly consist of overhead accruals.

Note 27

Pledged assets and contingent liabilities

	Group		Parent Company	
	31 Mar 2024	31 Mar 2023	**31 Mar 2024**	31 Mar 2023
Pledged assets for liabilities to credit institutions				
Real estate and site leasehold mortgages	18	22	–	–
Floating charges	14	17	–	–
Other pledged assets	48	228	–	–
Total	**80**	**267**	**–**	**–**
Contingent liabilities				
Guarantees and other contingent liabilities	179	175	15	14
Guarantees for companies	–	–	603	572
Total	**179**	**175**	**618**	**586**

As of 31 March 2023, the Group's other pledged assets pertained mainly to one company that had pledged its inventory as collateral for outstanding commitments.

Note 28

Cash flow statement

	Group		Parent Company	
Adjustment for items not included in cash flow	**2023/2024**	2022/2023	**2023/2024**	2022/2023
Depreciation/amortisation	819	705	0	0
Revaluations of contingent purchase considerations	-15	-40	–	–
Gain/loss on sale of operations and non-current assets	0	-2	–	–
Change in pension liability	1	2	2	-1
Change in other provisions and accrued items	15	13	–	–
Change in derivatives	-13	18	-15	21
Other	35	11	0	0
Total	**842**	**707**	**-13**	**20**

For the Group, interest received during the year totalled SEK 45 million (9), and interest paid during the year was SEK 220 million (104). For the Parent Company, interest received during the year was SEK 320 million (114), and interest paid was SEK 284 million (116).

Note 28 cont.

Acquisitions

The following adjustments were made as a result of the value of assets and liabilities in companies acquired during the year, together with adjustments such as contingent considerations paid for acquisitions made in previous years:

	2023/2024	2022/2023
Non-current assets	1,576	1,090
Inventories	156	155
Receivables	205	258
Cash and cash equivalents	220	131
Total	**2,157**	**1,634**
Interest-bearing liabilities and provisions	-323	-153
Non-interest-bearing liabilities and provisions	-506	-334
Total	**-829**	**-487**
Total adjustments of assets and liabilities	**1,328**	**1,147**
Consideration paid, the year's acquisitions	-1,328	-1,147
Consideration paid, prior years' acquisitions	-203	-191
Cash and cash equivalents in acquired companies	220	131
Translation effects	8	3
Effect on consolidated cash and cash equivalents	**-1,303**	**-1,204**

All operations acquired during the year were consolidated in the accounts using the acquisition method.

Cash and cash equivalents in the cash flow statement consist of cash and bank balances. The same definition used in determining cash and cash equivalents in the balance sheet has been applied in the cash flow statement.

Reconciliation of debts arising from financing activities

	1 Apr 2023	Cash flows	Non-cash flow affecting changes					31 Mar 2024
Group			Acquisitions of companies	Adjustment via the income statement	Exchange rate differences	New leases	Terminated leases	
Bank overdraft facility	292	189	1	-	0	-	-	482
Liabilities to credit institutions	3,028	-116	69	-	0	-	-	2,981
Other interest-bearing liabilities	673	-11	389	0	13	-	-	1,064
Leasing liability	720	-267	55	18	7	186	-21	698
Liabilities stemming from financing activities	**4,713**	**-205**	**514**	**18**	**20**	**186**	**-21**	**5,225**

	1 Apr 2022	Cash flows	Non-cash flow affecting changes					31 Mar 2023
Group			Acquisitions of companies	Adjustment via the income statement	Exchange rate differences	New leases	Terminated leases	
Bank overdraft facility	335	-43	-	-	0	-	-	292
Liabilities to credit institutions	2,510	513	1	-	4	-	-	3,028
Other interest-bearing liabilities	659	-11	35	-29	19	-	-	673
Leasing liability	680	-243	62	11	18	210	-18	720
Liabilities stemming from financing activities	**4,184**	**216**	**98**	**-18**	**41**	**210**	**-18**	**4,713**

Reconciliation of debts arising from financing activities

Parent Company	1 Apr 2023	Cash flows	31 Mar 2024
Bank overdraft facility	292	189	481
Liabilities to credit institutions	3,000	-50	2,950
Liabilities stemming from financing activities	**3,292**	**139**	**3,431**

Parent Company	1 Apr 2022	Cash flows	31 Mar 2023
Bank overdraft facility	335	-43	292
Liabilities to credit institutions	2,450	550	3,000
Liabilities stemming from financing activities	**2,785**	**507**	**3,292**

Note 29

Acquisitions

Accounting principles

Subsidiary companies are reported in accordance with the acquisition method from and including the point in time at which Addtech obtained a controlling influence over those companies. Transaction expenses associated with acquisitions are expensed and reported under selling expenses. Holdings without controlling influence are measured at fair value on acquisition, entailing goodwill being included in non-controlling interests.

Addtech's business acquisitions often include additional contingent purchase considerations and/or call/put options, in cases where Addtech does not acquire all of the shares. These are included in the items "Non-current interest-bearing liabilities" and "Current interest-bearing liabilities". For further information about accounting principles and disclosures for those items, see Note 17.

Critical estimates and assumptions

Sources of uncertainty in estimates

On allocating the purchase consideration paid in connection with a business acquisition, company management is required to make an assessment, primarily regarding the determination of fair value for acquired intangible assets. Initially, intangible assets are identified that may have a value, including supplier relationships, customer relationships and technology. As such assets normally have no market value, various valuation methods are applied. These methods are based on various assumptions regarding future cash flows, sales growth, EBIT margins, as well as tax rates and discount rates in different countries. Such calculations require a high degree of estimation, which should be assessed, measured and analysed. For preliminary values associated with acquisitions, fair values may be adjusted up to a year after the completion of the acquisition if new details are obtained regarding the facts and circumstances prevailing at the time of acquisition. Other estimates regarding fair value also affect the distribution between intangible assets with determinable useful lives (which are amortised) and goodwill (which is tested annually for impairment), which in turn affects the income statement and balance sheet.

Acquisitions of companies

Acquisitions completed as of the 2022/2023 financial year are distributed among the Group's business areas as follows:

Acquisitions	Country	Date of acquisition	Acquired holding, %	Net sales, SEK million*	Number of employees*	Business Area
Intertrafo Oy	Finland	April, 2022	100	30	15	Energy
Electric Control Systems Automation AS	Norway	April, 2022	100	75	31	Process Technology
Impulseradar Sweden AB	Sweden	April, 2022	88	80	27	Industrial Solutions
C.K. Environment A/S	Denmark	May, 2022	100	40	14	Process Technology
Arruti Group	Spain	June, 2022	100	280	90	Energy
Gotapack International AB	Sweden	July, 2022	100	25	5	Process Technology
Allied Insulators Ltd.	UK	August, 2022	100	75	15	Energy
Advanced Valve Solutions B.V.	Netherlands	December, 2022	100	140	27	Process Technology
MCS Europe Group B.V.	Netherlands	January, 2023	100	75	19	Automation
Drivhuset AB	Sweden	January, 2023	100	35	7	Industrial Solutions
INDAG Maschinenbau GmbH	Germany	April, 2023	90	55	40	Process Technology
Clyde Holding Ltd.	UK	April, 2023	100	150	49	Process Technology
Feritech Global Ltd.	UK	May, 2023	90	55	21	Industrial Solutions
Electrum Automation AB	Sweden	June, 2023	100	80	22	Electrification
Darby Manufacturing Ltd.	Canada	June, 2023	100	50	14	Industrial Solutions
S. Tygesen Energi A/S	Denmark	June, 2023	100	75	3	Energy
Control Cutter AS	Norway	October, 2023	89	160	18	Industrial Solutions
BV Teknik A/S	Denmark	November, 2023	100	85	24	Automation
Kemic Vandrens A/S	Denmark	January, 2024	80	95	20	Process Technology
Crescocito AB	Sweden	February, 2024	100	60	10	Industrial Solutions
Novomotec GmbH	Germany	April, 2024	100	80	9	Electrification
Cell Pack Solutions Ltd.	UK	April, 2024	90	75	30	Electrification
GoDrive AS	Norway	April, 2024	100	75	5	Industrial Solutions
Nuova Elettromeccanica Sub S.p.A.	Italy	June, 2024	100	160	60	Energy
C. Gunnarssons Verkstads AB	Sweden	July, 2024	89	200	45	Industrial Solutions
Analytical Solutions and Products B.V.	Netherlands	July, 2024	100	140	30	Process Technology

* Refers to assessed situation on a full-year basis at the time of acquisition.

Note 29 cont.

During the financial year Addtech completed ten acquisitions, diversified in terms of their markets and geographies, where it took control of the acquired operations during the year.

The following companies were acquired during the year:

INDAG Maschinenbau GmbH
On 4 April, 90 percent of the shares in INDAG Maschinenbau GmbH of Germany were acquired for the Process Technology business area. INDAG produces and sells dynamic in-line mixers for the process industry, focusing primarily on the food and chemicals segments. The company has 40 employees and generates annual sales of approximately EUR 5 million.

Clyde Holding Ltd.
On 26 April, Clyde Holding Ltd of the UK was acquired for the Process Technology business area. Clyde is a leading supplier of products and systems for pneumatic transports, primarily to the process and energy industry. The company operates globally and has extensive experience of complex projects, for which it also offers aftermarket services. The company has 49 employees and generates annual sales of approximately GBP 12 million.

Feritech Global Ltd.
On 5 May, 90 percent of the shares in Feritech Global Ltd of the UK were acquired for the Industrial Solutions business area. Feritech is a leader in the design and manufacture of tailored technical solutions for the geotechnical submarine sector. The company has a broad offering and operates globally, mainly addressing the expansion of offshore wind power. The company has 21 employees and generates annual sales of approximately GBP 4.5 million.

Electrum Automation AB
On 1 June, Electrum Automation AB of Sweden was acquired for the Electrification business area. Electrum develops, produces and sells mobile electronics and comprehensive solutions for leading machinery and automotive manufacturers. The company has 22 employees and generates annual sales of approximately SEK 80 million.

Darby Manufacturing Ltd.
On 1 June, Darby Manufacturing Ltd of Canada was acquired for the Industrial Solutions business area. Darby is a leading supplier of driver's seats for special vehicles in the North American market. The company offers both standard and specially adapted driver's seats from leading manufacturers in Europe and the US. The company has 14 employees and generates annual sales of approximately CAD 6.5 million.

S. Tygesen Energi A/S
On 26 June, S. Tygesen Energi A/S of Denmark was acquired for the Energy business area. Tygesen sells equipment and electrical transmission materials for electrical distribution networks, transmission networks, railways and railway stations in Denmark. The company also operates in Greenland, Iceland and the Faroe Islands. The company has 3 employees and generates annual sales of approximately DKK 50 million.

Control Cutter AS
On 31 October, 89 percent of the shares in Control Cutter AS of Norway were acquired for the Industrial Solutions business area. Norwegian Control Cutter provides leading technical solutions to the global market for the decommissioning of offshore oil and gas wells. Through its patented solutions, the company offers efficient, safe and reliable recovery of oil pipelines and underwater cutting and welding. The company has 18 employees and generates annual sales of approximately NOK 160 million.

