COMING TOGETHER

Caring for everyday safety

TROAX GROUP AB – ANNUAL REPORT 2024

THIS IS A TRANSLATION OF THE SWEDISH LANGUAGE ORIGINAL.
IN THE EVENT OF ANY DIFFERENCES BETWEEN THIS TRANSLATION
AND THE SWEDISH LANGUAGE ORIGINAL, THE LATTER SHALL PREVAIL.

WELCOME TO THE GROUP

TROAX GROUP CONSISTS OF MULTIPLE COMPANIES DEDICATED TO MAKING EVERYDAY LIFE SAFER FOR OUR CUSTOMERS WORLDWIDE. TODAY, WE'RE THE GLOBAL MARKET LEADER IN MESH PANEL SOLUTIONS FOR MACHINE GUARDING, WAREHOUSE PARTITIONING, AND PROPERTY PROTECTION. BY COMBINING PASSIVE AND ACTIVE SAFETY SYSTEMS WITH TECHNOLOGICAL ADVANCEMENTS, EXPERTISE, AND EXPERIENCE, WE'VE DEFINED OUR NICHE IN THE SAFETY INDUSTRY. ALONE, WE'RE SAFE. TOGETHER, WE'RE SAFER.

TROAX GROUP AB – ANNUAL REPORT 2024

Financial Calendar 2025

Interim report Q1, 23 April
Interim report Q2, 18 July
Interim report Q3, 29 October
Year-end report 2025, 5 February 2026

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FOR INFORMATION ABOUT THE BUSINESS,
MARKETS AND CORPORATE RESPONSIBILITY,
PLEASE SEE WWW.TROAX.COM

CARING FOR EVERYDAY SAFETY

Safety is found everywhere around us – in robust structures, reliable barriers, and cutting-edge systems. It's embedded in products and solutions designed to prevent accidents, injuries, and failures. But safety is also a feeling – the assurance of knowing someone is watching over you and keeping their promises. At Troax Group, safety isn't just a word; it's a commitment woven into the everyday lives of our customers. Because ultimately, safety means people can live and work with ease, confidence, and peace of mind – every day.


Making your
world safe.


Making your world safe.


Making your
world

DIRECTOR'S REPORT

INFORMATION ABOUT THE BUSINESS
The Board of Directors and the CEO of Troax Group AB (publ) hereby submit the Annual Report and consolidated financial statements for the financial year 2024. Troax Group AB (hereinafter referred to as "Troax") is an international business group providing safety solutions for manufacturing, warehousing and storage. Our focus is on solutions for safer indoor environments in manufacturing and warehousing in order to safeguard the productivity of industrial processes and the people who work there.

The Troax Group is a global market leader with a high level of customer service and innovation. The Group has been working with world-leading customers in the automotive, warehousing and construction industries for years. Our protective solutions can be found in manufacturing industries including those utulising robotic cells and automation solutions, in automated warehouses with collapse protection, shelving, partitionioning and walls, sensor-based monitoring for accident reduction, and storage rooms.

We focus mainly on 5 industry sectors:

- Automotive industry
- Warehouse industry
- Construction and civil engineering
- Process industry
- Other general industry

Within each industrial sector there are multiple applications, and the breadth of our offerings and customer base makes us relatively resilient over the business cycle.

Sales, installation and consulting are mainly carried out through companies in Europe, North America and Asia. For markets where we do not have our own sales and service companies, we have a network of distributors, mainly in Asia and Latin America.

The Group is headquartered in Hillerstorp, Sweden, and has production facilities in Hillerstorp, Värnamo, Birmingham (UK), Changshu (China), Bulciago (Italy), Chicago (USA) and Sroda (Poland). Troax Group's turnover has increased in 2024 compared to the previous year, which is due to acquisitions in 2023. In organic terms, as in 2023, turnover has fallen in relation to the previous year due to weak demand, especially in the warehouse segment. In 2024, the storage solutions segment has also declined due to the weak construction activity in the Nordics.

GROUP STRUCTURE
Troax Group AB (publ) is the Parent Company of the Group with 41 directly and indirectly wholly-owned subsidiaries, as shown in Note 31. Operationally, the Group works on the basis of an operating segment, but sales and order intake are managed by geographical region and product areas. From 1 January 2025, a new management organisation has been put in place, which is described in more detail on pages 66–67 of this Annual Report.

SIGNIFICANT EVENTS IN THE REPORTING PERIOD
Two small add-on acquisitions were made during the year. The first acquisition was our distributor in the Czech Republic and the second was the acquisition of the UK company Safety, Technology and Legislation Limited (ST&L). ST&L specialises in machinery safety and risk assessments. Founded in 1998, the company has over two decades of experience in providing comprehensive safety assessments and customised plans to ensure workplace safety and compliance with regulatory requirements.

SIGNIFICANT EVENTS AFTER THE END OF THE FINANCIAL YEAR
No significant events have occurred since the end of the financial year.

ORDERS RECEIVED AND NET SALES
The Group's order intake in 2024 amounted to EUR 276.9 million, an increase of 7 percent compared to the

previous year. Adjusted for currency and acquisitions, order intake decreased by 2 percent. Net sales in 2024 amounted to EUR 278.5 million, an increase of 5 percent compared to the previous year. Adjusted for currency and acquisitions, net sales decreased by 4 percent. All markets except the UK and New Markets have decreased their turnover compared to last year (the increase in the Nordics is due to the acquisition of Garantell).

FINANCIAL PERFORMANCE

Operating profit (EBIT) in 2024 amounted to EUR 45.0 million, a decrease of EUR 4.9 million compared to the previous year. No non-recurring adjustment items have been made during the financial year that have a material impact on the result. The deterioration in the operating margin compared to the previous year is attributed to lower volumes, continued investments in digital solutions to facilitate our customers and our sales force, investments in sales and development staff in New Markets and "active safety solutions" that are expected to contribute to Troax's long-term growth, and increased acquisition-related amortisation of intangible assets from acquisitions made in 2023 and 2024. Garantell, which was acquired in December 2023, has a lower operating margin than the Group, which is another contributing factor to the lower earnings in 2024. The increase in financial expenses in 2024 is partly due to increased leverage as a result of the acquisition of Garantell AB and partly to negative exchange differences on intercompany loans. Profit after tax in 2024 amounted to EUR 31.3 million, down EUR 4.4 million on the previous year.

INVESTMENTS

The Troax Group continually invests in the maintenance of production units and production equipment. In addition to maintenance investments, investments are made to expand or upgrade production units aimed at increasing productivity and/or capacity. In the financial year 2024, investments in property, plant and equipment mainly relate to a number of investments to expand capacity mainly in Sweden and Poland. In 2024, decisions have also been made on major investments in machinery in the United States which will impact 2025 and 2026. In addition, Troax has acquired two subsidiaries, Troax CZ s.r.o. and Safety, Technology & Legislation Limited (ST&L). Investments in tangible and intangible fixed assets for the year amount to EUR 18.2 million (44.6) for 2024.

CASH FLOW, LIQUIDITY AND FINANCIAL POSITION

Cash flow from operating activities in 2024 amounted to EUR 42.5 million and total cash flow for the year amounted to EUR −3.6 million. The difference is mainly explained by dividends paid to shareholders and various investments mentioned above. Cash and cash equivalents as at 31 December 2024 amounted to EUR 29.5 million and net interest-bearing debt amounted to EUR 49.9 million. The ratio of net interest-bearing debt to EBITDA was 0.8 times. This compares to the Group's financial target of less than 2.5. The Group's equity amounted to EUR 180.1 million as at 31 December 2024 and the equity ratio was 54.6 percent.

FIVE-YEAR SUMMARY

Group, EUR million	2024	2023	2022	2021	2020
Net sales	278.5	264.3	284.1	252.3	163.6
Gross profit	103.0	100.1	95.8	94.2	64.2
Operating profit before depreciation and amortisation (EBITDA)	60.1	62.2	61.2	62.3	38.5
Operating income before acquisition-related depreciation (EBITA)	48.2	51.9	51.1	53.5	31.4
Operating profit (EBIT)	45.0	49.9	49.6	52.4	30.8
Profit after tax	31.3	35.7	36.8	39.8	23.2
Equity	180.1	172.3	154.9	142.6	114.0
Total assets	329.7	327.4	291.1	291.3	245.3

EMPLOYEES

At the end of 2024, the Group had 1,191 employees, compared with 1,217 employees at the end of 2023. More detailed staff information is provided in Note 7.

HEALTH, SAFETY AND WELL-BEING

Troax has implemented extensive initiatives to minimise the company's environmental impact, encourage good health and increase safety in our work. Enhanced energy efficiency is an important part of the sustainability efforts, and every quarter we follow up on the outcome internally and towards authorities.

Troax has an environmentally friendly and efficient production process and was certified according to the environmental standard ISO 14001 back in 1998. The steel-based products are 99 percent recyclable.

Troax aims to bring caring and safety to everyday life. As well as being our customer promise, it is also our internal guiding principle and permeates our Group. Safety, environment and health are natural parts of the induction program when hiring throughout the employment period. Our subsidiaries are responsible for implementing and adapting our principles and policies that ensure safety, health and the environment are in line with our ambitions and local rules and regulations. All incidents and near misses are reported, actions are taken and follow-ups are made to reduce future risks of accidents and injuries.

TROAX'S CODE OF CONDUCT

Troax has a clear code of conduct that is followed up annually. The Code of Conduct requires high business and personal ethics in the professional practice of our employees. For Troax representatives, honesty, integrity and legal compliance are a matter of course and an important part of our corporate culture on a daily basis. The content of the Code of Conduct is updated annually and presented to all employees of the Group.

SUSTAINABILITY REPORT

Sustainability issues have always been central to Troax. In 2024, the sustainability work has continued and more information can be found in Troax's sustainability report, which also contains the auditor's opinion.

SHARES

At the end of 2024, there were 60,000,000 shares in the Company. At year-end, the share price was SEK 225. The number of shareholders at the end of the year was 5,878. See Note 20 for additional share information.

OWNERSHIP STRUCTURE

On 31 December 2024, Investment AB Latour owned 30.1 percent of the shares and is thus the largest shareholder. No other shareholders had holdings exceeding 10 percent.

PARENT COMPANY

Troax Group AB (publ) corporate identity number 556916-4030 is the Parent Company of the Troax Group operations. The Parent Company's activities comprise Group functions. The Parent Company's net sales amounted to EUR 2.7 million (3.0) and the Parent Company's operating result amounted to EUR –1.5 million (–0.7). Profit after financial items amounted to EUR 8.1 million (22.8). Profit after tax amounted to EUR 8.3 million (27.1).

RISKS AND UNCERTAINTIES MACROECONOMIC FACTORS

MACROECONOMIC FACTORS

The customer base for Troax solutions is broad. End customers include well-known OEMs, automated production line integrators, logistics companies, retailers, housing associations and property owners. Many of Troax's end customers are affected by changes in the general economy in the markets and geographical areas where they operate. This means that macroeconomic changes affect end-customer demand for Troax solutions. Furthermore, fluctuations in local or regional economic conditions may also affect Troax's end customers and the demand for its solutions.

RAW MATERIALS PRICES

The Group is exposed to fluctuations in the prices of the raw materials used to manufacture our solutions and to changes in the prices of the raw materials used in the manufacture of the components that Troax purchases from external suppliers. Purchases of raw materials for the production of mesh panel solutions include steel tubes, wire and powder paint for painting. The raw materials used by Troax in its production are mainly standard products used in a number of industries.

UNFORESEEN PRODUCTION STOPPAGES

Troax's business depends on the main production units in Hillerstorp and Värnamo, Sweden, in Bulciago, Italy, in Chicago, USA, and in Sroda, Poland. If any of these production units should be totally or partially destroyed, for example by fire or natural disaster, have to be closed, or if any equipment in the plants should be seriously damaged, the production and distribution of the company's products may be hindered or interrupted. To the extent that unforeseen production interruptions, property damage or other value chain disruptions are not fully covered by insurance, they may also have a material adverse effect on the company's business, financial condition or results of operations.

COMPETITION

Troax operates in markets that are fragmented and generally characterised by fierce competition and is expected to continue to do so in the future. Alternative solutions that currently compete with Troax's solutions include simpler wire and mesh solutions, as well as motion sensors that detect when people are near machines. There may also be alternative products or production technologies that have been developed or are under development of which the Company is not aware. Such products or production technologies may also be developed in the future and may, in one or more respects, compete with or outperform the Company's products or production efficiency. Troax currently enjoys a strong position as the leading company in its main markets and such a leading position always poses a risk in itself.

Failure to compete successfully could result in a weakened market position, which could have a material adverse effect on the Group's business, financial condition or results of operations.

PRODUCT LIABILITY AND OTHER PRODUCT-RELATED CLAIMS

The Group is exposed to product liability and warranty claims to the extent that its products are defective or cause damage to persons or property. If a product is defective, the Group is normally responsible for repairing or replacing the defective products. This happens in relevant cases in both consumer and industrial markets. Due to the above risk, the Group may be subject to product liability and other claims if the products it manufactures or purchases from external suppliers are defective, cause production stoppages or personal injury or property damage.

ENVIRONMENTAL RISKS

Troax's main impact on the environment is linked to the fact that our security solutions are largely made of steel products. The main negative environmental impact in terms of carbon dioxide emissions occurs during the production of steel, especially during the extraction and processing of the steel. Our second largest impact comes from transport, and we are continuously working on optimising fill rates etc. The manufacturing of products in our factories has a relatively low environmental impact and we work actively to optimise material use, streamline our internal processes and work with suppliers to ensure that the materials we buy have as little negative impact on the environment as possible. More information can be found in our Sustainability Report.

FINANCING OF THE GROUP

The Group's liabilities primarily comprise loans from credit institutions. The level of debt indebtedness has implications for shareholders, including the need for Troax to allocate a portion of its operating cash flow to its obligations hereunder. This could lead to reduced resources for Troax's business, and also for investments, working capital, dividends, etc. Troax's ability to manage its debt is dependent on future performance, which in turn is affected by the prevailing economic climate as well as financial, business, regulatory and other factors. If this means that the Group is unable to generate sufficient cash flow for its debt obligations, it could have a material adverse effect on the Group's business, financial condition and results of operations.

CURRENCY RISK

Currency risk is the risk that changes in foreign exchange rates will adversely affect the Group's income statement, balance sheet or cash flow. Exposure to foreign exchange risk arises from the purchase or sale of products or services in a currency other than the local currencies of the respective subsidiaries (transaction exposure) and from the translation of the subsidiaries' balance sheets and income statements in foreign currencies into EUR (translation exposure). The Group's global operations generate significant cash flows in foreign currencies. The Group is mainly exposed to movements in the SEK against the EUR.

WORK OF THE BOARD OF DIRECTORS

The Board of Directors is the highest decision-making body after the general meeting of shareholders. The Board of Directors' principal role is to decide on the Company's business strategy, resources and capital structure, as well as the Company's organisation and management of the Company's affairs. The Board's general duties also include the ongoing assessment of the Company's financial situation and the approval of the Company's business plan. The general duties include the Board of Directors being responsible for overarching issues such as the Company's strategy, acquisitions, major investments, divestments, submissions of annual reports and interim reports, appointment of the CEO, etc.

The Board of Directors adheres to written rules of procedure that are established annually at the first scheduled board meeting following election. The rules of procedure set out the obligations and decision-making powers of the Board of Directors, the division of responsibilities between the Board of Directors and the CEO, etc. The Board meets according to a pre-agreed annual schedule. In addition to these meetings, further meetings can be arranged in exceptional circumstances. Some matters are discussed in one of the two committees, the Audit Committee and the Remuneration Committee.

In addition to the Board meetings, the Chairman of the Board and the Chief Executive have an ongoing dialogue on the management of the Company. The division of labour between the Board and the CEO is regulated in the Board's Rules of Procedure and in an instruction to the CEO. The CEO is responsible for the implementation of the business plan and the day-to-day management of the Company's affairs as well as the day-to-day operations of the Company. This means that the CEO has the right to take decisions on matters which can be considered to fall within the scope of the day-to-day management of the Company.

In addition, the CEO may take measures without the authorisation of the Board of Directors which, having regard to the scale and nature of the Company's activities, are of an unusual nature or of major importance and the decision of the Board of Directors cannot be awaited without significant inconvenience to the Company's activities. The instruction to the CEO also regulates his responsibility for reporting to the Board.

The Board had seven recorded meetings in 2024 and has had one recorded meeting so far in 2025. During 2024, Troax's Board of Directors consisted of seven ordinary members elected by the Annual General Meeting in April 2024 plus one employee member. The Chairman of the Board does not participate in the operational management of the Company.

GUIDELINES FOR REMUNERATION OF THE CEO AND GROUP MANAGEMENT

Prior to the 2020 AGM, the guidelines were adapted to new rules in ABL regarding remuneration to the CEO and other senior executives, which were adopted by the 2020 AGM. The 2021 AGM approved an amendment to the guidelines to include the possibility for the CEO and other senior executives also to receive long-term variable remuneration. The guidelines also include a proposal that remuneration may be supplemented by share-based incentive programs provided that these promote long-term commitment to the business and provided that they are issued on market terms. No changes to the guidelines were made for the 2022–2024 AGM and the guidelines are expected to remain unchanged for the 2025 AGM.

FUTURE PROSPECTS

Troax does not make forecasts for the future. The Group does, however, prepare business plans which reinforce the positive view of growth in Troax's underlying market.

PROPOSED APPROPRIATION OF PROFITS

Non-restricted equity in the Parent Company in EUR thousand:	
Share premium reserve	18,950
Retained earnings	9,872
Profit for the year	8,252
Total	37,074

The Board proposes to distribute to the shareholders EUR 0.34 (0.34) per share, totalling EUR 20.4 million (20.4). The proposed dividend to shareholders reduces the Parent Company's equity ratio to 19.2 percent and the Group's equity ratio to 51.6 percent. The equity/assets ratio is satisfactory in view of the fact that the Company's and Group's business remains profitable.

It is estimated that liquidity in the company and Group can be maintained at an equally satisfactory level. It is the Board's view that the proposed distribution does not prevent the company, or other companies in the Group, from fulfilling their short-term or long-term obligations, nor from completing required investments. The proposed distribution can therefore be justified with regard to what is recommended in the Swedish Companies Act, Chapter 17, Section 3, paragraphs 2–3 (the rule of caution). The record date for payment is 2 May 2025.

CONSOLIDATED INCOME STATEMENT

EUR thousand	Note	2024	2023
Net sales	3	278,544	264,272
Cost of goods sold		–175,523	–164,172
Gross profit		**103,021**	**100,100**
Selling expenses		–39,833	–33,469
Administrative expenses		–19,030	–17,062
Other operating income	5	1,065	1,024
Other operating expenses	6	–195	–723
Operating profit	7, 8, 9	**45,028**	**49,870**
Financial income		–	–
Financial expenses		–4,286	–2,449
Net financial income/expense	10	**–4,286**	**–2,449**
Profit before tax		**40,742**	**47,421**
Taxes	11	–9,450	–11,707
Profit for the year		**31,292**	**35,714**
Earnings per share	20		
Before dilution (EUR)		0.52	0.60
After dilution (EUR)		0.52	0.60

Consolidated statement of comprehensive income			
Profit for the year		**31,292**	**35,714**
Other comprehensive income	21		
Items that are or may be reclassified to profit or loss			
Translation differences for the year		–1,470	892
Items that cannot be reclassified to profit or loss			
Revaluations of defined benefit pension plans		117	–180
Tax relating to items that cannot be reclassified to profit or loss		–20	32
Other comprehensive income for the year		**–1,373**	**744**
Comprehensive income for the year		**29,919**	**36,458**

The full amount of profit for the year is attributable to the Parent Company's shareholders.

CONSOLIDATED BALANCE SHEET

EUR thousand	Note	31 Dec 2024	31 Dec 2023
Assets	4		
Non-current assets			
Intangible assets	12	120,454	115,208
Property, plant and equipment	13	70,844	69,265
Right-of-use assets	15	8,983	12,876
Non-current financial assets	14	6,266	2,601
Deferred tax asset	11	5,313	7,548
Total non-current assets		**211,860**	**207,498**
Current assets			
Inventories	16	29,398	30,809
Trade receivables	17	46,695	47,924
Other receivables		5,691	3,921
Prepaid expenses and accrued income	18	6,507	4,048
Cash and cash equivalents	34	29,506	33,165
Total current assets		**117,797**	**119,867**
Total assets		**329,656**	**327,365**
Equity and liabilities	20, 21, 33		
Share capital		2,574	2,574
Other paid-in capital		28,120	29,920
Reserves		−21,943	−20,473
Retained earnings including profit for the year		171,306	160,264
Total equity		**180,057**	**172,285**
Non-current liabilities			
Non-current, interest-bearing liabilities	22	75,552	82,242
Other non-current liabilities	26	5,541	1,415
Provisions for pensions	23	4,877	4,826
Other provisions		3,189	3,052
Deferred tax liabilities	11	11,303	12,379
Total non-current liabilities		**100,462**	**103,914**
Current liabilities			
Trade payables		22,763	22,903
Tax liabilities	11	3,889	5,092
Other liabilities	25	9,830	11,979
Accrued expense and deferred income	24	12,655	11,192
Total current liabilities		**49,137**	**51,166**
Total liabilities		**149,599**	**155,080**
Total equity and liabilities		**329,656**	**327,365**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR thousand	Note	Share capital	Other paid-in capital	Reserves	Retained earnings incl. profit for the year	Total equity
Opening balance of equity 1 January 2023		**2,574**	**29,797**	**−21,365**	**143,869**	**154,875**
Comprehensive income for the year						
Profit for the year		–	–	–	35,714	35,714
Other comprehensive income for the year		–	–	892	−148	744
Total comprehensive income		**0**	**0**	**892**	**35,566**	**36,458**
Transactions with owners of the Group						
Option premiums paid in		–	123	–	–	123
Repurchase of own shares		–	–	–	–	–
Distribution		–	–	–	−19,171	−19,171
Total transactions with owners of the Group		–	123	–	−19,171	−19,048
Closing balance of equity 31 December 2023		**2,574**	**29,920**	**−20,473**	**160,264**	**172,285**
Opening balance of equity 1 January 2024		**2,574**	**29,920**	**−20,473**	**160,264**	**172,285**
Comprehensive income for the year						
Profit for the year		–	–	–	31,292	31,292
Other comprehensive income for the year		–	–	−1,470	97	−1,373
Total comprehensive income		**0**	**0**	**−1,470**	**31,389**	**29,919**
Transactions with owners of the Group						
Option premiums paid in		–	162	–	–	162
Repurchase of own shares		–	−1,962	–	–	−1,962
Distribution		–	–	–	−20,347	−20,347
Total transactions with owners of the Group		–	−1,800	–	−20,347	−22,147
Closing balance of equity 31 December 2024		**2,574**	**28,120**	**−21,943**	**171,306**	**180,057**

The full amounts of all components of equity are attributable to the Parent Company's shareholders.