BV Teknik A/S
On 13 November, BV Teknik A/S of Denmark was acquired for the Automation business area. BV Teknik designs and builds customised production solutions and other high-tech equipment for the automation industry, focusing on medical technology. The company has 24 employees and generates annual sales of approximately DKK 55 million.

Kemic Vandrens A/S
On 3 January, 80 percent of the shares in Kemic Vandrens A/S of Denmark were acquired for the Process Technology business area. Kemic is a leading supplier of facilities and solutions for water treatment. The Company offers design and installation in connection with new construction, mobile water purification, as well as renovation and service agreements, primarily for Danish industrial customers and water treatment plants. The company has 20 employees and generates annual sales of approximately DKK 60 million.

Crescocito AB
On 29 February, Crescocito AB of Sweden was acquired for the Industrial Solutions business area. Crescocito develops and manufactures components and complete turnkey facilities in industrial painting technology. The company has 10 employees and generates annual sales of approximately SEK 60 million.

Note 29 cont.

The value of assets and liabilities included in acquisitions from the 2022/2023 financial year have been determined conclusively. No significant adjustments have been made to the calculations. According to the adopted acquisition analyses, the assets and liabilities included in the acquisitions for the year were as follows:

Fair value, SEK million	**2023/2024**	2022/2023
Intangible non-current assets	727	529
Other non-current assets	127	38
Inventories	156	155
Other current assets	425	389
Deferred tax liability/tax asset	-186	-120
Other liabilities	-284	-187
Acquired net assets	**965**	**804**
Goodwill[1)]	722	523
Non-controlling interests[2)]	-105	-28
Purchase consideration[3)]	**1,582**	**1,299**
Less: cash and cash equivalents in acquired operations	-220	-131
Less: consideration not yet paid	-254	-152
Effect on consolidated cash and cash equivalents	**1,108**	**1,016**

1) Goodwill is motivated by the anticipated future sales trend and profitability, as well as the personnel included in the acquired companies.
2) Holdings without a controlling influence have been reported at fair value, which means that holdings without a controlling influence have a share in goodwill.
3) Purchase consideration is stated excluding transaction expenses for the acquisitions.

The combined purchase consideration for the year's acquisition was SEK 1,582 million, whereof SEK 1,449 million, according to preliminary acquisition analyses, was allocated to goodwill and other intangible assets. Had the acquisitions been completed on 1 April 2023, their impact would have been an estimated SEK 910 million on consolidated net sales, about SEK 160 million on operating profit and about SEK 125 million on profit after tax.

Addtech uses an acquisition structure with a base purchase price and contingent consideration. The outcome of contingent considerations is dependent on future results achieved in the companies and has a set maximum level. Of contingent purchase considerations for acquisitions during the financial year that are yet to be paid, the discounted value amounts to SEK 263 million. The contingent purchase considerations fall due within four years and the outcome may not exceed SEK 316 million.

For acquisitions that resulted in ownership transfer during the financial year, transaction costs totalled SEK 26 million (10) and are recognised in selling expenses.

Revaluations of contingent purchase considerations had a net positive impact of SEK 15 million (40) on the financial year. The impact on profits is recognised in other operating income and other operating expenses, respectively. No material changes in acquisition analyses were made in the financial year with regard to acquisitions carried out in the year or in previous years.

Consolidated goodwill at the time of the acquisition, is the amount by which the acquisition value exceeds the fair value of net assets acquired. Goodwill is motivated by the anticipated future sales trend and profitability, as well as the personnel included in the acquired companies. As of 31 March 2024 non-taxable goodwill amounted to SEK 4,716 million, to be compared with SEK 3,935 million as of 31 March 2023. The change is attributable to acquisitions and exchange differences. Consolidated goodwill is assessed annually for impairment, and no needs for impairment have been identified.

The values allocated to intangible non-current assets, such as supplier relationships, customer relationships and technology, were assessed at the discounted value of future cash flows. The amortisation period is determined by estimating the annual decrease in sales attributable to each asset. Supplier relationships, customer relationships and technology are generally amortised over a period of ten years. Annual calculated amortisation regarding intangible non-current assets for the year's acquisitions amounts to about SEK 72 million.

Note 30

Earnings per share

Addtech discloses earnings per share (EPS) in direct connection with the income statement. Calculation of EPS is based on consolidated profit or loss for the year attributable to Parent Company shareholders and on the weighted average number of shares outstanding during the year. To calculate diluted EPS, the average number of shares is adjusted to take into account the effect of potentially dilutive ordinary shares that, during the periods reported, result from options awarded to employees.

	2023/2024	2022/2023
Earnings per share before and after dilution (SEK)		
Earnings per share before dilution	6.05	5.55
Earnings per share after dilution	6.05	5.55

See Note 1 for the method of calculation.

Earnings per share before dilution

The calculation of earnings per share before dilution for 2023/2024 is based on profit attributable to Parent Company shareholders, totalling SEK 1,632 million (1,495), and a weighted average number of shares (thousands) outstanding during 2023/2024 of 269,634 (269,557). The two components were calculated in the following manner:

	2023/2024	2022/2023
Profit for the year attributable to the equity holders of the Parent Company, before dilution (SEK million)	1,632	1,495

Weighted average number of shares during the year, before dilution

In thousands of shares	2023/2024	2022/2023
Total number of shares, 1 April	269,565	269,528
Effect of treasury shares held	69	29
Weighted average number of shares during the year, before dilution	**269,634**	**269,557**

Earnings per share after dilution

The calculation of diluted earnings per share for 2023/2024 is based on profit attributable to Parent Company shareholders, totalling SEK 1,632 million (1,495), and a weighted average number of shares outstanding during 2023/2024 of 269,761 thousand (269,723). The two components were calculated in the following manner:

	2023/2024	2022/2023
Profit for the year attributable to Parent Company shareholders, after dilution (SEK	1,632	1,495

Weighted average number of shares during the year, after dilution

In thousands of shares	2023/2024	2022/2023
Weighted average number of shares during the year, before dilution	269,634	269,557
Effect of share options issued	127	166
Weighted average number of shares during the year, after dilution	**269,761**	**269,723**

Note 31

Disclosures regarding the Parent Company

Addtech AB, corporate ID number 556302-9726, is the Parent Company of the Group. The Company's registered office is located in the city of Stockholm, in the county of Stockholm and Addtech AB is a limited liability company under Swedish law.

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Note 32

Related party disclosures

For the Addtech Group, related parties mainly comprise senior executives. Information about personnel costs is provided in Note 6 Employees and employee expenses.

Note 33

Events after the balance sheet date

On 1 April, 2024, Michael Ullskog took office as the new Business Area Manager for the Automation business area, also joining the management team. Martin Fassl, former Business Area Manager for Automation, stepped down from the management team but will assist the business area as senior advisor until his planned retirement in June 2024.

On 10 April, Novomotec GmbH of Germany was acquired for the Electrification business area. Novomotec is a leading supplier of compact electric motors to OEM customers in light electric vehicles, medical technology and automation applications. The company has 9 employees and generates annual sales of approximately EUR 7 million.

On 15 April, 90 percent of the shares in Cell Pack Solutions Ltd in the UK were acquired for the Electrification business area. Cell Pack develops, internationally manufactures and markets own brand battery solutions to customers primarily in water treatment, safety and medical technology. The company has 30 employees and generates annual sales of approximately GBP 5.6 million.

On 29 April, GoDrive AS of Norway was acquired for the Industrial Solutions business area. GoDrive AS is a leading supplier of frequency converters and accessories in the Norwegian market. GoDrive joins our operations in the BEVI group, a supplier of electric drive systems, and complements those operations well. The company has 5 employees and generates annual sales of approximately NOK 75 million.

On 3 June, Nuova Elettromeccanica Sud SpA of Italy was acquired, for the Energy business area. Nuova Elettromeccanica Sud SpA develops, manufactures and sells equipment and components for electrical transmission lines and substations. The company is continuing to develop our position as a global player in equipment for high-voltage networks, complementing well the operations conducted in the Energy Supply business unit. The company has 60 employees and generates annual sales of approximately EUR 14 million.

On 11 June, an agreement was signed to acquire 89 percent of the shares in C. Gunnarssons Verkstad AB of Sweden for the Industrial Solutions business area. C. Gunnarssons Verkstad AB is a leading supplier of machinery and production lines for lumber handling in the Nordic market. The company has 45 employees and generates annual sales of approximately SEK 200 million.

On July 1, Analytical Solutions and Products B.V. of the Netherlands was acquired for the Process Technology business area. ASaP manufactures and supplies analytical solutions to primarily the process- and energy industries. The offering includes instrumentation, engineered systems with supporting software and service. The company has 30 employees and generates annual sales of approximately EUR 12 million.

Assurance by the Board of Directors

The Board of Directors and the CEO consider the consolidated accounts and annual accounts to have been prepared in accordance with IFRS as adopted by the EU and in accordance with generally accepted accounting principles and give a true and fair view of the position and earnings of the Group and the Parent Company. The Administration Report for the Group and the Parent Company provides a true and fair view of the operations, position and earnings of the Group and the Parent Company and describes the significant risks and uncertainties faced by the Parent Company and the companies included in the Group. In other regards, the earnings and position of the Group and the Parent Company are presented in the Income Statements, Balance Sheets, Cash Flow Statements and appurtenant notes included in the Annual Report.

STOCKHOLM, 3 JULY 2024

Kenth Eriksson
Chairman of the Board

Henrik Hedelius
Board member

Ulf Mattsson
Board member

Malin Nordesjö
Board member

Annikki Schaeferdiek
Board member

Niklas Stenberg
CEO and Board member

Our Audit Report was submitted on 3 July 2024.

Deloitte AB

Kent Åkerlund
Authorised Public Accountant
Principal auditor

Auditor's Report

To the general meeting of the shareholders of Addtech AB (publ) corporate identity number 556302-9726

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Addtech AB (publ) for the financial year 2023-04-01 - 2024-03-31 except for the corporate governance report on pages 65-73. The annual accounts and consolidated accounts of the company are included on pages 55-127 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 March 31, 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 Marrch 31, 2024 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and 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 Board of Directors 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.

Other information

The audit of the annual accounts for the financial year 2022-04-01 – 2023-03-31 has been carried out by another auditor who submitted an audit report dated 2023-07-05 with unmodified statements in the Report on the annual accounts

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 acquired intangible assets

As a result of acquisitions the company recognize significant amounts as acquired intangible assets. As of March 31, 2024, the carrying amount of these assets amount to 7 466 MSEK.

Goodwill and intangible assets with indefinite useful life must at least be tested annually to determine if a need for impairment exists. Other intangible assets are tested when there is an indication of a potential need for impairment. The impairment tests are complex and involve significant judgements and assumptions about the future. The calculated recoverable amount for the assets is based on forecasts regarding the discounted future cash flows where estimates of discount rate, revenue and earnings forecasts, and long-term growth depend on management's judgements and assumptiopns, which can be influenced by management. This in aggregate makes valuation of acquired intangible assets an area of particular significance in the audit.

The company's accounting principles are set out in Note 1 Accounting Principles on page 82.