CONSOLIDATED CASH FLOW STATEMENT

EUR thousand	Note	2024	2023
Operating Activities	34		
Operating result before financial items		45,028	49,870
Adjustments for non-cash items		15,494	12,892
Interest paid		−4,286	−2,449
Income taxes paid		−12,071	−10,341
Cash flow from operating activities before changes in working capital		**44,165**	**49,972**
Cash flow from changes in working capital			
Increase/decrease in inventories		2,779	4,456
Increase/decrease in accounts receivable		2,399	3,202
Increase/decrease in other current receivables		−4,229	1,210
Increase/decrease in trade payables		−1,504	−1,981
Increase/decrease in other current operating liabilities		−1,115	−1,888
Cash flow from operating activities		**42,495**	**54,971**
Investing activities			
Investments in subsidiaries	4	−5,335	−32,213
Investments in intangible assets		−41	−29
Investments in tangible non-current assets		−10,741	−12,355
Investments in financial non-current assets		−54	−472
Cash flow from investing activities		**−16,171**	**−45,069**
Financing activities			
Option premiums received		162	123
Repayment of borrowings in respect of right-to-use assets		−4,468	−4,369
Borrowings		0	9,133
Repayment of loans		−3,271	0
Repurchase of own shares		−1,962	0
Dividends paid		−20,347	−19,171
Cash flow from financing activities		**−29,887**	**−14,284**
Cash flow for the year		−3,563	−4,382
Cash and cash equivalents at the beginning of the year		33,165	37,531
Translation difference		−96	16
Cash and cash equivalents at the end of the year		**29,506**	**33,165**

INCOME STATEMENT / Parent Company

EUR thousand	Note	2024	2023
Net sales		2,710	3,019
Gross profit		**2,710**	**3,019**
Administrative costs		–4,047	–3,744
Other operating income	5	25	68
Other operating expenses	6	–152	0
Operating profit	7, 8	**–1,464**	**–657**
Profit/loss from financial items			
Profit/loss from investments in Group companies	37	0	24,989
Profit/loss from other securities and receivables accounted for as non-current assets		0	–864
Interest income and similar items from Group companies		2,960	1,660
Interest expense and similar income and expense items		–3,423	–2,316
Total net financial items	10	**–463**	**23,469**
Profit/loss after net financial items		**–1,927**	**22,812**
Appropriations	19	12,450	4,854
Tax on profit for the year	11	–2,269	–607
Profit for the year		**8,254**	**27,059**
Statement of comprehensive income, Parent Company			
Profit for the year		8,254	27,059
Other comprehensive income for the year		0	0
Comprehensive income for the year		**8,254**	**27,059**

BALANCE SHEET / Parent Company

EUR thousand	Note	31 Dec 2024	31 Dec 2023
Assets			
Non-current assets			
Non-current financial assets			
Participations in Group companies	32	87,694	87,694
Receivables from Group companies		24,935	23,568
Deferred tax assets	11	179	176
Other non-current receivables	14	653	652
Total non-current assets		**113,461**	**112,090**
Current assets			
Current receivables			
Receivables from Group companies		12,203	21,224
Other current receivables		24	2
Prepaid expenses and accrued income		44	8
		12,271	**21,234**
Cash and bank		5,971	11,212
Total current assets		**18,242**	**32,416**
Total assets		**131,703**	**144,536**

BALANCE SHEET / Parent Company

EUR thousand	Note	31 Dec 2024	31 Dec 2023
Equity and liabilities			
Equity	21, 36		
Restricted equity			
Share capital		2,574	2,574
Non-restricted equity			
Share premium reserve		18,950	18,788
Retained earnings		9,872	5,122
Profit for the year		8,252	27,059
Total non-restricted equity		**37,074**	**50,969**
Total equity		**39,648**	**53,544**
Untaxed reserves	33	**2,640**	**5,090**
Provisions			
Other provisions		874	857
Total provisions		**874**	**857**
Non-current liabilities			
Liabilities to credit institutions	22, 27	70,000	70,000
Total non-current liabilities		**70,000**	**70,000**
Current liabilities			
Trade payables		58	33
Liabilities to Group companies		15,932	12,731
Current tax liabilities		1,281	676
Other current liabilities		505	574
Accrued expense and deferred income		766	1,031
Total current liabilities		**18,542**	**15,045**
Total equity and liabilities		**131,703**	**144,536**

STATEMENT OF CHANGES IN EQUITY / Parent Company

EUR thousand	Note	Share capital	Share premium reserve	Retained earnings incl. profit for the year	Total equity
Opening balance of equity 1 January 2023		**2,574**	**18,665**	**24,293**	**45,532**
Comprehensive income for the year					
Profit for the year		–	–	27,059	27,059
Total comprehensive income		**0**	**0**	**27,059**	**27,059**
Transactions with owners of the Group					
Option premiums paid in		–	123	–	123
Repurchase of own shares		–	–	–	–
Dividends to the Parent Company's owners		–	–	−19,171	−19,171
Closing balance of equity 31 December 2023		**2,574**	**18,788**	**32,181**	**53,543**
Opening balance of equity 1 January 2024		**2,574**	**18,788**	**32,181**	**53,543**
Comprehensive income for the year					
Profit for the year		–	–	8,252	8,252
Total comprehensive income		**0**	**0**	**8,252**	**8,252**
Transactions with owners of the Group					
Option premiums paid in		–	162	–	162
Repurchase of own shares		–	–	−1,962	−1,962
Dividends to the Parent Company's owners		–	–	−20,347	−20,347
Closing balance of equity 31 December 2024		**2,574**	**18,950**	**18,124**	**39,648**

CASH FLOW STATEMENT / Parent Company

EUR thousand	Note	2024	2023
Operating Activities	34		
Operating result before financial items		–1,464	–657
Change in provisions		17	146
Interest received		1,585	1,660
Dividends received		–	24,989
Interest paid		–3,423	–3,180
Income taxes paid		–1,664	–1,589
Cash flow from operating activities before changes in working capital		**–4,949**	**21,369**
Cash flow from changes in working capital			
Increase/decrease in operating receivables		18,963	–10,857
Increase/decrease in operating liabilities		2,892	–17
Cash flow from operating activities		**16,906**	**–10,874**
Financing activities			
Option premiums received		162	123
Share repurchases		–1,962	–
Repayment of loans		–	–
Borrowings		–	10,000
Dividends paid		–20,347	–19,171
Cash flow from financing activities		**–22,147**	**–9,048**
Cash flow for the year		**–5,241**	**1,447**
Cash and cash equivalents at the beginning of the year		11,212	9,765
Cash and cash equivalents at the end of the year		**5,971**	**11,212**

NOTES

NOTES TO THE FINANCIAL STATEMENTS OF THE PARENT COMPANY AND THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 Accounting policies and valuation principles

(a) Compliance with standards and legislation
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as adopted by the EU, and the Swedish Annual Accounts Act. The Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups has also been applied.

The Parent Company applies the same accounting policies as the Group, except as stated below under the section "Parent Company's accounting policies".

The annual accounts and consolidated accounts were authorised for issue by the Board of Directors and the CEO on 21 March 2025. The consolidated income statement and statement of comprehensive income and the consolidated balance sheet, as well as the Parent Company's income statement and balance sheet, will be subject to approval by the Annual General Meeting on 29 April 2025.

(b) Measurement bases used in preparing the financial statements
Assets and liabilities are measured on a historical cost basis except for certain financial assets and liabilities, which are measured at fair value. Financial assets and liabilities that are measured at fair value comprise derivative instruments.

(c) Functional currency and presentation currency
The Parent Company's presentation currency, and also its functional currency, is the Euro. The Group's presentation currency is the Euro. This means that the Parent Company's financial statements and the consolidated financial statements are presented in EUR. All amounts are rounded to the nearest thousand unless otherwise stated.

(d) Judgements and estimates in the financial statements
Preparation of the financial statements in accordance with IFRS requires the senior management to make judgements, estimates and assumptions that affect the application of accounting policies and the recognised amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates and judgements.

Estimates and assumptions are reviewed on an ongoing basis. Changes to estimates are recognised in the period in which the estimates are changed if the changes affect that period alone, or in the period in which the change occurs and future periods, if the change affects both.

(e) Right-of-use assets
The Group leases production facilities, offices, warehouses, machinery and vehicles. Leases are normally written for fixed periods of between 12 months and 8 years but there may be possibilities for extension, this is described in *(i)* below.

The terms are negotiated separately for each contract and contain a large number of different contractual terms. The leases contain no specific conditions or restrictions except that the lessor retains the rights to the pledged leased assets. The leased assets may not be used as collateral for loans.

Assets and liabilities arising from leases are initially recognised at present value. Lease liabilities include the present value of the following lease payments:

» fixed charges (including substantially fixed charges), after deducting any benefits associated with the signing of the lease to be received
» variable lease payments that depend on an index or a price, initially measured using the index or price at the commencement date
» amounts expected to be paid by the lessee under residual value guarantees
» lease payments that will be made for reasonably certain extension options are also included in the measurement of the liability.

The Group has chosen to classify right-of-use agreements shorter than 12 months or expiring within 12 months of the transition date as short-term agreements and these are therefore not included in the recognised liabilities or right-of-use assets. Identified low value contracts are also not included in the recognised liabilities or rights of use.

The lease payments are discounted using the interest rate implicit in the lease. If this rate cannot be readily determined, which is normally the case for the Group's leases, the lessee shall use their incremental borrowing rate, which is the rate that a lessee would have had to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment and with similar terms and conditions and similar security.

The Group determines the incremental borrowing rate as follows:

» where possible, financing that has recently been obtained from a third party shall be used as a starting point and then adjusted to reflect changes in financing conditions since the financing was obtained. In the event that no financing has recently been obtained from a third party, the incremental borrowing rate shall be calculated using the current base rate in the relevant country, adjusted for the margin judged to be required for financing from a third party.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they become effective. When adjustments of lease payments that depend on an index or rate take effect, the lease liability is remeasured and a corresponding adjustment is made to the right-of-use asset.

Lease payments are split between repayment of debt and interest. The interest is recognised in the income statement over the lease term in a manner that results in a fixed interest rate for the lease liability recognised in each period.

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

» the amount of the lease liability initially measured at
» lease payments made at or before the commencement date, after deducting any benefits received in connection with the signing of the lease agreement.
» initial direct costs
» cost of restoring the asset to the condition specified in the terms and conditions of the lease.

Right-of-use assets are depreciated on a straight line basis over the shorter of the useful life and the lease term. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the useful life of the underlying asset.

Payments for short-term contracts relating to low-value leases are charged to the income statement on a straight-line basis. Short-term contracts are contracts with a leasing period of 12 months or less. Leases of low-value assets include, but are not limited to, IT equipment and small items of office furniture.

(i) Options to extend and terminate leases
Options to extend and terminate leases are included in a number of the Group's leases for buildings and equipment. Terms and conditions are used to maximise flexibility in managing the assets used in the Group's operations. The majority of the options to extend and terminate leases can only be used by the Group and not by lessors.

(ii) Estimates and judgements relating to the lease term
When the lease term is determined, management considers all the available information that creates an economic incentive to exercise an option to extend a lease, or not to exercise an option to terminate a lease. Options to extend a lease are included in the lease term only if it is reasonably certain that the lease will be extended.

Troax has identified contracts, mainly related to real estate, as open, that is, without a defined end date. In many countries, local laws and regulations give the lessee security of tenure when such agreements have been concluded. This means that Troax, as the lessee, must determine a lease term that can be considered reasonable rather than contemplating the option to terminate the leases. In these cases, Troax has determined the contract period by assessing factors such as the importance of the property to the business, its own planned or completed investments in the leased property, the market situation for real estate and the costs and business interruption that would be required to replace the leased asset. As a result of these considerations, the contractual periods of many leases have been deemed to be longer than the minimum contractual period.

The majority of the extension options relating to vehicle leases have not been included in the lease liability because the Group is able to replace the assets without undue cost or disruption to operations.

The lease term is reassessed if an option is exercised (or not exercised). An assessment of reasonable certainty will be reassessed only where a significant event or change in circumstances occurs that affects this assessment and is within the control of the lessee.

(iii) Guaranteed residual values
To optimise lease costs during the lease term in respect of machinery and vehicle leases, the Group sometimes provides residual value guarantees.

(iv) Estimates of amounts expected to be payable under residual value guarantees
The Group initially estimates the amounts of guaranteed residual values that it expects to be required to pay and recognises them as part of the lease liability. Normally the expected residual value at the start of the lease is equal to or higher than the guaranteed amount and therefore the Group does not expect to pay anything for the guaranteed residual values.

(f) Classification
Fixed assets and non-current liabilities essentially comprise amounts that are expected to be recovered or paid after more than twelve months from the balance sheet date. Current assets and current liabilities essentially comprise amounts that are expected to be recovered or settled within twelve months from the balance sheet date.

(g) Segment reporting
An operating segment is a part of the Group that is involved in business activities that generate revenue and incur costs and for which stand-alone financial information is available. An operating segment's performance is followed up further by the company's chief operating decision makers in order to evaluate performance and to be able to allocate resources to the operating segment. See Note 3 for a more detailed description of the division and presentation of operating segments.

(h) Consolidation principles and business combinations
Subsidiaries are companies in which Troax Group AB (publ) has a controlling influence. Troax Group AB (publ) has a controlling influence if it controls an investee, has exposure or rights to variable returns from the entity and is able to exercise its influence over the investee to affect returns. An assessment of whether a situation involves controlling influence takes into account potential voting rights and situations of de facto control.

Subsidiaries are recognised according to the acquisition method. The method means that acquisitions of subsidiaries are regarded as transactions through which the Group indirectly acquires the subsidiary's assets and assumes its liabilities. The acquisition analysis establishes the fair value on the acquisition date of the acquired identifiable assets and assumed liabilities, as well as any non-controlling interests. An acquisition analysis is provisional until it is finalised. A preliminary purchase price allocation is amended as soon as new information regarding assets/liabilities at the time of acquisition is obtained, but no later than one year from the date of acquisition, the preliminary purchase price allocation is determined. Transaction fees that arise are recognised immediately through profit or loss.

For a business acquisition where transferred consideration exceeds the fair value of the acquired assets and assumed liabilities recognised separately, the difference is recognised as goodwill.

Intra-group receivables and liabilities, revenue or expenses and unrealised profits or losses that arise from intra-group transactions between Group companies, are eliminated in their entirety when preparing the consolidated financial statements.

(i) Foreign currency

(i) Foreign currency transactions

Transactions in foreign currency are translated into the functional currency at the exchange rate prevailing at the transaction date. Functional currency is the currency of the primary economic environments in which the company operates. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate at the balance sheet date. Exchange differences that arise in translation are recognised in profit or loss. Non-monetary assets and liabilities reported at historical cost are translated at the exchange rate at the time of the transaction. Non-monetary assets and liabilities recognised at fair value are translated into the functional currency at the exchange rate prevailing at the date of the fair value measurement.

(ii) Financial reports of foreign operations

Assets and liabilities of foreign operations, including goodwill and other consolidated surpluses and deficits, are translated from the functional currency of the foreign operation into the Group's reporting currency, the euro, at the exchange rate prevailing on the balance sheet date. Revenue and expenses from foreign operations are translated into Euros at an average exchange rate that is an approximation of the actual exchange rates at the time of the respective transactions. Translation differences that arise in connection with currency translation of foreign operations are recognised in other comprehensive income and accumulated in a separate component of equity, in reserves. When control of a foreign operation ceases, the cumulative translation differences relating to the operation are realised and reclassified from the translation reserve in equity to profit or loss.

(iii) Intra-group foreign currency receivables and liabilities

Intra-group receivables and liabilities in foreign currency that form part of the net investment in a foreign operation and are revalued in accordance with IAS 21 have an impact on the income statement and are treated as follows. Translation differences that arise during currency translation are recognised in other comprehensive income and accumulated in a separate reserve within equity.

(j) Sale of goods and services

The Group's net sales mainly comprise revenue from the sale of goods. Net sales have, where appropriate, been reduced by the value of discounts given and returned goods. Revenue from the sale of goods is recognised when ownership of the goods have been transferred to a third party, normally in connection with delivery to the customer.

(k) Financial income and expense

Financial income comprises interest income, exchange differences and other financial income.

Financial expense mainly comprises interest expense on loans and defined-benefit pensions, as well as exchange differences.

Foreign exchange gains and losses are recognised on a net basis.

(l) Taxes

Income taxes comprise current tax and deferred tax. Income taxes are recognised in profit or less except when the underlying transaction is recognised in other comprehensive income or in equity, in which case the associated tax effect is recognised in other comprehensive income or equity.

Current tax is tax that is to be paid or received for the current year, with application of the tax rates that have been enacted or substantively enacted at the balance sheet date. Current tax also includes adjustments for current tax of prior periods.

Deferred tax is calculated in accordance with the balance sheet method and is based on temporary differences between the carrying amount and the tax bases of assets and liabilities. Temporary differences are not recognised for goodwill on consolidation nor for differences arising from initial recognition of assets or liabilities in a transaction that is not a business combination and that at the time of the transaction affects neither accounting nor taxable profit or loss. Furthermore, temporary differences attributable to holdings in subsidiaries and associated companies that are not expected to be repaid within the foreseeable future are not considered. Measurement of deferred tax is based on how the underlying assets or liabilities are expected to be realised or settled. Deferred tax is calculated using the tax rates and tax rules that have been enacted or substantively enacted as at the balance sheet date.

Deferred tax assets are recognised for deductible temporary differences and loss carry-forwards only to the extent that it is probable that it will be possible to utilise the deductible temporary differences and loss carry-forwards. The value of deferred tax assets is reduced when it is no longer deemed likely that they can be utilised.

(m) Financial instruments

As of 1 January 2018, IFRS 9 is applied which deals with the classification, measurement and recognition of financial assets and liabilities.

Financial instruments recognised in the statement of financial position include, on the asset side, cash and cash equivalents, trade receivables, other receivables, long-term securities holdings and derivatives. Liabilities include trade payables, loans and derivatives.

(i) Recognition and derecognition in statement of financial position
Financial assets and financial liabilities are recognised in the statement of financial position when the company becomes a party to the contractual provisions of the instrument. Receivables are recognised when the company has satisfied its performance obligations and there is a contractual obligation on the counterparty to pay, even if the invoice has yet to be sent. Trade receivables are recognised in the statement of financial position once an invoice has been sent. Liabilities are recognised when the counterparty has satisfied its performance obligations and there is a contractual obligation to pay, even if the invoice has not yet been received. Trade payables are recognised when an invoice is received.

A financial asset is derecognised from the statement of financial position when the rights under the contract are realised, expire or the company loses control of them. The same applies to a portion of a financial asset. A financial liability is derecognised from the statement of financial position when the contractual obligation is discharged or is otherwise extinguished. The same applies to a portion of a financial liability.

Financial assets and financial liabilities offset each other and the net amount is recognised in the statement of financial position only when a legal right to offset the amounts exists and the company intends to settle them on a net basis or to simultaneously realise the asset and settle the liability.

Acquisitions and sales of financial assets are recognised on the transaction date. The transaction date is the date when the company undertakes to acquire or sell the asset.

(ii) Classification and measurement
Financial instruments that are not derivatives are recognised initially at cost corresponding to the fair value of the instrument plus transaction costs for all financial instruments except for those classified as financial assets recognised at fair value through profit or loss, which are recognised at fair value excluding transaction costs. A financial instrument is classified at initial recognition, partly on the basis of the purpose for which the instrument was acquired. Classification determines how the financial instrument is measured after initial recognition, as described below.

Cash and cash equivalents consist of cash on hand.

Financial assets valued at fair value through profit or loss
This category comprises two sub-categories: financial assets held for trading purposes and other financial assets that the company has decided on initial recognition to place in this category (according to the so-called Fair Value Option). Financial instruments in this category are measured continuously at fair value with any changes in value recognised through profit or loss. The first sub-category includes derivatives with positive fair values with the exception of derivatives that have been identified as effective hedging instruments. The Group has no instruments in the second sub-category.

Financial assets are valued at their accrued acquisition value
Loan receivables and trade receivables are non-derivative financial assets with fixed payments, which are not listed on an active market. These assets are measured at amortised cost. Assets held for the purpose of collecting contractual cash flows and where those cash flows represent only principal and interest are measured at amortised cost. Assets in this category are initially recognised at fair value including transaction costs. After acquisition they are recognised at amortised cost using the effective interest rate method. The carrying amount of these assets is adjusted by any expected credit losses recognised. Interest income from these financial assets is recognised using the effective interest rate method and included in financial income. Assets in this category comprise non-current financing receivables, trade receivables and other current receivables. They are included in current assets except for items with a maturity date of more than 12 months after the end of the reporting period, which are classified as non-current assets.

Financial liabilities at fair value through profit or loss
This category consists of two subcategories, financial liabilities held for trading and other financial liabilities that the entity has chosen to place in this category (the so-called Fair Value Option), as described above under "Financial assets at fair value through profit or loss". The first category includes the Group's derivatives with a negative fair value. Changes in fair value are recognised through profit or loss. The Group has no instruments in the second sub-category.

Financial assets are valued at their accrued acquisition value
Loans and other financial liabilities, for example trade payables, are included in this category. These liabilities are measured at amortised cost. The Group's bank borrowings are not subject to repayment and the Group therefore does not recognise any current portion of non-current liabilities on the balance sheet.

(iii) Derivatives
The Group's derivative instruments have been acquired in order to mitigate the exchange rate risks the company is exposed to. Troax does not apply hedge accounting, which means that changes in the fair value of derivatives are immediately recognised through profit or loss for the period in which they occur. Changes in the fair value of derivatives are recognised on a net basis as either other operating income or other operating expense. Derivatives are valued at level 2, which is on an arm's length basis using observable market prices available at each balance sheet date.

(n) Intangible assets
(i) Goodwill
Goodwill is measured at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and tested for impairment at least annually. Goodwill is not amortised.

(ii) Licences
Acquired licences are booked at cost less accumulated amortisation and any impairment losses. Licences are amortised on a straight line basis over the useful life pursuant to contractual provisions of 5 years. Amortisation is included in the cost of goods sold.

(iii) Trademarks
Acquired trademarks are recognised at cost less any impairment. Most of the Group's trademarks are considered to have indefinite lives and are therefore not amortised. These trademarks are tested for impairment at least annually.

(iv) Customer relationships
Acquired customer relationships are recognised at cost less accumulated amortisation and any impairment losses. Customer relationships are written off on a straight line basis over their estimated useful life of 5–15 years.

(o) Property, plant and equipment
Property, plant and equipment are recognised in the consolidated balance sheet at cost after deduction for accumulated depreciation and any impairment losses. Cost includes the purchase price and costs directly attributable to bringing the asset to the location and condition necessary for it to be utilised in accordance with the purpose of the acquisition. Loan expenses that are directly attributable to purchase, construction or production of assets that require significant time to be made ready for their intended use or sale are included in cost. Accounting policies relating to impairment are shown below.