Our work included but were not limited to the following procedures:

- Evaluation of the company's principles and processes for preparing impairment tests in compliance with IFRS
- Evaluation of the company's analysis of whether there are any impairment indicators and
- Involvement of internal valuation specialists to review of the company's impairment test prepared by management and assess the reasonableness of key assumptions used in the impairment test
- Evaluation of appropriate disclosures in accordance with IFRS have been provided in the annual report

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 1-54 and 132-135. 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.

Auditor's Report cont.

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 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 intends to liquidate the company, to cease operations, or has no realistic alternative but to do so.

Auditor's responsibility

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

As part of an audit in accordance with ISAs, we exercise professional 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.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance 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, 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.

Auditor's Report cont.

Report on other legal and regulatory requirements

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 Directors of Addtech AB (publ) (publ) for the financial year 2023-04-01 - 2024-03-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit to be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the Managing Directors 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 organization 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 organization 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 fulfill 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 the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess 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 Addtech AB (publ) for the financial year 2023-04-01-2024-03-31.

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 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 evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Auditor's Report cont.

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 firm applies International Standards 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 audit 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 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 XTHML formatand 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.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 65-73 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR´s auditing standard RevU 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.

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

The auditor´s opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 28-30, and that it is prepared in accordance with the Annual Accounts Act.

Our examination has been conducted in accordance with FAR:s 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.

A statutory sustainability report has been prepared.

Deloitte AB, was appointed auditor of Addtech AB (publ) by the general meeting of the shareholders on the 2023-08-23 and has been the company's auditor since 2023-08-32.

Stockholm 3 July 2024
Deloitte AB

Kent Åkerlund
Authorized public accountant

Multi-year summary

SEK million, unless otherwise stated	**2023/2024**	2022/2023	2021/2022	2020/2021
Net sales	20,019	18,714	14,038	11,336
EBITDA	3,245	2,872	2,077	1,501
EBITA	2,860	2,540	1,803	1,251
Operating profit	2,426	2,167	1,501	989
Profit after financial items	2,183	2,005	1,433	937
Profit for the year	**1,691**	**1,554**	**1,117**	**729**
Intangible non-current assets	7,466	6,312	5,368	4,496
Property, plant and equipment and financial non-current assets	705	537	439	386
Right-of-use assets	694	722	683	682
Inventories	3,125	3,326	2,569	1,661
Current receivables	3,869	3,768	2,931	2,161
Cash and cash equivalents	798	606	437	420
TOTAL ASSETS	**16,657**	**15,271**	**12,427**	**9,806**
Equity attributable to shareholders	5,974	5,184	3,931	3,219
Non-controlling interests	504	389	328	231
Interest-bearing liabilities and provisions	5,466	4,931	4,498	3,554
Non-interest-bearing liabilities and provisions	4,713	4,767	3,670	2,802
TOTAL EQUITY AND LIABILITIES	**16,657**	**15,271**	**12,427**	**9,806**
Capital employed	11,944	10,504	8,757	7,005
Working capital	4,219	3,855	2,618	2,416
Financial net debt	4,668	4,325	4,061	3,134
Net debt excluding pensions	4,427	4,107	3,747	2,798
EBITA margin, %	14.3	13.6	12.8	11.0
Operating margin, %	12.1	11.6	10.7	8.7
Profit margin, %	10.9	10.7	10.2	8.3
Return on equity, %	28	32	30	23
Return on capital employed, %	22	22	20	15
Return on working capital (P/WC), %	68	66	69	52
Equity/assets ratio, %	39	36	34	35
Debt/equity ratio, multiple	0.7	0.8	1.0	0.9
Net debt/equity ratio, multiple	0.7	0.7	0.9	0.8

SEK million, unless otherwise stated	**2023/2024**	2022/2023	2021/2022	2020/2021
Interest coverage ratio, multiple	8.7	13.7	22.4	15.8
Financial net debt/EBITDA, multiple	1.4	1.5	2.0	2.1
Earnings per share, SEK	6.05	5.55	4.00	2.60
Earnings per share after dilution effect, SEK	6.05	5.55	3.95	2.60
Cash flow per share, SEK	9.55	7.10	4.15	5.60
Equity per share, SEK	22.15	19.25	14.60	11.95
Dividend per share, SEK	2.80[1)]	2.50	1.80	1.20
Average number of shares after repurchases (thousands)	269,634	269,557	269,400	269,051
Average number of shares after repurchases, adjusted for dilution (thousands)	269,761	269,723	270,346	269,969
Share price on 31 March, SEK	243.80	192.30	182.00	130.00
Cash flow from operating activities	2,575	1,911	1,121	1,503
Cash flow from investing activities	-1,482	-1,387	-1,255	-1,298
Cash flow from financing activities	-922	-371	147	-138
Cash flow for the year	171	153	13	67
Average number of employees	4,109	3,781	3,317	3,068
Number of employees at end of year	4,175	3,911	3,556	3,133

1) As proposed by the Board of Directors.

Definitions

Return on equity[1, 2]
Profit after tax divided by equity.
The components are calculated as the average for the past 12 months.

From the shareholder perspective, return on equity measures the return provided on shareholders' invested capital.

Return on working capital (P/WC)[1]
EBITA divided by working capital.

P/WC is used to analyse profitability and is a measure that attaches a premium to high EBITA earnings and low working capital requirements, see reconciliation table on the next two-page spread.

Return on capital employed[1]
Profit after financial items plus financial expenses as a percentage of capital employed. The components are calculated as the average for the past 12 months.

Return on capital employed shows the Group's profitability in relation to externally financed capital and equity, see reconciliation table on the next two-page spread.

EBITA[1]
Operating profit before amortisation of intangible non-current assets.

EBITA is used to analyse the profitability generated by the operating activities, see reconciliation table on the next two-page spread.

EBITA margin[1]
EBITA as a percentage of net sales.

EBITA margin is used to show the degree of profitability of the operating activities.

EBITDA[1]
Operating profit before depreciation/amortisation and impairment.

EBITDA is used to analyse the profitability generated by the operating activities, see reconciliation table on the next two-page spread.

Equity per share[1]
Equity divided by number of shares outstanding on the balance sheet date.

This figure measures how much equity is attributable to each share and is presented to facilitate investors' analyses and decisions.

Financial net debt[1]
The net of interest-bearing liabilities and provisions, less cash and cash equivalents.

Net debt is used to monitor the debt trend, analyse the Group's borrowing and its ability to repay its debts with cash and cash equivalents generated from the Group's operating activities if all liabilities matured today, as well as any refinancing necessary.

Financial net debt/EBITDA[1]
Financial net debt divided by EBITDA.

Comparing financial net debt to EBITDA provides a key financial indicator for net debt in relation to cash-generating earnings in the operations, that is, it provides an indication of the company's ability to pay its debts. This measure is generally used by financial institutions to measure creditworthiness.

Net financial items[1]
Financial income less financial expenses.

Used to describe the trend in the Group's financial activities.

Acquired growth[1]
Changes in net sales attributable to business combinations compared with the corresponding period in the preceding year.

Acquired growth is used as a component to describe the trend in consolidated net sales, where acquired growth is distinguished from organic growth, divestments and exchange rate effects, see reconciliation table on the next two-page spread.

Cash flow from operating activities per share[1]
Cash flow from operating activities, divided by the average number of shares outstanding following repurchases.

This measure is used for investors to be able to easily analyse the scale of the surplus from current operations generated per share.

Net investments in non-current assets[1]
Investments in non-current assets less disposals of non-current assets.

The measure is used to analyse the Group's investments in renewing and developing its property, plant and equipment.

Net debt excluding pensions[1]
The net of interest-bearing liabilities and provisions, excluding pensions, less cash and cash equivalents.

A measure used to analyse financial risk, see reconciliation table on the next two-page spread.

Net debt/equity ratio, excluding pensions[1, 2]
Net debt, excluding pensions, divided by equity.

A measure used to analyse financial risk, see reconciliation table on the next two-page spread.

Organic growth[1]
Changes in net sales excluding currency effects, acquisitions and divestments compared with the corresponding period in the preceding year.

Organic growth is used to analyse the underlying sales growth driven by changes in volume, product range and price for similar products between different periods, see reconciliation table on the next two-page spread.

Profit after financial items[1]
Profit before tax for the period.

Used to analyse the operations' profitability, including financial activities.

Earnings per share
Shareholders' share of profit after tax for the period, divided by the weighted average number of shares during the period.

Definitions, cont.

Earnings per share after dilution
Shareholders' share of profit after tax for the year, divided by the weighted average number of shares outstanding and adjusted for additional shares from the exercise of options outstanding.

Interest coverage ratio[1]
Profit after net financial items plus interest expenses and bank charges, divided by interest expenses and bank charges.

This key financial indicator measures the Group's capacity to generate a sufficiently large surplus through its operations and financial income to cover its financial expenses, see reconciliation table on the next two-page spread.

Working capital[1]
Working capital (WC) is measured by means of an annual average, defined as inventories plus accounts receivable less accounts payable.

Working capital is used to analyse how much working capital is tied up in the operations, see reconciliation table on the next two-page spread.

Operating margin[1]
Operating profit as a percentage of net sales.

The measure is used to indicate what percentage of sales remains to cover interest and tax and to provide profit, after the Company's expenses have been paid.

Operating profit[1]
Operating income less operating expenses.

Used to describe consolidated earnings before interest and taxes.

Debt/equity ratio[1, 2]
Financial net debt divided by equity.

A measure used to analyse financial risk.

Equity/assets ratio[1 2]
Equity as a percentage of total assets.

The equity/assets ratio is used to analyse financial risk and shows what proportion of assets are financed through equity.

Capital employed[1]
Total assets less non-interest-bearing liabilities and provisions.

Capital employed shows what proportion of the Company's assets have been lent by the Company's shareholders or that have been lent by lenders, see reconciliation table on the next two-page spread.

Number of shares outstanding
Total number of shares less treasury shares repurchased by the Company.

Alternative key financial indicators

The Company presents certain financial measures in the Annual Report that are not defined in accordance with IFRS. The Company believes that these measures provide valuable supplementary information to investors and the Company's management as they enable the evaluation of trends and the Company's performance. Since not all companies calculate financial measures in the same way, these are not always comparable with measures used by other companies. These financial measures should therefore not be seen as compensation for measures that are defined in accordance with IFRS. For definitions of the key financial indicators used by Addtech, see pages 133-134.

Reconciliation tables, alternative key financial indicators

EBITA and EBITDA

Group, SEK million	2023/2024	2022/2023	2021/2022	2020/2021
Operating profit	2,426	2,167	1,501	989
Amortisation, intangible non-current assets (+)	434	373	302	262
EBITA	**2,860**	**2,540**	**1,803**	**1,251**
Depreciation, property, plant and equipment (+)	385	332	274	250
EBITDA	**3,245**	**2,872**	**2,077**	**1,501**

Working capital and return on working capital (P/WC)

Group, SEK million	2023/2024	2022/2023	2021/2022	2020/2021
EBITA (rolling 12 months)	2,860	2,540	1,803	1,251
Inventories, annual average (+)	3,359	3,154	2,058	1,722
Accounts receivable, annual average (+)	3,072	2,876	2,078	1,756
Accounts payable, annual average (-)	-2,212	-2,175	-1,518	-1,062
Working capital (annual average)	**4,219**	**3,855**	**2,618**	**2,416**
Return on working capital (P/WC) (%)	**68%**	**66%**	**69%**	**52%**

Acquired growth and organic growth

Group	2023/2024	2022/2023	2021/2022	2020/2021
Acquired growth (SEK million, %)	**851 (5%)**	**1,655 (12%)**	**998 (9%)**	**809 (7%)**
Organic growth (SEK million, %)	**16 (0%)**	**2,486 (17%)**	**1,679 (15%)**	**-906 (-8%)**
Divestments (SEK million, %)	- (-)	- (-)	-12 (0%)	-4 (0%)
Exchange rate effects (SEK million, %)	438 (2%)	535 (4%)	37 (0%)	-298 (-2%)
Total growth (SEK million, %)	**1,305 (7%)**	**4,676 (33%)**	**2,702 (24%)**	**-399 (-3%)**

Net debt excluding pensions and net debt/equity ratio excluding pensions

Group	2023/2024	2022/2023	2021/2022	2020/2021
Financial net debt, SEK million	4,668	4,325	4,061	3,134
Pensions, SEK million (-)	-241	-218	-314	-336
Net debt excluding pensions, SEK million	**4,427**	**4,107**	**3,747**	**2,798**
Equity, SEK million	6,478	5,573	4,259	3,450
Net debt/equity ratio excluding pensions, multiple	**0.7**	**0.7**	**0.9**	**0.8**

Interest coverage ratio

Group	2023/2024	2022/2023	2021/2022	2020/2021
Profit after financial items, SEK million	2,183	2,005	1,433	937
Interest expenses and bank charges, SEK million (+)	283	158	67	63
Total	2,466	2,163	1,500	1,000
Interest coverage ratio, multiple	**8.7**	**13.7**	**22.4**	**15.8**

Capital employed and return on capital employed

Group, SEK million	2023/2024	2022/2023	2021/2022	2020/2021
Profit after financial items	2,183	2,005	1,433	937
Financial expenses (+)	367	210	152	93
Profit after financial items plus financial expenses	**2,550**	**2,215**	**1,585**	**1,030**
Total assets, annual average (+)	16,170	14,280	11,001	9,309
Non-interest-bearing liabilities, annual average (-)	-3,839	-3,581	-2,705	-2,153
Non-interest-bearing provisions, annual average (-)	-809	-655	-485	-413
Capital employed	**11,522**	**10,044**	**7,811**	**6,743**
Return on capital employed, %	**22%**	**22%**	**20%**	**15%**

Sustainability facts 2023/2024

About sustainability reporting

Addtech's sustainability efforts are a central and integrated part of our business, organisation and value chain. We have therefore chosen to integrate the Sustainability Report into our Annual Report for the financial year from April 2023 to March 2024. This report covers Addtech AB company ID number 556302-9726 with 150 associated companies. All companies, the Parent Company and the Board of Directors are encompassed by guidelines, policies and codes.

In the reporting, Addtech has been inspired by the International Integrated Reporting Framework (IIRC). The report also pertains to the statutory reporting of sustainability in accordance with sections 6:10-14 of the Annual Accounts Act (see also the Risk section on pages 59-61), contains information on how Addtech works with the ten areas of the UN Global Compact, with the UN Sustainable Development Goals and how Addtech's report is inspired by the recommendations of the TCFD. Key indicators are reported according to the Global Reporting Initiative (GRI) Standards, Greenhouse Gas Protocol, the EU Taxonomy and Addtech's own key indicators for sustainable development. Sustainability facts are reviewed by an external party, see statement on page 158.

The following pages present supplementary sustainability information, including: value generation, sustainability goals, governance, material areas, materiality analysis, stakeholder dialogue, key indicators and calculation methods.

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How Addtech generates value

By continuously developing and strengthening our sustainability work, we generate value for our customers, suppliers, shareholders and society at large. We maintain a long-term and sustainable perspective in everything we do and safeguarding the resilience of our Group is an important part of our strategy. In our operations and our business we maintain a clear focus on contributing to the sustainability of industry. Our companies help their customers with optimal technical solutions, serving as a technical partner and specialist. The companies often act as a catalyst in customers' development towards more sustainable operations.

In support of our continued development towards our vision of "providing leading technical solutions for a sustainable tomorrow", we apply Group-wide sustainability targets in our three focus areas of sustainable business, sustainable organisation and sustainable supply chain. To achieve our targets and secure sustainable development in industry, we need to collaborate and build strong partnerships along our value chain.

Our focus areas, with quantifiable, time-limited 2030 goals, establish a clear direction for our development and the value we generate. We apply a shared sustainability strategy, having integrated our focus areas into our strategic planning. In accordance with our decentralised model, our companies develop action plans and activities each year to safeguard development towards our 2030 targets.

Our three focus areas are based on the areas of highest priority, for Addtech and its stakeholders alike (see table on page 146). We have translated the outcome of our materiality analysis into a sustainability model illustrating the areas we prioritise highest and how these are linked to the UN's Sustainable Development Goals.

Our sustainability model

Sustainable business

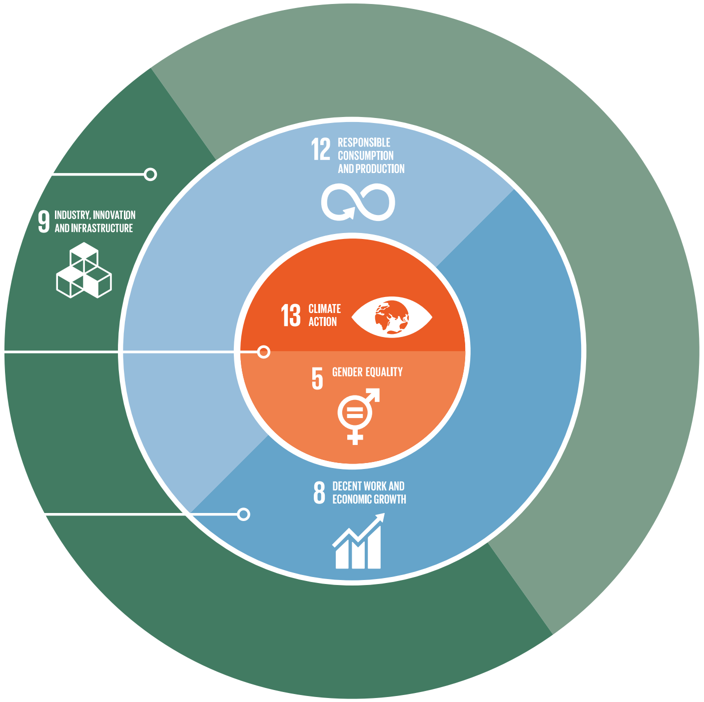
By offering technical solutions that contribute to our customers' transition and development, we aim to generate sustainable business.

Sustainable organisation

With equal-opportunity and climate-smart operations, we seek to build an attractive and sustainable organisation.

Sustainable supply chain

Through structured supplier follow-ups, we want to promote good working conditions and responsible production for a sustainable supply chain.



100%
of sales shall contribute to sustainable development in 2030*

50%
reduced CO_2 intensity in 2030**

40%
women in leading positions by 2030

80%
of the purchase volume self-assessed based on our Code of Conduct in 2030

* Proportion of sales supporting development towards the UN's sustainable development goals.
** Base year 2019/2020, encompassing Scopes 1, 2 and 3 (categories 3, 4, 6 and 9).

Sustainability governance

Ultimately, the Group's Board of Directors, is responsible, through Group Management, for Addtech's overall, long-term sustainability targets. Addtech's Head of Sustainability, who reports to the CEO, is responsible for continuously monitoring and reporting on development and key indicators and for supporting the companies on sustainability. The overarching targets are supplemented by the individual business areas and companies, which prepare sub-targets, action plans and activities. Our operational sustainability efforts are conducted in line with our well established corporate culture through decentralised responsibilities in our companies. Addtech practices active ownership through Board work and profit review. Each year, the companies report their key indicators, their individual sustainability efforts and their activities designed to help achieve our shared 2030 goals. If deficiencies are identified, the companies apply appropriate measures with the support of the Group. Our acquisition strategy includes a clear goal to acquire companies in areas driving development towards more sustainable industries and societies. In our acquisition process, sustainability is an important parameter in identifying potential acquisitions, and is also integrated into the Due Diligence process. To ensure that newly acquired companies are integrated into our joint sustainability work, sustainability is included in our introductory programme for new companies. Addtech conducts regular expertise-enhancing initiatives in sustainability. For example, the management team is continuously updated and trained in relevant areas. We conduct expertise-enhancing seminars, offer individual training for our companies and practice the train-the-trainer concept, in which employees from our companies are trained in sustainability and then provide continued training for their colleagues. The Group maintains an ambassador network, the Addtech Sustainability Network, which meets regularly to share experiences and to develop together.

Sustainable business

Addtech seeks to be part of the transition to more sustainable industry and to a more sustainable society. We perceive considerable opportunities in transactions with a favourable external impact. We attach great importance to building partnerships along our value chain to enable and optimise our contribution towards the transition to a more sustainable tomorrow and to increase the share of sales that contribute positively to development towards the UN Sustainable Development Goals. During the year, to safeguard long-term sustainable profitability, we continued to train the organisation in sustainability-related risks and opportunities, focusing on business development. During the year, for example, our business areas gathered their Managing Directors to further strengthen the focus on markets with strongly rooted sustainable growth.

The purpose of the key indicator for sustainable business is to monitor the development, over time, of the share of sales contributing positively to sustainable development.

This year's survey shows that 67 percent (65) of Addtech's sales contribute positively towards the UN's Sustainable Development Goals. On pages 21-43, you can read more about examples of our offerings and products contributing to development towards the UN Sustainable Development Goals.

Sustainable organisation

Addtech seeks to ensure that we are well-equipped for the future. Our employees are our most important asset. They are driven by helping their customers identify the best technical solution in a strong entrepreneurial spirit. Our companies make a positive contribution to the local communities in which they operate by being attractive, committed employers who support, for example, local youth unions or who collaborate with schools. Several of our Swedish companies participate in the Tekniksprånget (Technology Leap) initiative, with the aim of increasing young people's interest in applying to engineering programmes.

In our view, we face major global challenges in reducing our common impact on climate and are working to ensure that Addtech's impact is reduced. We take responsibility for reducing negative impacts of our organisation in terms of development towards the UN Sustainable Development Goals and have identified our impact as primarily concerning goal numbers 13 and 8. We work systematically to reduce our impact on the climate by means of additional energy efficiency improvements, optimised logistics chains, and work for a climate and resource-efficient supply chain, while also securing favourable production conditions in our supply chain.

Climate impact

Addtech works systematically to streamline and reduce its consumption of resources and emissions of greenhouse gases to reach our climate targets for 2030. Our target requires that we reduce our carbon dioxide intensity by 50 percent by 2030 (from the base year of 2019/2020) – a target that is in line with the Paris Agreement. Bolstered further by our conviction that reducing the climate impact of our operations is of great importance in securing future growth, we chose in December 2022 to undertake to develop supplementary climate goals in accordance with the guidelines for the Science Based Targets initiative (SBTi). During the year, our targets were validated and approved by SBTi.