The carrying amount of an item of property, plant and equipment is derecognised on disposal or retirement, or when no future economic benefits are expected from the use or disposal/retirement of the asset. Gains or losses arising on the sale or disposal of an asset consist of the difference between the consideration paid and the carrying amount of the asset less any direct sales costs. Gains and losses are recognised as other operating income/operating expense.

Depreciation is calculated on a straight line basis over the estimated useful life of the asset; land is not depreciated.

Estimated useful lives:

» Office and industrial buildings	20–25 years
» Machinery and other technical plant	5–10 years
» Equipment, tools, fixtures and fittings	3–10 years

In the income statement, depreciation is allocated to the respective functions.

(p) Inventories
Inventories are valued at the lower of cost and net sales value. The cost of inventories is calculated through the application of the first in, first out method (FIFO). For self-manufactured goods, cost includes a reasonable share of indirect costs.

(q) Impairment
The carrying amounts of assets are tested for indication of impairment at each balance sheet date. IAS 36 is applied to impairment of assets other than financial assets, which are accounted for in accordance with IFRS 9.

(i) Impairment of property, plant and equipment and intangible assets
If there is an indication of impairment, the asset's recoverable amount is calculated (see below). For goodwill and trademarks that are not written off, the recoverable amount is also calculated annually. An impairment loss is recognised when the carrying amount of an asset or cash generating unit exceeds the recoverable amount. An impairment loss is recognised as an expense through profit or loss. When impairment losses have been identified for a cash generating unit, the impairment amount is in the first instance allocated to goodwill. Thereafter, proportionate impairment losses are recognised for other assets included in the unit.

The recoverable amount is the higher of the fair value less costs to sell or the value in use. When calculating the value in use, future cash flows are discounted by a discounting factor that takes into account risk-free interest and the risk that is associated with the specific asset.

(ii) Impairment of financial assets
The Group applies the simplified approach to calculation of expected credit losses. This approach means that lifetime expected credit losses can be recognised for trade receivables and contract assets. In order to calculate expected credit losses, trade receivables and contract assets are grouped into categories based on credit risk characteristics and number of days past due. Contract assets comprise work performed but not yet invoiced and essentially share the risk characteristics of already invoiced work under the same type of contract. The Group therefore believes that expected credit losses on trade receivables are a reasonable estimate of expected credit losses on contract assets. The expected credit loss levels are based on the customers' payment history for a period of 36 months as of 31 December 2023 and 1 January 2023 respectively, together with the loss history for the same period. Historic losses are adjusted to take into account current and forward-looking information about macro-economic factors that could affect customers' ability to pay receivables.

The impairment of receivables is determined based on historical experience of customer losses on similar receivables. Impaired trade receivables are recognised at the present value of expected future cash flows. However, short-term receivables are not discounted.

(iii) Reversal of impairment losses
An impairment loss on assets within the scope of IAS 36 is reversed if there is both an indication that the impairment no longer exists and there has been a change in the assumptions underlying the calculation of the recoverable amount. However, impairment losses for goodwill are never reversed. A reversal is only made to the extent that the carrying amount of the asset after reversal does not exceed the carrying amount that would have been recognised, less any depreciation, if no impairment loss had been recognised.

Impairment losses on loans receivable and trade receivables that are recognised at amortised cost are reversed if the previous reasons for the impairment losses no longer exist and full payment is expected to be received from the customer.

(r) Dividends
Dividends are recognised as liabilities after the Annual General Meeting has approved the dividend.

(s) Earnings per share
Calculation of earnings per share is based on the Group's profit or loss for the year attributable to the Parent Company's owners and the weighted average number of outstanding ordinary shares over the year.

(t) Warrants programme
The 2020, 2021, 2022, 2023 and 2024 AGMs resolved on warrant programs for senior executives in the Group.

The participants in the subscription program have on the allocation date paid the fair value of the warrants, which has been calculated using an adapted version of the Black Scholes valuation model. The Parent Company has repurchased its own shares in the market to cover its obligations under the stock option plans.

In the 2021 program, 26,007 options were subscribed for against a paid option premium of SEK 36.68 per option, where each option gives a right to subscribe for one share at a subscription price of SEK 515.33 per share during the period 20 May 2025 to 30 June 2025.

In the 2022 program, 132,360 options were subscribed for against a paid option premium of SEK 18.0 per option, where each option gives a right to subscribe for three shares at a subscription price of SEK 231.25 per share during the period 20 May 2026 to 30 June 2026.

In the 2023 program, 109,610 options were subscribed for against a paid option premium of SEK 17.07 per option, where each option gives a right to subscribe for one share at a subscription price of SEK 229.33 per share during the period 20 May 2027 to 30 June 2027.

In the 2024 program, 91,765 options were subscribed for against a paid option premium of SEK 21.50 per option, where each option gives a right to subscribe for one share at a subscription price of SEK 281.22 per share during the period 20 May 2028 to 30 June 2028.

(u) Remuneration of staff
(i) Short-term remuneration
Short-term remuneration of staff is calculated without discounting and recognised as an expense when the associated services are received.

(ii) Pension obligations
Plans in which the company's obligation is limited to the contributions the company has undertaken to pay are classified as defined contribution pension plans. The majority of the Group's pension obligations are defined contribution plans and have been secured through insurance policies with insurance companies. For the CEO, part of the defined contribution plan has been secured by a direct pension solution secured by endowment insurance. However, the Group also has some defined benefit plans. Defined benefit plans are plans other than defined contribution plans. In Sweden, the defined benefit plans comprise ITP 2. In addition, the Group has some pension obligations in subsidiaries in Italy and France that are classified as defined benefit plans according to IAS 19.

The Group's obligation relating to defined benefit plans is calculated separately for each plan through an estimate of future compensation that the employee has earned through his/her employment in both current and previous periods; this compensation is discounted to a present value. The discount rate is the interest on the balance sheet date of a high quality corporate bond, including mortgage bond, with a maturity that corresponds to the Group's pension commitments. The calculation is carried out by a qualified actuary using the so-called Projected Unit Credit Method.

The Group's net obligation comprises the present value of the obligation. The interest expense on the defined benefit obligation is accounted for in net interest income/expense. The net interest cost is based on the interest that arises when discounting the net obligation, that is, the interest on the obligation. Other components are reported by function in the income statement.

Revaluation effects consist of actuarial gains and losses. Revaluation effects are recognised in other comprehensive income. Special payroll tax constitutes a part of actuarial assumptions and is therefore recognised as part of the net obligation. For reasons of simplification, the part of the special payroll tax calculated on the basis of the Pension Obligations Act in legal entities is recognised as an accrued expense instead of as part of the net obligation/asset.

Income tax is recognised in the income statement for the period to which it relates and is therefore not included in the calculation of the liability.

(v) Provisions
Provisions are recognised at the amount that is the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Where the effect of the timing of payment is material, provisions are calculated by discounting expected future cash flow to an interest rate before tax that reflects current market estimates of the time value of money and, where applicable, the risks associated with the liability.

(x) Government assistance
State aid is a financial contribution from government and supranational bodies that is received in exchange for the Troax group meeting certain conditions. Financial contributions are recognised in the financial statements when there is reasonable assurance that the conditions will be met and the contributions will be received. The grants are recognised in the income statement as other operating income.

(y) Contingent liabilities
Contingent liabilities are recognised when there is a possible obligation resulting from past events and the existence of which is confirmed only through one or more uncertain future events not within the control of the Group, or when there is an obligation that is not recognised as a liability or provision because it is not probable that an outflow of resources will be required, or is not reliably measurable.

The Parent Company's accounting policies
The Parent Company has prepared its annual report in accordance with the Annual Accounts Act (SFS 1995:1554) and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. The Swedish Financial Reporting Board's statements for listed companies have also been applied. According to RFR 2, the Parent Company must, in the financial statements for the legal entity, apply all IFRS and statements adopted by the EU in so far as this is possible within the framework of the Swedish Annual Accounts Act, the Swedish Pension Obligation Vesting Act and with regard to

the relationship between accounting and taxation. The recommendation states the exceptions from and additions to IFRS that should be applied.

Differences between the Group's and the Parent Company's accounting policies
The differences between the Group's and the Parent Company's accounting policies are described below. The Parent Company's accounting policies shown below have been applied consistently to all periods that are presented in the Parent Company's financial statements.

Revised accounting policies
Unless otherwise stated below, the Parent Company's accounting policies in 2024 have changed in accordance with what is stated above for the Group.

Classification and formats
The format of the Parent Company's income statement and balance sheet follow the format in the Swedish Annual Accounts Act. The difference with IAS 1 Presentation of Financial Statements, which is applied in the preparation of the consolidated financial statements, is mainly the recognition of financial income and expenses, non-current assets and equity.

Subsidiaries
Shares in subsidiaries are recognised by the Parent Company in accordance with the cost method. This means that transaction fees are included in the recognised value of holdings in subsidiaries. In the consolidated financial statements, transaction fees attributable to subsidiaries are recognised immediately through profit or loss account when they are incurred.

Financial instruments
Due to the link between accounting and taxation, the rules on financial instruments and hedge accounting in IFRS 9 are not applied in the Parent Company as a legal entity.

New standards and interpretations not yet applied by the Group
The IASB has published IFRS 18 Presentation and Disclosure in Financial Statements with an effective date of January 1, 2027. The standard has not yet been approved by the EU. IFRS 18 will replace IAS 1 Presentation of Financial Statements. IFRS 18 primarily addresses three key areas of presentation and disclosure in the financial statements, focusing on the income statement and reporting of financial performance. The company has not completed its assessment of the impact of IFRS 18.

NOTE 2 Estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions about the future. The resulting estimates for accounting purposes will, by definition, rarely correspond to actual results.

The financial information in the Annual Report is not deemed to contain any significant estimates or assessments.

NOTE 3 Operating segments and breakdown of revenues

An operating segment is a part of the Group that is involved in business activities that generate revenue and incur costs and for which stand-alone financial information is available.

An operating segment's financial performance is followed up further by the company's chief operating decision makers, the Group management, in order to evaluate financial performance and allocate resources to the operating segment. Troax's Group Management follows up the financial performance of the Group as one entity. Therefore, the operating segment statement comprises only one segment, mesh panels. The segment's financial information therefore corresponds to the financial information for the Group.

The reason the Group is followed up as one segment is that performance measures are only monitored at an overall level because production and other overall costs are found at the head office and not distributed across other areas. At lower levels than the operating segment, monitoring only applies to regional sales and volume of orders received. There are therefore no performance measures that the chief operating decision makers use for distribution of resources.

Internal prices between the Group's different regions are based on the "arm's length" principle, that is, between parties that are independent of each other, well-informed and with an interest in ensuring the transactions are carried out.

Geographical areas/Business areas
The Group's net sales are divided into the following five geographical areas: The Nordic region, the UK, Continental Europe, North America and New markets, and the following three business areas: Property Protection, Machine Guarding, Warehouse Partitioning.

Internal sales only occur between the head office and other units, not between geographical areas. Sales and installation primarily take place via own sales companies in Europe, the USA and China, and via a small number of agents in Asia and South America.

Note 3 continued

Geographical areas

Turnover	31 Dec 2024	31 Dec 2023
Nordic region	55,410	40,224
UK	26,868	24,632
Continental Europe	131,734	131,021
North America	41,448	46,624
New markets	23,084	21,771
Total	**278,544**	**264,272**

None of the Group's customers individually account for 10 percent or more of its turnover. Of the turnover in the Nordic countries, Sweden, where the company is based, accounts for EUR 40,405 thousand (22,695); in the United States, the Group has a turnover of EUR 37,516 thousand. Net sales above are based on customers' domicile.