We continued our work with internal courses on climate impact and our climate target is integrated into our strategic planning. Our companies have varied operations and different geographical conditions and it is therefore important that, in accordance with our decentralised model, the companies determine their own targets and activities in line with our 2030 goals.

Efficient resource management and impact on biodiversity

Addtech's sustainability and environmental policy is the basis for how our companies are integrating environmental issues into their operations. Important areas include optimising and reducing the amount of energy, water and regulated products consumed and reducing the amount of waste. Producing companies are few in number and Addtech's impact from waste and water consumption is low. This year's reporting of water consumption showed that 5 percent of the companies use a decreasing amount of water in their production (see calculation method on page 153).

To obtain a clearer picture of Addtech's impact on biological diversity, a survey has been carried out based on our own operations. The mapping shows that we have production sites where human activity will be associated with a higher risk of ecosystem loss or degradation, countermeasures will be analysed in the future. The impact on biodiversity from purchased materials and the use of our technical solutions and products are additional parameters to be mapped in the future to get an overall picture.

For Addtech is it important to our companies offers more circular solutions and products in the future. It is therefore important that over time we strive towards products being made from recycled material and that it is possible to recycle material at the end of the product's life cycle. Most of our companies are certified in accordance with ISO 14001 and work in an integrated manner to systematically reduce their impact on the environment. No environmental incidents were registered during the year.

Emissions from Addtech's own production and operations (Scopes 1 and 2) account for a minor part of our total climate impact (17 percent). At the same time, we maintain control within our own operations, where we are continuing our efforts with energy efficiency, switching to renewable energy sources and upgrading vehicles. Over the past year, we saw increased sales by several of our producing companies, while the number of kilowatt hours consumed was unchanged when excluding newly acquired companies. This demonstrates that our ongoing efforts to improve energy efficiency are yielding results. Our progress towards 100 percent energy from renewable sources are continuing, and we have seen a positive increase to 72 percent (69).

Although Addtech has reduced its carbon dioxide intensity by 30 percent compared with the base year (2019/2020), for the year reported we experienced a decrease in carbon dioxide intensity by 20 percent compared with the preceding year. The reduction stems primarily from goods transports (Scope 3). We see that several parameters have influenced the trend, our focus on reducing inventories has decreased emissions from goods transports by ship, rail and air while there was a small increase from road transport. The greatest reduction derives from goods transports by air and ship. Combined with effective measures in our logistics chains, in which we are focusing on reducing the share of goods transported by air, the year's increased sales volume means that we reduced our carbon dioxide intensity for the year by 30 percent compared with our base year of 2019/2020. Goods transports (Scope 3) continue to account for most of Addtech's greenhouse gas emissions (69 percent) based on the categories we currently measure, while air transport accounts for 34 percent. We continue to focus on optimising the fill rate, planning and mode of transport to reduce our climate impact from goods transports. We enjoy favourable opportunities for collaboration within our value chains and, in particular, to influence our customers' choice of transport method.

Emissions from business travel increased over the year, with air travel accounting for most of the increase – this mode of travel having risen by 16 percent. The several reasons for this include substantial attendance at trade fairs and customer and supplier meetings. We are also acquiring more companies outside the Nordic region and outside Europe, resulting in increased air travel in connection with the acquisition and integration process. Our emissions from train journeys increased by 150 percent, which we see as a positive trend. We will continue to endeavour to minimise our business travel. This has additional favourable effects, such as reduced costs, higher efficiency and, in some cases, a better balance in working life.

We are aware that purchased products and materials, as well as the use of sold products, constitute the most significant share of our climate impact. While monitoring emissions from this area is challenging, efforts include developing targets in line with the requirements of the Science Based Targets initiative and initiating data collection for more detailed Scope 3 analysis in preparation for CSRD. As a first step, we are collecting data from our producing companies on the climate impact of purchased raw materials and, next year we plan to commence data collection for purchased products.

Gender equality and equal opportunities

Addtech has zero tolerance for all forms of discrimination, provocation, sexual harassment and bullying, and this is communicated in Addtech's Equality & Diversity Policy and Code of Conduct. We seek to be an attractive employer that attracts skilled employees to safeguard a favourable trend and increased well-being. We are convinced that diversified teams are an important parameter in achieving this and, accordingly, seek employees with different backgrounds. We seek to increase the proportion of women and promote female leadership. We have produced as guidance to help increase diversity among candidates in recruitment. We also require that female candidates be included in all recruitments to leading positions. We currently have 20 percent (20) women in leading positions. There are currently eight women Managing Directors among Addtech's companies.

Health and safety

Addtech applies a zero vision when it comes to work-related accidents and illnesses. We foster a safe working environment, good health and well-being among all of our employees, including consultants and contract workers. We continuously follow up key indicators for health and safety at our companies. During the financial year, the number of accidents reported increased from 65 to 75. None of the accidents had a serious outcome and all were followed up with corrective measures. To some extent, the increase derives from our acquisition of additional producing companies in recent years and our explicit communication of the importance of reporting accidents as a KPI.

Addtech's recurring employee survey was also performed in November 2023 – the survey includes all employees at Addtech. As for the preceding year, average absence due to illness remained at 4 percent.

Business ethics

Alongside our core values, our Code of Conduct forms the basis for how we conduct business, behave and act in our day-to-day work and in our relationships with society. Addtech has a clearly communicated zero tolerance for all forms of bribery, corruption and irregularities, applicable to all of our employees and partners. The basis of our work with suppliers is our Supplier Code of Conduct, which includes our Anti-corruption Policy. The Supplier Code of Conduct and the Code of Conduct are approved annually by the Board of Directors. The codes can be found at our website, www.Addtech.com. Read more about our Supplier Code of Conduct on pages 48-51. Addtech's Code of Conduct encompasses all of the companies and employees. Addtech continuously trains the companies' Managing Directors in the core values and the Code of Conduct, which they are required to further disseminate to their organisations. Responsibility for counteracting irregularities, and efforts in this direction, apply to the entire Addtech value chain, as communicated in the Code of Conduct and Supplier Code of Conduct. Each year, a risk analysis is carried by each of the companies, as well as an analysis of purchase volumes by country, with the Transparency International Index included as a parameter.

Whistle-blower function

We do not tolerate any form of irregularity in violation of legislation or our Code of Conduct. If this nonetheless occurs, our target is to enable the reporting of violations of the Code of Conduct, the Supplier Code of Conduct or of legislation, or suspicions thereof, in a simple and anonymous manner. Our whistle-blower service is available to all employees and external partners. All reports submitted are handled confidentially and professionally by an internal council and, if necessary, a third-party expert in accordance with established procedures. The follow-up of reported cases focuses on consequences, changes and preventive measures. In the event that a suspected violation would affect a member of the council, that individual is excluded from participating in the investigation, and an independent third party is engaged for the purposes of investigation.

The whistle-blower function has been implemented via our companies' Managing Directors, who have informed their employees and union representatives. The whistle-blower function is available at www.Addtech.com, in our Code of Conduct and Supplier Code of Conduct and in our supplier follow-up platform. During the year, we had a total of six (three) reports registered via our whistle-blower service. We also had two cases reported via internal channels. All cases were investigated during the year, with preventive measures having been implemented and with all cases having been closed. Most of the reported cases relate to weak leadership, which has resulted in us strengthening our monitoring in the areas of our updated employee survey.

Sustainable supply chain

Our companies' supply chains are global and rely on a network of suppliers where 31 percent of purchases are made from the Nordic countries and 50 percent from the Rest of Europe. Purchases from Germany, Sweden, China and Hong Kong account for 44 percent of total purchases. In some cases, global supply chains entail increased sustainability risks. The annual risk analysis (see definition below) shows that 25 percent of our purchase volume is associated with suppliers located in a medium-risk country and 3 percent is associated with suppliers in a high-risk country. We train the companies and continuously encourage them to work with sustainability risks and perform supplier assessments. Our supplier relations are often long-term in nature and are characterised by close cooperation on how the supplier's products and solutions can be used in different customer applications. The collaboration benefits quality, price, lead times and customer satisfaction, while at the same time providing us with favourable conditions for constructive dialogue with suppliers regarding sustainability risks and continued development. Over the year, there were several collaborations between our companies that share suppliers, with sustainability dialogues being conducted jointly, which had a positive effect in supplier assessment.

The basis for cooperation with suppliers is our Code of Conduct for suppliers. In dialogue, we ensure that the requirements in our Code are minimum requirements in areas such as: human rights, working conditions, equal treatment, anti-corruption and the environment. We also have zero tolerance areas that require immediate action in the event of identified deviations. Each year, we map the Group's suppliers and the sustainability activities that have been conducted, increasing traceability, transparency and the capacity to identify risks associated with different areas within the Supplier Code of Conduct. Over the year, we trained key individuals at the companies in sustainability-related risks at the supplier level. We consider it important that everyone with direct supplier contact gains an increased awareness, thus enabling us to work with improvements and development together with suppliers to minimise risks and develop opportunities.

- **Risk analysis** based on country-specific indices, such as Transparency International, Environmental Performance Index and ITUC Global Rights Index. The risk analysis provides overall information on which areas require additional focus.
- **Self-assessment and evaluation** comprises questions to suppliers regarding Addtech's Supplier Code of Conduct, in which areas of zero tolerance are specially weighted. In the self-assessment, documentation linked to certifications and legislation is recorded, with the focus being on management systems, conflict minerals and regulated substances.

Supplier assessment

The work of evaluating suppliers based on the Supplier Code of Conduct is decentralised in our companies, we train and support the organisation in the area and provide a platform for managing supplier follow-up and storing supplier data. The platform for risk analysis and supplier evaluations is a global player that enables a clear follow-up process in which suppliers receive a grade based on their answers to questions on sustainability, together with a geographic risk analysis. Our companies use the various methods of risk analysis, self-assessments, evaluations and audits to varying degrees to follow up their suppliers. We invite our companies to use the reported results of supplier assessment as a basis for their dialogues with suppliers and, in case of identified deviations, to develop a scheduled plan for corrective action.

Prioritisation

All of Addtech's areas of strategic priority are included within the three focus areas. The table below presents our most material sustainability areas and their relation to the UN Sustainable Development Goals. The questions are ranked according to the company's and the stakeholders' prioritisation based on the materiality and stakeholder analysis performed. All of the UN Sustainable Development Goals are of significance to Addtech, but to be able to focus our efforts and drive them forward, prioritisation is necessary. Our material areas are followed up with GRI indicators and our own key indicators.

Priority	Sustainable development goal	Implication for Addtech	Area	KPI
		PRIORITISED AREAS		
1	7: Affordable and clean energy 7.2 Increase the share of renewable energy 7.3 Double the global rate of improvement in energy efficiency	We are increasing the proportion of transactions contributing to the transition to renewable energy consumption, while also streamlining our own energy consumption and switching to renewable energy sources. Also included in goals 9 and 13.		GRI 302-1 Energy consumption GRI 302-3 Energy intensity GRI 302-4 Reduction of energy consumption **Addtech KPI: The proportion of sales contributing to sustainable development in total by business area and by sustainable development goal**
2	13: Climate action 13.3 Improve knowledge and capacity on climate change mitigation	That we map, set targets and reduce our emissions.		GRI 305-1 Scope 1 GRI 305-2 Scope 2 GRI 305-3 Scope 3 GRI 305-4 GHG emissions intensity GRI 305-5 Reduction of GHG emissions
3	9: Industry, innovation and infrastructure 9.4 Upgrade infrastructure and retrofit industries to make them sustainable	That we increase the share of business that offers technical solutions for the transformation to sustainable innovation, industries and infrastructure.		GRI 201-1 Direct economic value generated and distributed **Addtech KPI: Total proportion of sales contributing to sustainable development by business area and sustainable development goal**
4	8: Decent work and economic growth 8.8 Protect labour rights and promote safe and secure work environments	That we ensure a long-term perspective in our growth without risking working conditions for our own employees and at our suppliers.		GRI 2-7* Information on employees and other workers GRI 401-1 New employee hires and personnel turnover GRI 404-1* Average hours of training per year per employee GRI 404-3 Percentage of employees receiving regular performance and career development reviews **Addtech KPI: Share of the purchase volume for which suppliers participated in a sustainability assessment based on the Supplier Code of Conduct.**
5	5: Gender equality 5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision making	That we have a gender equal and inclusive working environment that promotes female leadership.		GRI 405-1 Diversity of governance bodies and employees GRI 404-1 Average hours of training per year per employee, by gender **Addtech KPI: Proportion of women in leading positions** **Addtech KPI: Number of reported whistle-blower cases** **Addtech KPI: Proportion of employees having felt discriminated at any time**
6	12: Responsible consumption and production 12.2 Sustainable management and efficient use of natural resources	Increasing our share of transactions within the circular offering and ensuring that our offering achieves an efficient use of natural resources.		Addtech KPI: Proportion of the purchase volume with suppliers having signed the Supplier Code of Conduct Addtech KPI: Share of the purchase volume where suppliers have participated in a sustainability assessment based on the Supplier Code of Conduct **Addtech KPI: Total proportion of sales contributing to sustainable development by business area and sustainable development goal**
7	3: Good health and well-being 3.4 Reduce premature mortality from non-communicable diseases and promote mental health	That we increase the proportion of transactions contributing to the development of medical technology and reducing air pollution. That we work systematically to promote health and safety at our workplaces.		GRI 403-1 Occupational health and safety management system GRI 403-9* Work-related injuries GRI 403-10 Work-related ill health **Addtech KPI: The proportion of sales contributing to sustainable development in total by business area and by sustainable development goal**

* GRI 2-7 is reported with the exception that we only report the total number of employees distributed by gender and region. GRI 403-9 is reported with the exception that the frequency of occupational injuries per hours worked is not reported. GRI 404-1 is reported with the exception that the number of invested training hours/employee is only reported broken down by gender.

Materiality analysis

To be able to work strategically and in a manner integrated with sustainable development, we update our materiality analysis and stakeholder dialogue regularly, and set out targets for our long-term work. The latest materiality analysis was approved by Group Management in November 2019. in 2022, a simpler relevance analysis of our 2019 materiality analysis was performed. In the past year, we conducted a double materiality analysis to adapt to the EU's new Corporate Sustainability Reporting Directive (CSRD). In the upcoming year, we will integrate the results of the double materiality analysis and harmonise these with our stakeholder groups.

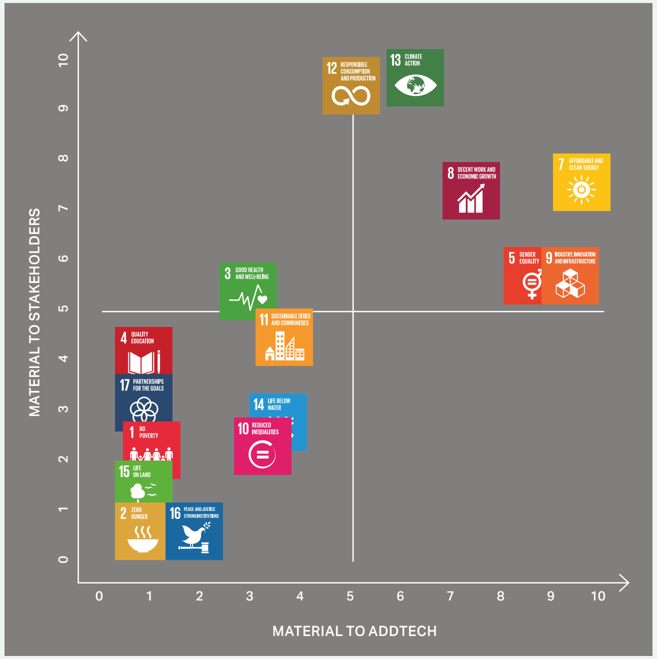
Material to stakeholders

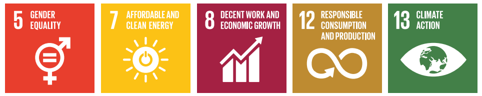
In connection with the materiality analysis, a stakeholder dialogue is held with prioritised stakeholder groups. The UN Global Sustainable Development Goals are used as a starting point for the dialogue. The dialogue comprises in-depth interviews and surveys in which the stakeholder groups respond to questions regarding which sustainability issues are of importance for them and regarding their expectations of Addtech's continued sustainability strategy. They also have the opportunity to prioritise the UN Sustainable Development Goals most important to those with whom Addtech works. The results are reported in the Y axis of the materiality matrix: Material to Stakeholders.

Material to Addtech

In a survey, the Board of Directors and Management Group for Addtech AB prioritises the UN Sustainable Development Goals according to which goals can constitute risks, as well as business opportunities for the Group. The responses are then presented at a workshop with the Management Group where the relation between Addtech's ambitions and stakeholder expectations are discussed.

The results are reported in the X axis of the materiality matrix: Material to Addtech.



Stakeholder group	Dialogue method	Important issues for them	Prioritised UN Sustainable Development Goals
Shareholders	In-depth interviews with a selection of our largest shareholders and analysts that follow the Addtech share, capital market day, Annual General Meeting, Annual Report, Interim Reports and website.	Earnings trend, human rights, anti-corruption, climate impact, sustainable business models and gender equality.	
Employees	In-depth interviews with focus groups from every business area, sustainability surveys for selected employees, development interviews, courses and the intranet.	Gender equality, working conditions, skills development, responsible suppliers, sustainable business opportunities and climate impact.	
Customers	In-depth interviews with a selection of our largest customers, the companies' own channels and meetings and the website.	Innovation, human rights, responsible resource consumption, anti-corruption, working conditions and climate impact.	
Suppliers	In-depth interviews with a selection of our most important suppliers, the companies' own channels and meetings, supplier assessments and visits.	Business ethics, customer satisfaction, collaboration and the climate impact.	

EU Taxonomy

The purpose of the EU Taxonomy is to establish a common definition around environmentally sustainable activities. Addtech welcomes the purpose of the EU Taxonomy in enabling comparable financial KPIs for green activities. The EU Taxonomy is still evolving and it is important to note that the current Taxonomy does not cover all sustainable activities in the market. In an initial stage, the EU has prioritised the most carbon dioxide-intensive activities. Addtech, whose activities largely focus on technical solutions included in end products in industry and infrastructure, is thus Taxonomy-eligible only to a small extent as it appears for the 2023/2024 reporting. However, Addtech is a key supplier and enables many of its customers' activities within the Taxonomy. Examples of technical solutions where we supply key components is in the production of renewable energy, forestry, purification of water and air, recycling systems and transport systems. Read more about Addtech's technical solutions contributing to sustainable development on pages 21-43.

Taxonomy-eligible activities

Addtech has identified a small portion of sales as being Taxonomy-eligible. 3.4 Battery production and 3.20 Manufacturing, installation and service of high, medium and low voltage equipment for electrical transmission and distribution, resulting in or enabling a substantial contribution to climate change mitigation. A large part of our battery unit is Taxonomy-non-eligible due to the fact that several companies do not have their own manufacturing and that the batteries are not used for transport, stationary or off-grid storage or industrial applications. Although activities 3.4 and 3.20 currently constitute only a relatively small part of Addtech's sales, it is included in the reporting for the year, as we see future growth potential in this area. Double counting has been avoided by data being collected at the company level and by only including external sales.

Method for mapping compatible activities

The requirements for an activity to be compatible with the Taxonomy is that it needs to significantly contribute to one of the environmental areas without causing significant damage to any of the other areas. In addition, the activity and the company must follow minimum protective measures.

Substantial contribution

Addtech has identified activities contributing significantly to the Taxonomy. Battery systems used in all-terrain vehicles make a significant contribution within 3.4 as they replace internal combustion engines, thereby reducing greenhouse gas emissions significantly. Insulator chains, disconnectors and lighting controls are examples of products within 3.20 that are components in transmission systems and help reduce emissions.

Nuclear energy 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 turnover/Total turnover

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	3.7%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

Proportion of CapEx/Total CapEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	11.8%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

Proportion of OpEx/Total OpEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	7.6%
CCA	%	%
WTR	%	%
CE	%	%
PPC	%	%
BIO	%	%

Sales

Total sales reported is in accordance with Notes 4 and 5. Taxonomy-eligible sales refers to external sales of manufactured batteries used for transport, stationary and off-grid storage, and other industrial applications. It also refers to manufacturing, installation and service of high, medium and low voltage equipment for electrical transmission and distribution, resulting in or enabling a substantial contribution to climate change mitigation.

CapEx

Capital expenditure (CapEx) refers to investments for the acquisition of a fixed asset before depreciation/amortisation, upwards adjustments and impairments, and excluding goodwill. Addtech's total investments for the financial year were in accordance with Note 14 Intangible not current assets, Note 15 Property, plant and equipment, as well as Note 16 Leases.

Taxonomy-eligible CapEx is associated with the activities of battery production, the manufacture, installation and service of high, medium and low voltage electrical equipment for electrical transmission and distribution, resulting in or enabling a substantial contribution to climate change mitigation and owned or acquired properties and leased cars.

OpEx

Operating expenditure (OpEx) is defined as non-capitalised costs for short-term rentals, maintenance and repair costs, renovation of buildings and R&D costs. Accordingly, the reported figures do not correspond to Addtech's total OpEx but only to the OpEx mentioned above. Alongside the other expenses, OpEx based on the Taxonomy definition is reported in the consolidated balance sheet on page 75. Taxonomy-eligible OpEx is associated with the activities of battery production, the manufacture, installation and service of high, medium and low voltage electrical equipment for electrical transmission and distribution, resulting in or enabling a substantial contribution to climate change mitigation.