Business areas		
Property Protection	26,035	31,476
Machine guarding	178,338	169,796
Warehouse partitioning	74,171	63,000
Total	**278,544**	**264,272**

Intangible assets, tangible assets and right-of-use assets		
Nordic region	114,491	116,600
UK	2,607	2,417
Continental Europe	63,511	59,060
North America	16,596	16,301
New markets	3,076	2,971
Total	**200,281**	**197,349**

Of the fixed assets in the Nordic countries, Sweden, where the company is based, accounts for EUR 114,268 (113,593) thousand.

NOTE 4 Business combinations

Acquisitions

On August 21, 2024, Troax acquired the Czech company Troax Czech Rep. for approximately EUR 2.4 million. An additional purchase price of a maximum of EUR 0.45 million is possible if the results for 2025, 2026 and 2027 reach a certain minimum amount. Troax CZ has been a distributor for Troax in the Czech Republic and Slovakia for 15 years. The company has six employees and a turnover of approximately EUR 3 million.

In the analysis of intangible assets, it was found that significant value drivers of the acquired business are its customer relationships. The analysis of its customer relationships has been made on the basis of the factors that determine sales. These include the ability to offer tailor-made solutions, efficient logistics and an attractive price. Based on this, a value of EUR 2.5 million has therefore been assigned to the company's customer relationships.

On 19 December 2024, Troax acquired the UK company Safety, Technology & Legislation Limited for approximately EUR 3.8 million. An additional purchase price of a maximum of EUR 1.1 million is possible if the results for 2025, 2026 and 2027 reach a certain minimum amount. Since its inception in 1998, ST&L has specialised in machine safety and risk assessments, providing tailored plans to ensure workplace safety and compliance. The company has ten employees and a turnover of around EUR 2 million. At the time of submission of the annual report, the allocation of intangible surplus value has not been determined, which is why the surplus value is attributed in its entirety to goodwill. The acquisition analysis is expected to be finalised in the first quarter of 2025.

The final purchase price allocation for Garantell Holding and its subsidiaries resulted in the following distribution of net surplus values

- Customer relationships: EUR 3.0 million
- Trademarks: EUR 6.3 million
- Goodwill EUR 7.5 million
- Surplus values in buildings: EUR 6.6 million

Troax CZ

EUR thousand	Carrying amount prior to acquisition	Fair value, adjustment	Fair value recognised by the Group
Property, plant and equipment	81		81
Inventories	219		219
Trade receivables and other receivables	515		515
Cash and cash equivalents	552		552
Trade payables and other operating liabilities	–473		–473
Net assets	**894**		**894**
Net assets acquired	**894**		
Customer relationships	2,527		
Deferred tax on customer relationships	–480		
Consideration	**2,941**		
Cancellation of acquired cash	552		
Less additional purchase price	450		
Total impact on Group cash and cash equivalents	**1,939**		

ST&L

EUR thousand	Carrying amount prior to acquisition	Fair value, adjustment	Fair value recognised by the Group
Property, plant and equipment	46		46
Trade receivables and other receivables	655		655
Cash and cash equivalents	673		673
Trade payables and other operating liabilities	–891		–891
Net assets	**483**		**483**
Net assets acquired	**483**		
Goodwill	4,514		
Consideration	**4,997**		
Cancellation of acquired cash	678		
Less additional purchase price	1,114		
Total impact on Group cash and cash equivalents	**3,205**		

NOTE 5 Other operating income

	Group		Parent Company	
	2024	**2023**	**2024**	**2023**
Capital gain/loss on the sale of property, plant and equipment	219	–	–	–
Change in fair value of currency derivatives	159	795	–	–
Currency gains on receivables/liabilities relating to operations	–	–	–	68
Government assistance	492	197	–	–
Other	195	32	25	–
Total	**1,065**	**1,024**	**25**	**68**

NOTE 6 Other operating expenses

	Group		Parent Company	
	2024	**2023**	**2024**	**2023**
Currency losses on receivables/liabilities relating to operations	–38	–666	–152	–
Change in fair value of currency derivatives	–	–	–	–
Capital gain/loss on the sale of property, plant and equipment	–	–21	–	–
Other	–157	–36	–	–
Total	**–195**	**–723**	**–152**	**–**

NOTE 7 Employees and employee benefit expenses

	Group		Parent Company	
Wages, salaries, other remuneration and social security contributions	**2024**	**2023**	**2024**	**2023**
Wages and remunerations	55,017	51,248	1,899	1,547
Social security contributions	11,311	8,758	579	615
Pension costs, defined benefit (also see Note 23)	805	632	–	–
Pension costs, defined contribution plans	1,876	1,466	383	367
Total	**69,009**	**62,104**	**2,861**	**2,529**

Of the Parent Company's pension costs, EUR 85.8 thousand (153) relates to the Board of Directors and the CEO. Part of the pension cost for the CEO has been secured with a direct pension solution secured through endowment insurance. There are no outstanding pension obligations to the Board of Directors.

Average number of employees Parent Company	2024	Of which are men	2023	Of which are men
Sweden	12	83%	12	83%
Total, Parent Company				
Subsidiaries				
Sweden	315	79%	266	78%
Norway	2	50%	2	50%
Denmark	9	89%	9	89%
Finland	5	100%	5	100%
UK	91	86%	72	85%
Benelux	21	76%	21	76%
France	23	65%	23	65%
Germany	53	79%	53	79%
Switzerland	1	100%	1	100%
Italy	143	73%	146	71%
Spain	58	78%	54	76%
China	38	68%	33	64%
USA	182	78%	195	69%
Poland	188	71%	203	69%
Japan	24	67%	21	67%
Other	48	65%	25	88%
Total, subsidiaries	**1,201**		**1,129**	
Total, Group	**1,213**	**77%**	**1,141**	**74%**

Gender ratio in senior management	31 December 2024	31 December 2023
Parent Company	**Proportion women**	**Proportion women**
Board of Directors	43%	33%
Other senior executives	20%	0%
Group		
Board of Directors	43%	33%
Other senior executives	20%	0%

Women make up 43 percent of the Board of Directors elected by the General Meeting.

Severance pay
In the case of termination by the CEO, a period of notice of six months applies. There are no agreements on severance pay or other benefits for either the Chairman of the Board or the other members of the Board, other than the CEO. Upon termination of employment by the company, the CEO is entitled to the equivalent of 12 months' salary. The final six months are conditional on the CEO not having found new employment.

With CEOs of subsidiaries there are similar agreements of 6–12 months salary.

Senior executives' benefits Principles for remuneration of the Board of Directors
The Chairman of the Board and other Board members receive fees as determined by the Annual General Meeting. Employee representatives on the Board do not receive board fees. The AGM 2024 decided that fees to the Board for work during 2024/2025 until the next AGM would be paid in the amount of SEK 820 thousand (720) to the Chairman of the Board and SEK 320 thousand (290) to each Board member. For the Chairman of the Remuneration Committee and the Audit Committee, an additional SEK 60 thousand (54) and SEK 150 thousand (112) respectively is paid. For members of the Remuneration Committee and Audit Committee, an additional SEK 30 thousand (27) and SEK 100 thousand (86) respectively is paid.

Principles for remuneration of the CEO and Group Chief Executive
Remuneration
The CEO and Group Chief Executive receive remuneration in the form of basic salary, pension and

variable remuneration. In 2024 the basic salary was EUR 356.9 thousand (350). The short-term variable remuneration may not exceed 6 months' salary. Any bonus payments are determined on the basis of the Troax Group's performance and growth. In addition, there is a possible long-term variable remuneration linked to certain key figures for the financial year 2024, which corresponds to a maximum of EUR 441 thousand, distributed over three years and eight months.

In 2024, the remuneration of the President and CEO was EUR 535.3 thousand (442), including benefits, of which EUR 79 thousand (–95) was bonus for the financial year 2024. Variable remuneration of the former CEO has largely been based on qualitative measures related to the handover to the new CEO. The current CEO's variable remuneration has mainly been based on growth and profitability, where the outcome has been negatively affected by the current economic situation.

Retirement benefits

The Group Chief Executive and CEO are entitled to retire at the age of 67. The pension plan is not a defined benefit plan.

In 2024, the premium costs were EUR 86 thousand (153) for the CEO.

Principles for remuneration to other members of the Group management

Remuneration

Those members of the Group Management who are employed in companies other than the Parent Company receive their remuneration from the respective companies. The remuneration is decided by the CEO, assisted by the Chairman of the Board, and comprises a basic salary, pension, variable remuneration and other benefits. For other members of the Group management, the variable compensation must not exceed 4 monthly salaries. Any bonus payments and the bonus amounts are determined by the Board on the basis of the Troax Group's financial performance and growth. In 2024 , the remuneration of the other members of the Executive Board was EUR 1,652 thousand (1,526), of which EUR 0 thousand (41) constituted bonuses for the financial year 2024.

Notice periods and severance pay

Other members of the Group Management have notice periods of six to twelve months in the case of termination by the company, and three to six months in case of resignation. During the notice period other members of the Group Management have the right to full salary and other employment benefits. None of the other members of the Group Management is entitled to severance pay.

Retirement benefits

Other members of the Group Management have the right to retire at the age of 65. Pension payments adhere to the collectively bargained plan ITP.

The company's obligation is related to the final salary at retirement. In 2024, the premium costs amounted to EUR 369 thousand (296) for other members of Group Management.

Remuneration and other benefits during the year, 2024	**Basic salary Board fee**	**Variable remuneration**	**Other benefits**	**Pension expense**	**Total**
Chairman of the Board Anders Mörck	77	–	–	–	77
Board member Anna Stålenbring	41.1	–	–	–	41.1
Board member Eva Nygren	30.6	–	–	–	30.6
Board member Bertil Persson	36.7	–	–	–	36.7
Board member Fredrik Hansson	28.0	–	–	–	28.0
Member of the Board Marie Landfors	21.0	–	–	–	21.0
Member of the Board Thomas Widstrand	14.0	–	–	–	14.0
CEO Martin Nyström (from June)	208.2	–	6.4	33.2	247.8
CEO Thomas Widstrand (until May)	148.7	79.4	6.8	52.6	287.5
Other members of the Group Management (6 individuals)	1,204.8	–	77.7	369.4	1,651.9
Total	**1,810.2**	**79.4**	**90.9**	**455.2**	**2,435.6**
Of which from the Parent Company	**936.7**	**79.4**	**40.4**	**222**	**1,278.5**

Remuneration and other benefits during the year, 2023	**Basic salary Board fee**	**Variable remuneration**	**Other benefits**	**Pension expense**	**Total**
Chairman of the Board Anders Mörck	68	–	–	–	68
Board member Anna Stålenbring	35	–	–	–	35
Board member Eva Nygren	28	–	–	–	28
Board member Bertil Persson	33	–	–	–	33
Board member Fredrik Hansson	25	–	–	–	25
CEO Thomas Widstrand	371	–95	13	153	442
Other members of the Group Management (6 individuals)	1,110	41	79	296	1,526
Total	**1,670**	**–54**	**93**	**449**	**2,157**
Of which from the Parent Company	**685**	**–86**	**42**	**252**	**893**

NOTE 8 Fees and reimbursement of costs to auditors

	Group		Parent Company	
PwC	**2024**	**2023**	**2024**	**2023**
Audit assignment	265	306	251	202
Auditing services other than the audit assignment	10	10	–	10
Tax advice	10	10	10	10
Other services	–	32	–	32
Total	**285**	**358**	**261**	**254**
Other auditors				
Audit assignment	122	127	–	–
Auditing services other than the audit assignment	–	11	–	–
Other services	16	10	–	–
Total	**138**	**148**	**–**	**–**

Of the 2024 remuneration to the auditors of the Group, the audit firm Öhrlings PricewaterhouseCoopers AB has been paid: Audit engagement EUR 254 thousand (306), non-audit activities EUR 10 thousand (10), tax advisory services EUR 10 thousand (10) and other services EUR 0 thousand (32).

NOTE 9 Operating expenses by type of expense

	Group	
	2024	**2023**
Material costs	−79,092	−75,183
Changes in inventories, finished goods and work in progress	2,135	1,072
Employee benefits expenses	−71,349	−63,274
Other external costs	−71,143	−65,420
Other operating income and expenses	870	301
Depreciation	−14,937	−12,199
Total costs	**−233,516**	**−214,703**

NOTE 10 Net financial income/expense

	Group		Parent Company	
	2024	**2023**	**2024**	**2023**
Dividends	–	–	0	24,989
Interest income, Group companies	–	–	1,446	1,660
Net changes in exchange rates	–	–	1,514	–
Financial income	**–**	**–**	**2,960**	**26,649**
Interest expense, credit institutions	−3,526	−2,131	−3,370	−2,119
Interest expense, lease liabilities	−143	−156	–	–
Interest cost, pension debt	−82	−139	–	–
Interest expense, other	−535	−23	−53	−197
Net changes in exchange rates	–	–	–	−864
Financial expenses	**−4,286**	**−2,449**	**−3,423**	**−3,180**
Net financial income/expense	**−4,286**	**−2,449**	**−463**	**23,469**

NOTE 11 Taxes

Recognised in the income statement and statement of other comprehensive income

	Group		Parent Company	
Current tax expense (–)/tax income (+)	**2024**	**2023**	**2024**	**2023**
Tax expense for the period	–10,868	–12,129	–2,269	–607
	–10,868	**–12,129**	**–2,269**	**–607**
Deferred tax expense (–)/tax income (+)				
Deferred tax on revaluation of carrying amounts	1,418	422	–	–
Total recognised tax expense	**–9,450**	**–11,707**	**–2,269**	**–607**

Reconciliation of effective tax

Group		**2024**		**2023**
Profit before tax		40,742		47,421
Tax in accordance with the applicable tax rate for the Parent Company	20.6%	–8,393	20.6%	–9,769
Effect of other tax rates for foreign subsidiaries	3.2%	–1,295	3.2%	–1,519
Non-deductible expenses and non-taxable income	–0.0%	–62	2.0%	–995
Adjustments relating to previous years	0.0%	144	1.3%	–595
Tax on deficits	–0.1%	–307	–0.8%	402
Other effects	–0.1%	517	–1.6%	730
Standard rate of interest on the tax allocation reserve	–0.0%	–54	0.0%	–178
Recognised effective tax	**23.6%**	**–9,450**	**–24.7%**	**–11,707**

Parent Company				
Profit before tax		10,523		27,666
Tax in accordance with the applicable tax rate for the Parent Company	20.6%	–2,168	20.6%	–5,699
Non-deductible expenses	0.0%	–8	0.1%	–25
Dividends received	0.0%	–	–18.6%	5,147
Adjustments relating to previous years	0.0%	–66	0.0%	–
Standard rate of interest on the tax allocation reserve	–0.0%	–27	0.1%	–30
Recognised effective tax	**20.6%**	**2,269**	**2.2%**	**607**

Group		
Tax attributable to other comprehensive income	**2024**	**2023**
Tax attributable to revaluation of defined benefit pension plans	20	32
Total	**20**	**32**

Amounts recognised in the balance sheet

Change in deferred tax in temporary differences and loss carry-forwards

	Balance sheet as of 1 Jan 2024	Recognised through profit or loss	Recognised in other compre-hensive income	Acquisition/ disposal of business	Balance sheet as of 31 Dec 2024
Property, plant and equipment	−2,643	124	138	–	−2,381
Intangible assets	−404	346	48	−2,844	−2,854
Pension provisions	423	3	−60	–	366
Untaxed reserves	−3,796	606	90	–	−3,099
Loss carry-forwards	1,231	156	50	–	1,437
IFRS 16	29	33			62
Other	329	150	–	–	479
Total	**−4,831**	**1,418**	**266**	**−2,844**	**−5,991**

	Balance sheet as of 1 Jan 2023	Recognised through profit or loss	Recognised in other compre-hensive income	Acquisition/ disposal of business	Balance sheet as of 31 Dec 2023
Property, plant and equipment	−950	15	8	−1,716	−2,643
Intangible assets	−244	226	−130	−256	−404
Pension provisions	334	60	29	–	423
Untaxed reserves	−3,322	119	161	−754	−3,796
Loss carry-forwards	837	402	−8	–	1,231
Other	763	−400	−5	–	358
Total	**−2,582**	**422**	**55**	**−2,726**	**−4,831**

Recognised in the balance sheet

Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to:

	Deferred tax 2024			Deferred tax 2023		
	Asset	**Liability**	**Net**	**Asset**	**Liability**	**Net**
Property, plant and equipment	3	−2,384	−2,381	7	−2,593	−2,587
Intangible assets	2,110	−4,964	−2,854	2,255	−2,659	−404
Pension provisions	366	–	366	423	–	423
Untaxed reserves		−3,099	−3,099	–	−3,796	−3,796
Loss carry-forwards	1,437	–	1,437	1,231	–	1,231
Tax IFRS 16	1,850	−1,788	62	2,596	−2,653	−56
Deferred tax offset IFRS 16	−1,788	1,788	0	–	–	–
Other	1,334	−856	478	1,036	−678	358
Tax assets/liabilities	**5,313**	**−11,303**	**−5,991**	**7,548**	**−12,379**	**−4,831**
Tax assets/liabilities, net	**5,313**	**−11,303**	**−5,991**	**7,548**	**−12,379**	**−4,831**

Deferred tax assets are recognised for tax loss carry-forwards to the extent that it is likely that they can be utilised against future taxable profits. The Group recognises deferred tax assets amounting to EUR 1,437 (1,231) thousand, which can be utilised against future taxable profits.

NOTE 12 Intangible assets

Group	Licences	Trademarks	Customer relationships	Goodwill	Total
Accumulated cost					
Opening balance 1 January 2023	1,622	3,908	11,017	86,752	103,299
Business acquisitions	10	–	1,496	16,786	18,292
Other investments	29	–	–	–	29
Exchange differences for the year	–	3	44	71	74
Closing balance 31 December 2023	**1,661**	**3,911**	**12,557**	**103,609**	**121,694**
Accumulated depreciation and impairment					
Opening balance 1 January 2023	–1,414	–887	–2,438	–	–4,739
Depreciation for the year	–26	–	–1,677	–	–1,703
Exchange differences for the year	–	–2	–42	–	–44
Closing balance 31 December 2023	**–1,440**	**–889**	**–4,157**	**–**	**–6,486**
Carrying amounts					
As of 1 January 2023	208	3,019	8,579	86,752	98,558
As of 31 December 2023	**221**	**3,022**	**8,400**	**103,609**	**115,208**
Accumulated cost					
Opening balance 1 January 2024	1,661	3,911	12,557	103,609	121,738
Business acquisitions	–	–	2,495	4,514	7,009
Other investments	34	7	–	–	41
Reclassifications		6,252	3,020	–9,272	–
Increase in cost on reclassification		1,621	784		2,405
Exchange differences for the year	3	–357	–181	–1,273	–1,808
Closing balance 31 December 2024	**1,698**	**11,434**	**18,675**	**97,578**	**129,385**
Accumulated depreciation and impairment					
Opening balance 1 January 2024	–1,440	–889	–4,157	–	–6,486
Depreciation for the year	–143	–	–2,290	–	–2,433
Exchange differences for the year	–4	8	–16	–	–12
Closing balance 31 December 2024	**–1,587**	**–881**	**–6,463**	**–**	**–8,931**
Carrying amounts					
As of 1 January 2024	221	3,022	8,400	103,609	115,208
As of 31 December 2024	**111**	**10,553**	**12,212**	**97,578**	**120,454**

The Group had no internally generated intangible assets.

Depreciation is included in the following lines in the income statement

Group	1 Jan 2024 – 31 Dec 2024	1 Jan 2023 – 31 Dec 2023
Selling expenses	–	–
Administrative expenses	–	–
Cost of goods sold	−2,433	−1,703
Total	**−2,433**	**−1,703**

The Group's goodwill comprises strategic business values that have arisen through business acquisitions.

Testing cash-generating units containing goodwill and trademarks for impairment
The following cash-generating units include goodwill and trademarks:

	Carrying amount	
Goodwill	**2024**	**2023**
Troax	52,994	49,933
Satech	18,932	18,932
Folding Guard	11,352	10,730
Natom Logistic	–	4,677
Claitec	2,508	2,508
Garantell	7,264	16,786
Safety, Technology & Legislation Limited	4,528	–
Total	**97,578**	**103,609**
Trademarks		
Troax	2,313	2,388
Satech	634	634
Garantell	7,606	–
Total	**10,553**	**3,022**

Goodwill attributable to Natom Logistics is included from 2024 in the cash-generating unit Troax, and is thus tested for impairment within the unit. Of the Group's trademarks, EUR 10,553 thousand are not subject to amortisation.

The value of recognised goodwill and trademarks with indefinite lives is tested at least annually for impairment. The recoverable amount for the cash generating unit is based on its value in use. The value in use is based on management's business forecast for a period of five years. The cash flow for the following years has been based on an assumed annual growth rate of 2 percent (2). Important assumptions in the business forecast that affect cash flow estimates are market growth and anticipated price development. These are in line with historical data and external sources of information. The company management has carried out alternative calculations based on reasonably possible changes in key assumptions, such as:

- if the discount rate before tax were to be 2 percentage points higher
- if the estimated growth rate over the forecast period had been halved.

A 2 percent change in the discount rate would not result in any impairment of recognised goodwill in the Group. The Group's budget and business plans for the forecast period include increases in sales, gross margin, profit and cash flow. Even with a halved growth rate, there would be no need to write down the goodwill item.

The following discount rates (after tax) have been used to calculate the value in use:

Discount rate after tax	2024	2023
Troax and Garantell	8.5 %	8.5 %
Satech	8.5 %	8.5 %
Folding Guard	10.5 %	10.5 %
Claitec	−10.0 %	−10.0 %

NOTE 13 Property, plant and equipment

Group	Buildings and land	Machinery	Equipment	In progress	Total
Accumulated cost					
Opening balance 1 January 2023	18,653	32,237	6,141	6,430	63,461
Capital expenditure during the year	–	482	849	11,024	12,355
Business acquisitions	16,112	9,344	1,943	298	27,697
Disposal and retirement	–	–3,605	–441	–	–4,046
Reclassifications	247	2,377	1,237	–3,861	–
Exchange differences for the year	916	538	172	167	1,793
Closing balance 31 December 2023	**35,928**	**41,373**	**9,901**	**14,058**	**101,260**
Accumulated depreciation and impairment					
Opening balance 1 January 2023	–4,492	–11,543	–3,076	–	–19,111
Depreciation for the year	–922	–4,060	–1,345	–	–6,327
Business acquisitions	–2,034	–7,036	–950	–	–10,020
Disposal and retirement	–	3,547	351	–	3,898
Reclassifications	–	–	–11	–	–11
Exchange differences for the year	–134	–191	–99	–	–424
Closing balance 31 December 2023	**–7,582**	**–19,283**	**–5,130**	**–**	**–31,995**
Carrying amounts					
As of 1 January 2023	14,161	20,693	3,065	6,430	44,349
As of 31 December 2023	**28,346**	**22,090**	**4,771**	**14,058**	**69,265**
Accumulated cost					
Opening balance 1 January 2024	35,928	41,373	9,901	14,058	101,260
Capital expenditure during the year	944	2,370	1,203	6,224	10,741
Business acquisitions	–	–	456	–	456
Disposal and retirement	–99	–412	–734	–	–1,245
Reclassifications	4,836	7,712	1,063	–13,611	0
Exchange differences for the year	–1,018	–496	–185	–163	–1,862
Closing balance 31 December 2024	**40,591**	**50,548**	**11,703**	**6,508**	**109,350**
Accumulated depreciation and impairment					
Opening balance 1 January 2024	–7,582	–19,283	–5,130	–	–31,995
Depreciation for the year	–1,512	–4,935	–1,390	–	–7,837
Business acquisitions	–	–	–275	–	–275
Disposal and retirement	64	393	220	–	677
Reclassifications	–	–	–	–	–
Exchange differences for the year	374	418	131	–	923
Closing balance 31 December 2024	**–8,656**	**–23,407**	**–6,444**	**–**	**–38,508**
Carrying amounts					
As of 1 January 2024	28,346	22,090	4,771	14,058	69,265
As of 31 December 2024	**31,935**	**27,140**	**5,259**	**6,508**	**70,844**

Depreciation and amortisation

Depreciation is included in the following lines in the income statement.