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2023/2024

Financial year 2023/2024	2023/2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (2)	Turnover (3)	Proportion of turnover, 2023/2024 (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, 2022/2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		SEK million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
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%	0%	0%	-	-	-	-	-	-	-	0%		
Of which enabling			0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%	E	
Of which transitional			0%	0%						-	-	-	-	-	-	-	0%		T
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										
Battery production	CCM 3.4	16.4	0.1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0.02%		
Manufacturing, installation and service of high, medium and low voltage equipment for electrical transmission and distribution, resulting in or enabling a substantial contribution to climate change mitigation	CCM 3.20	729.8	3.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		746.2	3.7%	3.7%	0%	0%	0%	0%	0%								0.02%		
A. Turnover of Taxonomy-eligible activities (A.1 +A.2)		746.2	3.7%	3.7%	0%	0%	0%	0%	0%								0.02%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities		19,272.8	96.3%																
TOTAL		**20,019.0**	**100%**																

Y and N stand for YES and NO respectively
EL and N/EL stand for Eligible (Taxonomy compatible) and Non-eligible (not Taxonomy compatible) respectively

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activites - disclosure covering year 2023/2024

Financial year 2023/2024	2023/2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (2)	CapEx (3)	Proportion of CapEx, 2023/2024 (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, 2022/2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		SEK million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
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%	0%	0%	-	-	-	-	-	-	-	0%		
Of which enabling			0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%	E	
Of which transitional			0%	0%						-	-	-	-	-	-	-	0%		T
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										
Battery production	CCM 3.4	12.5	0.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.54%		
Manufacturing, installation and service of high, medium and low voltage equipment for electrical transmission and distribution, resulting in or enabling a substantial contribution to climate change mitigation	CCM 3.20	33.7	2.5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisitions and ownership of buildings	CCM 7.7	29.1	2.1%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.16%		
Transport with motorcycles, passenger cars and light motor vehicles	CCM 6.5	86.5	6.3%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL								4.65%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		161.8	11.8%	11.8%	0%	0%	0%	0%	0%								7.34%		
A. CapEx of Taxonomy-eligible activities (A.1 +A.2)		161.8	11.8%	11.8%	0%	0%	0%	0%	0%								7.34%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		1,209.2	88.2%																
TOTAL		**1,371.0**	**100%**																

Y and N stand for YES and NO respectively
EL and N/EL stand for Eligible (Taxonomy compatible) and Non-eligible (not Taxonomy compatible) respectively

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activites - disclosure covering year 2023/2024

Financial year 2023/2024	2023/2024			Substantial contribution criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic activities (1)	Code (2)	OpEx (3)	Proportion of OpEx, 2023/2024 (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, 2022/2023 (18)	Category enabling activity (19)	Category transitional activity (20)
Text		SEK million	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
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%	0%	0%	-	-	-	-	-	-	-	0%		
Of which enabling			0%	0%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	0%	E	
Of which transitional			0%	0%						-	-	-	-	-	-	-	0%		T
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										
Battery production	CCM 3.4	2.0	2.7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.26%		
Manufacturing, installation and service of high, medium and low voltage equipment for electrical transmission and distribution, resulting in or enabling a substantial contribution to climate change mitigation	CCM 3.20	3.7	4.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		5.7	7.6%	7.6%	0%	0%	0%	0%	0%								1.26%		
A. OpEx of Taxonomy-eligible activities (A.1 +A.2)		5.7	7.6%	7.6%	0%	0%	0%	0%	0%								1.26%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities		69.4	92.4%																
TOTAL		**75.1**	**100%**																

Y and N stand for YES and NO respectively
EL and N/EL stand for Eligible (Taxonomy compatible) and Non-eligible (not Taxonomy compatible) respectively

Climate-related information

For Addtech, it is important to provide our stakeholders with transparent and relevant climate-related data, for several years, we have therefore reported to the Carbon Disclosure Project (CDP) to ensure transparency in our reporting. Addtech's reporting to the CDP was awarded a B in 2023. To further strengthen our reporting, we have chosen to be inspired by the recommendations in the voluntary framework Task Force on Climate-related Financial Disclosures (TCFD) with purpose to transparently report climate-related risks and opportunities and how this can affect profitability. Addtech have carried out scenario analyses (RCP 8.5 and RCP 2.6) (www.addtech.com) as well as a mapping, based on physical risks as a result of climate change to support our organisation in our decision making process..

For Addtech, the management of climate-related issues is an important parameter for future business development. Addtech comprises some 150 companies and there are considerable variations within the Group, which represents a challenge in the implementation of climate-related risk and opportunity analysis. We have both producing companies and companies that focus on technical support and sales. Our reporting of climate-related risks and opportunities is important to us and our stakeholders, and we will ensure that climate analysis forms an integral part of our business to ensure long-term profitability.

The responsibilities of the Board of Directors and the tasks assigned to management

The Board of Directors bears the strategic responsibility for general governance in the area of sustainability. The board handles strategic areas linked to the organisation, such as investments and acquisitions. Climate-related issues are included, and managed, within our overall risk and opportunity analysis. For more information about our control model, see pages 12-13 and 59-61. At the operational level, the CEO, Head of Sustainability, management team, as well as the Group's companies and their employees, manage climate-related risks and opportunities. The Head of Sustainability is responsible for transparent reporting and follow-up of climate-related areas.

Strategy

- *Risks and opportunities identified in the area of climate.*
  Climate-related risks and opportunities are relevant to Addtech and affect our companies to varying degrees due to the variation in the companies' offerings. A general change is in progress within industry focused on climate-friendly alternatives and generating new opportunities and risks for Addtech. Our risk and opportunity analyses in the area of climate apply the year 2030 as the target horizon (see chart on page 153).
  The climate-related risks associated with realignment are predominantly reduced demand from customers in the transition to a more climate-friendly economy and dependence on business in potentially transformational markets. An impact analysis based on physical risks was conducted during the year to identify areas of increased risk.
  We have identified a number of opportunities linked to the realignment to a more climate-friendly economy. Among other things, we see opportunities in markets such as the generation of renewable energy, energy storage, waste management and the electrification of society.
- *Impact on strategy and financial planning.*
  Addtech's climate-related risk and opportunity analysis is an important and integral part of our overall risk analysis where our scenario analysis (for RCP 8.5 and RCP 2.6) (www.addtech.com) also provides good data on which to base decisions. Addtech's climate goal is to reduce our carbon dioxide intensity by 50 percent by 2030 with 2019/2020 as the base year. We also work on implementing climate analyses in connection with major investments. Furthermore, during the year we produced an estimate that our indirect exposure to oil and gas (via customers) is about 1 percent of our annual sales, we see that the proportion has an increased risk of being affected by the change in society.

Risk management

- *Processes for identifying and evaluating climate-related risks and integration in general risk management.*
  The Head of Sustainability is responsible for identifying transition risks, physical risks and opportunities, as well as informing the CEO and management team about long-term and short-term changes. The major climate-related risks are integrated into Addtech's annual risk management process. The Head of Sustainability is responsible for communicating and updating the organisation on climate-related risks and opportunities.
- *Processes for managing climate-related risks.*
  Transition risks are managed in the annual strategy and activity planning with our companies. When relevant risks and opportunities are identified, they are discussed and activities determined. Processes for identifying, evaluating and managing climate-related risks are integrated into the organisation's overall risk management. Addtech's risk management includes identification, assessment and measures for managing climate-related risks. The Head of Sustainability is responsible for the process and reports to the CEO and management team.

Measurements and goals

Addtech has set long-term climate-related goals and established relevant key indicators to follow developments. The key indicators are reported annually by our companies and follow-up takes place on the companies' boards. Addtech uses external review of climate reporting. See table on page 156 for emissions within Scopes 1, 2 and 3.

Climate-related risk assessment

Transition risks	Material risks and potential effects	Mitigating activities ongoing (O), planned (P)
Policies and regulations	Increased taxes for carbon-intensive products, activities and services – increased operating costs for products, energy and goods transports.	Optimisation and streamlining of goods transports (O). Increased awareness and setting of targets for energy efficiency in companies with their own production (O). Mapping the supply chain's dependence on fossil fuels energy (P).
	Increased reporting requirements, such as the CSRD – unclear criteria can cause difficulties in reporting.	Follow the development of reporting criteria for the CSRD and an analysis of Addtech based on established criteria (O). We work continuously to develop the reporting for all of our companies (O).
Technology	Substitution of existing products and services with more climate-friendly alternatives – reduced demand for products that may have a higher climate impact.	Strategy to increase awareness of the climate impact (O) of different products and services.
	Costs for transition to climate-friendly technology – investment risk.	Climate risk analysis in connection with all major investments (P).
Market	Changed customer behaviours – may cause changes in the market.	Strategy to develop in sustainable business (O).
	Increased costs of raw materials – increased operating costs.	Strategy to increase awareness of the impact on climate and on pricing (O) of products and services.
Reputation	Changed requirements from customers – lost sales.	Strong partnerships with key customers and suppliers regarding climate-related effects (O, P).
	Stigmatisation of certain markets – lost sales.	Strong partnerships with key customers and suppliers regarding climate-related effects (O, P).
	Increased demands from stakeholders – negative feedback.	Strategy to be in line with stakeholder requirements (O).
Physical risks		
Short-term	Increased consequences of extreme weather – increased operating costs.	Securing protective measures in the operations identified as having an increased risk in connection with a physical risk analysis (O). Implementing physical risk analysis for key suppliers (P).
Long term	Rising average temperature – increasing operating costs.	Securing protective measures in the operations identified as having an increased risk in connection with a physical risk analysis (O). Implementing physical risk analysis for key suppliers and for our companies (P).
	Rising sea levels – increasing operating costs.	Securing protective measures in the operations identified, with increased risk in connection with physical risk analysis (O). Implementing physical risk analysis for key suppliers and for our companies (P).
	Changed precipitation patterns and major weather variations – increasing operating costs.	Securing protective measures in the operations identified as having an increased risk in connection with a physical risk analysis (O). Implementing physical risk analyses for key suppliers (P).

Key indicators

For each focus area, Addtech sets long-term targets that are measurable and time-limited to 2030 in accordance with the UN's Sustainable Development Goals. By expressing this direction, we clarify where we want to go and the value that we generate. Aided by the continuous follow-up of our key indicators, we safeguard our development in the right direction. Annual training activities are carried out for all reporting officers, with special opportunities for new recruits, to safeguard adequate quality in the reported data. To ensure a reliable climate data process, the method is reviewed by a third party based on the GHG protocol.

THE BUSINESS

KPI		2023/2024	2022/2023	2021/2022
Sustainable development				
Percentage of sales from business contributing to sustainable development (%)*		67	65	58
Distribution by business area (%)	Automation:	14	13	14
	Electrification:	21	21	17
	Energy:	27	30	29
	Industrial Solutions:	22	22	25
	Process Technology:	16	14	15
Distribution by UN Sustainable Development Goal (SDG) (%)	SDG 3: Good health and well-being:	12	12	13
	SDG 7: Affordable and clean energy:	27	29	27
	SDG 8: Decent work and economic growth:	7	7	7
	SDG 9: Sustainable industry, innovation and infrastructure:	27	28	27
	SDG 11: Sustainable cities and communities:	11	10	14
	SDG 12: Responsible consumption and production:	6	5	4
	SDG 14: Life below water:	4	3	2
	Other SDGs:	6	6	6
Economic value, SEK million				
Financial value generated		20,019	18,714	14,038
Financial value distributed		19,079	17,682	13,391
Whereof, manufacturing costs		14,161	13,558	10,081
Whereof, salaries and remunerations (salaries, pensions, payroll taxes, social security contributions)		3,432	2,989	2,499
Whereof, disbursements to creditors		290	176	72
Whereof, disbursements to shareholders		674	485	323
Whereof, disbursements to governments (tax)		522	474	416
Remaining in the company		940	1,032	647

* see calculation method

ORGANISATION (social)

KPI	2023/2024	2022/2023	2021/2022
Diversity & equal opportunity			
Proportion of women in leading positions (%)*	20	20	20
Proportion of women in administration, finance and purchasing (%)*	61	62	64
Proportion of women in sales (%)*	17	18	17
Proportion of women in technical service, support, production and warehousing (%)*	19	20	17
Proportion of women, total (%)	25	26	26
Proportion of employees having felt discriminated (%)*	6	6	-
Number of reported whistle-blower cases*	8	6	13
Employment			
Average number of employees	4,109	3,781	3,317
Number of full-time employees at end of year (FTE)*	4,175	3,911	3,556
Total number of employees at end of year*	4,461	N/A	N/A
Percentage of permanent employees (%)*	91	96	95
Percentage of full-time employees (%)*	89	94	92
Personnel turnover (%)	13	12	14
Personnel turnover, women (%)	15	12	15
Personnel turnover, men (%)	13	13	13
Health & safety			
Absence due to illness (%)	4	4	3
Number of accidents*	75	65	44
Number of work days lost due to accidents	628	701	82
Number of fatal accidents	0	0	0
Training & development			
Total number of invested training hours	50,968	44,161	28,016
Number of invested training hours/employee	12.4	11.7	8.5
Percentage of invested training hours per female employee, weighted for gender distribution (%)	47	48	54
Percentage of invested training hours per male employee, weighted for gender distribution (%)	53	52	46
Percentage of documented performance and development interviews (%)	62	60	53

* see calculation method

ORGANISATION (environment)

KPI	2023/2024	2022/2023	2021/2022
Emissions of greenhouse gases*			
CO_2 intensity (total tonnes CO_2e emissions/SEK million in sales)	1.73	2.16	2.05
Total emissions (tonnes CO_2e)	34,729	40,436	28,711
SCOPE 1	2,084	2,032	1,741
Emissions, own vehicle fleet (tonnes CO_2e)	1,476	1,460	1,200
Emissions, combustion of fuel (tonnes CO_2e)	608	572	541
SCOPE 2	3,952	3,877	3,707
Emissions, energy consumption – Location Based Method (tonnes CO_2e)	3,952	3,877	3,707
Emissions, energy consumption – Market Based Method (tonnes CO_2e)	2,847	3,162	3,163
SCOPE 3	28,693	34,527	23,263
Emissions freight, upstream and downstream (tonnes CO_2e)	23,873	30,353	21,782
Whereof, data from goods transports suppliers (%)	38	35	43
Whereof, data calculated based on distance and cost-based method (%)	62	65	57
Emissions, business travel, flights, car and train (tonnes CO_2e)	4,727	4,091	1,399
Emissions, extraction, production and transport of purchased fuel (tonnes CO_2e)	93	83	82
Energy consumption (Scope 2)			
Total energy consumption (MWh)	30,359	29,496	29,465
Whereof, electricity (MWh)	20,036	19,233	18,205
Whereof, district heating and cooling (MWh)	10,323	10,263	11,260
Share of electricity from renewable sources (%)	72	69	68
Energy consumption in relation to net sales (%)	1.5	1.6	2.1

* see calculation method

SUPPLY CHAIN

KPI	2023/2024	2022/2023	2021/2022
Follow-up of suppliers*			
Share of purchase volume for which Addtech's Supplier Code of Conduct has been signed (%)	64	60	55
Share of purchase volume for which the supplier has participated in a self-assessment based on the Supplier Code of Conduct (%)	52	46	31

* see calculation method

Calculation methods

Percentage of sales from business that contributes to sustainable development

Our companies are responsible for reporting a survey of their product and service offerings with a positive impact on the UN's Sustainable Development Goals. Sales, as above, divided by total sales, provides the share contributing to sustainable development. Reported share of the companies' sales contributing to the UN's Sustainable Development Goals may in some cases be rounded due to limited availability of data. Some companies' sales are related to resellers or distributors. Because this causes difficulties in obtaining knowledge regarding the end customer's area of use, which is why we are excluding that share.

Organisation (social)

Both average number of employees and employees at the end of the period have been used to calculate the KPIs in the table.

Proportion of women in leading positions

The calculation of the number of women working in management groups is performed at the Group and company level, in relation to the total number of employees that work in management groups. Employees in management teams must be entitled to make decisions to be counted as holding "leading positions".

Proportion of women, by personnel category

To take note of employees with more than one area of responsibility, the personnel categories are weighted based on the amount of time devoted to each position.

Employment

New calculation for total number of employees at end of year* (number of heads). Calculated this year applying 75 percent average employment among part-time employees. Percentage of permanent employees and percentage of full-time employees were calculated this year weighted against total number of employees at end of year. For previous years, they were weighted against the number of full-time employees (FTE) at end of year.

Proportion of employees who ever felt discriminated

Number of responses of the nature "Yes" to the question "Have you been subjected to offensive discrimination, bullying, sexual harassment or other discrimination at work in the past 12 months?" is placed in relation to the number of employees who participated in the employee survey. The question is posed in the employee survey, which has been conducted annually from 2022 and every two years prior to that.

Number of reported whistle-blower cases

Area	Number of cases reported via the whistle-blower function	Number of cases reported via internal channels	Number of investigations completed with measures being implemented	Total number of reported cases
Business ethics related (e.g: corruption, anti-trust)	1	-	1	1
HR-related (e.g. discrimination and management related)	4	2	6	6
Other	1	-	1	1

All cases are reported to an external whistle-blower function or via internal channels. The cause of the whistle blowing may relate to any kind of impropriety or irregularity that is in conflict with our Code of Conduct.

Water consumption

All producing companies report water consumption and we estimate that companies consuming more than 50 m^3 use water regularly in their production.

Number of accidents

For the calculation of the number of accidents, each company in the Group has reported the number of work-related injuries but not injuries caused during travel to and from work.

Follow-up of suppliers

- Share of purchase volume for which Addtech's Supplier Code of Conduct has been signed – for cases where the supplier cites its own Supplier Code of Conduct and internal code, an equality analysis has been performed. This is included as our companies have suppliers who are large multi-national companies where the opportunity for influence is less.

- Share of purchase volume for which the supplier has participated in a sustainability assessment based on the Supplier Code of Conduct – the supplier makes a sustainability self-assessment in the form of a survey in which the questions cover Addtech's Supplier Code of Conduct.

Emissions of greenhouse gases

Addtech's emissions are calculated according to the Greenhouse Gas Protocol (GHG protocol) and are reported in accordance with three different scopes. The precautionary principle has been applied to all calculations. Emissions of greenhouse gases are reported by calendar year. Newly acquired companies consolidated within the Group less than three months before the commencement of the reporting period, are not included in the reporting.

Scope 1 pertains to direct emissions from operations owned and controlled by Addtech. The operational control method has been applied

- The kilometres driven by the vehicle fleet are calculated with average emissions of 124 g CO_2e/km collected from leasing suppliers in the Nordic region.
- Fuel combustion of was calculated applying the conversion rates and emission factors stated by the Swedish Energy Agency and the Swedish Environmental Protection Agency.

Scope 2 pertains to indirect emissions from purchased and consumed electricity, heating and cooling. Emissions are reported in accordance with both the Location Based Method and the Market Based Method.

- Emission factors for electricity are from AIB, IEA and country-specific reports.
- For district heating, an average emission factor for Europe is applied: 112g CO_2e/kWh.
- District cooling is mainly produced through a compression process and therefore the country mix for electricity is divided by three to calculate emissions.
- Electricity consumed by electric cars in the Group's vehicle fleet are also reported in Scope 2 where the calculation is based on the electricity consumed for each kilometre driven (19g CO_2e).

Scope 3 pertains to indirect emissions from sources that are not owned or controlled by Addtech. For the year reported, categories 3, 4, 6 and 9 have been included. We are aware that the purchase of products (category 1) is one of the categories there Addtech has the greatest impact on the climate. We work to include category 1 in the reporting, with good data quality. The calculations for goods transports (categories 4 and 9) have been performed on the basis of three methods: data from goods transport companies and the cost and distance-based calculation methods. Emissions from goods transports, where the supplier/customer is responsible for the transport, are part of the data we map and of our climate impact. The figure is not included in the table due to the challenge of reliable data.

- EcoTransit's calculator was used to calculate the distance-based method.

Calculations for business travel (category 6) include travel by air, car (employee-owned) and rail, with air accounting for 90 percent of emissions.

- Flights are calculated through the ICAO Carbon Emissions Calculator tool or reports from travel agencies, in which RFI factor 2 has been included to include the high-altitude effect.
- Emissions for kilometres driven in cars owned by employees are calculated at an average 124g CO_2e/km, based on data from leasing companies in the Nordic region.
- For rail travel, an average European factor of 28g CO_2e/km was applied, which is provided by the European Environment Agency (EEA).

Calculations from the extraction, production and transport of fuels (category 3) refer to fuel that has been purchased to produce energy in operations.

- Calculated with the help of the conversion rate and emission factors provided by the Swedish Energy Agency and the Swedish Environmental Protection Agency.

Recalculation of historical figures

Historically, reported CO_2e figures for kilometres driven for business purposes in electric cars and other cars owned by employees have been adjusted by reallocating them from Scopes 1 and 2 to Scope 3. Accordingly, Scope 1 has decreased by 300 tonnes CO_2e for 2021/2022 and by 414 tonnes CO_2e for 2022/2023. Scope 2 has decreased by 2 tonnes CO_2e for 2021/2022 and by 10 tonnes CO_2e for 2022/2023. Scope 3 has increased by the equivalent amounts for these years.

Due to erroneous emissions factors having previously been applied, market-based emissions from energy consumption have been recalculated historically. Accordingly, this item has decreased by 922 tonnes CO_2e for 2021/2022 and by 1,101 tonnes CO_2e for 2022/2023.

Auditor's Limited Assurance Report on Addtech AB's Sustainability Report and statement regarding the Statutory Sustainability Report

This is the translation of the auditor's report in Swedish.

To Addtech AB, corporate identity number 556302-9723

Introduction

We have been engaged by the Board of Directors and the Managing Director of Addtech AB to undertake a limited assurance engagement of Addtech AB Sustainability Report for the period 2023-04-01 – 2024-03-31. The Company has defined the scope of the Sustainability Report on page 136 in the Annual Report, which also constitutes the Statutory Sustainability Report.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with the applicable criteria and the Annual Accounts Act respectively. The criteria are defined on pages 136 and 141 in the Annual Report, and are part of the Sustainability Reporting Guidelines published by GRI (Global Reporting Initiative), which are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

Responsibilities of the auditor

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our engagement is limited to historical information presented and does therefore not cover future-oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance Engagements Other than Audits or Reviews of Historical Financial Information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR 12 The auditor's opinion regarding the Statutory Sustainability Report. A limited assurance engagement and an examination according to RevR 12 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.

The 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. We are independent of Addtech AB in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and the Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

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

Conclusion

Based on the limited assurance procedures we have performed, nothing has come to our attention that causes us to believe that the Sustainability Report, is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

A Statutory Sustainability Report has been prepared.

Stockholm 3 July 2024
Deloitte AB

Kent Åkerlund
Authorized Public Accountant