Group	2024	2023
Cost of goods sold	−11,132	−7,209
Selling expenses	−2,631	−2,663
Administrative expenses	−975	−824
Total	**−14,738**	**−10,696**

Of which EUR 4,468 thousand (4,369) relates to depreciation of right-of-use assets.

NOTE 14 Financial non-current assets

	Group		Parent Company	
Non-current receivables that are fixed assets	**2024**	**2023**	**2024**	**2023**
Pension investment	2,437	2,378	653	652
Included purchase price	3,611	–	–	–
Other	218	222	–	–
Total	**6,266**	**2,601**	**653**	**652**

NOTE 15 Right-of-use assets

Group

Amounts recognised in the balance sheet

Assets with right-of-use

Buildings	**2024**	**2023**
Opening balance	11,487	13,720
Contracts concluded during the year	224	922
Contracts cancelled during the year	–	−84
Depreciation for the year	−3,647	−3,071
Carrying amount	**8,064**	**11,487**

Machinery and equipment		
Opening balance	1,390	1,899
Contracts concluded during the year	392	929
Contracts cancelled during the year	−42	−141
Depreciation for the year	−821	−1,298
Carrying amount	**919**	**1,389**

Leasing liabilities		
Current	3,714	4,373
Non-current	4,964	8,242
Total	**8,678**	**12,615**

Amounts recognised in the balance sheet		
Depreciation on rights of use		
Real Estate	3,647	3,071
Machinery and equipment	821	1,298
Interest expenses	86	136
Expenditure related to short-term leases (included in cost of sales and administrative expenses)	100	80
Expenditure related to leases for which the underlying asset is of low value that are not short-term leases (included in cost of goods sold and administrative expenses)	65	55

The maturity analysis of liabilities related to right-of-use assets is presented in Note 27.

NOTE 16 Inventories

Group	**2024**	**2023**
Raw materials and consumables	11,015	11,623
Work in progress	6,372	6,742
Finished goods and goods for resale	12,011	12,444
Total	**29,398**	**30,809**

The cost of goods sold for the Group includes a change in obsolescence reserve of EUR −571 thousand (−935). The outstanding obsolescence reserve in the balance sheet amounts to EUR 4,413 thousand (3,842).

NOTE 17 Trade receivables

Accounts receivable are reported after taking into account bad debt losses incurred during the year, which amounted to EUR 186 thousand (245) in the Group. The loss has arisen in the context of management under the Group's treasury policy and has been recognised as an expense in the Profit and Loss Account during the financial year.

Credit risks in trade receivables
The risk that the Group's customers will not fulfil their obligations, that is, default, represents a customer credit risk. The Group's customers are credit checked, whereby information on the customers' financial position is obtained from credit reference agencies. The Group has guidelines in its financial policy on how to handle customer credits.
It specifies, among other things, where decisions are taken on customer credit limits of different sizes, and how the valuation of credits and the loss allowance should be handled.

Age analysis, past due and not impaired trade receivables

Group	31 Dec 2024	31 Dec 2023
Trade receivables not past due	35,707	37,340
Trade receivables past due 1–30 days	6,382	6,867
Trade receivables past due 31–90 days	2,953	2,513
Trade receivables past due >90 days	2,422	2,089
Credit loss provisions	–769	–885
Total	**46,695**	**47,924**

Change in provisions for loan allowance

Group	31 Dec 2024	31 Dec 2023
Opening loss allowance	–885	–784
Realised losses	186	224
Reversal of unutilised loss allowance	699	560
Loss allowance for the year	–760	–889
Translation differences	–9	4
Closing allowance	**–769**	**–885**

Concentration of credit risk in trade receivables
The Group has a limited credit risk per customer. The average purchase per customer and occasion amounts to EUR 6 thousand, and a total of about EUR 18 thousand per year.

NOTE 18 Prepaid expenses and accrued income

Group	31 Dec 2024	31 Dec 2023
Prepaid rent/leases	317	336
Insurance	189	123
Contract assets	2,562	2,305
Advances fixed assets	435	–
Energy tax	566	69
Other items	2,438	1,284
Total	**6,507**	**4,048**

NOTE 19 Appropriations

Parent Company	31 Dec 2024	31 Dec 2023
Group contributions	10,000	4,231
Change in tax allocation reserve	2,450	623
Total	**12,450**	**4,854**

NOTE 20 Earnings per share

Calculation of earnings per share is based on the weighted average number of outstanding ordinary shares (Class A shares). With the warrant programs that the Group has, there are potentially outstanding ordinary shares that may have dilutive effects in the future.

	Group	
	31 Dec 2024	31 Dec 2023
Profit for the year attributable to the Parent Company's shareholders	31,292	35,714
Earnings per share	0.52	0.60

Weighted average number of outstanding shares		
Total number of ordinary shares 1 January	**60,000,000**	**60,000,000**
Weighted average number of ordinary shares outstanding during the year, before dilution	**59,860,110**	**59,930,995**
Effect of share options	–	–
Weighted average number of ordinary shares outstanding during the year, after dilution	**59,860,110**	**59,930,995**

NOTE 21 Equity

Specification of the equity item reserves	Group	
Translation reserve	**31 Dec 2024**	**31 Dec 2023**
Opening translation reserve	–20,473	–21,365
Translation reserve for the year	–1,470	892
Closing translation reserve	**–21,943**	**–20,473**

Share capital and number of shares		
Reported in number of shares		
Issued as of 1 January	60,000,000	60,000,000
Issued as of 31 December - paid	**60,000,000**	**60,000,000**

The registered share capital is distributed as follows:

Reported in number of shares	Voting rights at general meetings	2024	2023
Class A shares (ordinary shares)	1 vote per share	60,000,000	60,000,000
		60,000,000	**60,000,000**

As at 31 December 2024, the registered share capital comprised 60,000,000 (60,000,000) ordinary shares and no preference shares.

Holders of ordinary shares (Class A) are entitled to receive dividends, which are determined over time.

Other paid-in capital
Refers to equity contributed by owners. This includes premiums paid in connection with share issues, option premiums and repurchased own shares. The company owns 154,668 own shares as of 31 December 2024.

Reserves
Translation reserve
The translation reserve comprises all exchange differences arising on the translation of the financial statements of foreign operations that have prepared their financial statements in a currency other than the currency in which the Group's financial statements are presented. The consolidated financial statements are presented in Euros.

Retained earnings including profit for the year
Retained earnings, including profit for the year, includes accrued earnings in the Parent Company and its subsidiaries.

Capital management
The Group strives to maintain a good financial position that contributes to retaining the confidence of lenders and the market and that provides a foundation for continued development of business activities. The Group defines managed capital as total recognised equity.

Parent Company
Non-restricted equity
The following funds together with profit for the year constitute non-restricted equity, i.e. the amount that is available for dividends to shareholders.

Share premium reserve
When shares and other equity instruments are issued at a premium, received premiums and amounts exceeding the shares' quota value are transferred to the share premium reserve. Amounts added to the share premium account as of 20 December 2012 are included in unrestricted capital.

Retained earnings
Retained earnings comprise the previous year's retained earnings and profit for the year after deduction of dividends for the year.

NOTE 22 Interest-bearing liabilities

This Note contains information on the company's contractual terms and conditions concerning interest-bearing liabilities. For more information on the company's exposure to interest rate risk and foreign exchange risk, see Note 27.

	Group		Parent Company	
Non-current liabilities	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
Bank loans	70,000	73,271	70,000	70,000
Lease and other liabilities	5,192	8,509	–	–
Government loans, interest-bearing	360	462	–	–
	75,552	**82,242**	**70,000**	**70,000**

	Currency	Nom. interest	Maturity	Nominal value	Carrying amount
Bank loans	EUR	EURIBOR +0.75%	29 Dec 2026	70,000	70,000
Total interest-bearing liabilities					**70,000**

The Group is financed through a bank loan. The loan is currently not subject to repayment but the Group has the facility to make repayments if it would prefer to do so. Interest is paid quarterly to the bank at a rate of EURIBOR plus 0.75 percent on the balance sheet date. With regard to the bank loan, the Group has specific loan conditions (covenants) to meet with external lenders covering the relationship between operating profit before depreciation, amortisation and impairment and net financial income/expense and the relationship between operating profit before depreciation, amortisation and impairment and net indebtedness. These loan conditions have been met throughout the financial year.

NOTE 23 Provisions for pensions

Overview of defined benefit plans
The Group has defined benefit plans in Sweden and Italy. The pension liability in Italy relates to the statutory severance pay received by all employees upon retirement.

The defined benefit plans are exposed to actuarial risks such as longevity, currency and interest rate risks.

The information below refers to all the above plans together.

Changes in present value of obligation relating to defined benefit plans

Group	2024	2023
Obligation for defined benefit plans as of 1 January	4,825	4,376
Cost relating to service in the current period	241	337
Interest expense	149	156
Revaluations	–	–
Actuarial gains and losses on changes in financial assumptions	–112	180
Pensions paid	–216	–236
Exchange differences	–10	13
Defined benefit obligation at December 31	**4,877**	**4,826**

Distribution of pension obligations

	2024	2023
Sweden	3,421	3,551
Italy	1,456	1,274
	4,877	**4,825**

Expense recognised through profit or loss

Group	2024	2023
Costs relating to service in the current period	–241	–337
Interest expense on the obligation	–149	–156
Total net expense in the income statement	**–390**	**–493**
Expense recognised in other comprehensive income		
Revaluations:		
Actuarial gains (–) and losses (+)	112	176
Net amount recognised in other comprehensive income	**112**	**176**

Assumptions relating to defined benefit obligations

The most significant actuarial assumptions as at the balance sheet date (expressed as weighted averages)	2024	2023
Discount rate as at 31 December	3.6 %	3.25 %
Future salary increases	2.5 %	2.3 %
Future pension increases	1.8 %	2.3 %
Inflation	1.8 %	1.6 %

Impact on future cash flows

As of 31 December 2024, the cash flow based duration used to calculate the obligation is 17 years.

The Group estimates that EUR 220 thousand will be allocated in 2025 to unfunded defined benefit plans accounted for as defined benefit plans. EUR 1,364 thousand is expected to be paid in 2025 to defined benefit and defined contribution plans in Sweden, which is recognised as defined contribution.

The old-age and survivors' pension commitments for civil servants in Sweden are secured through insurance with Alecta. According to the Swedish Financial Reporting Board's statement UFR 10, this is a defined benefit plan that comprises several employers. For the financial year 2024, the company has not had access to information that would allow it to account for this plan as a defined benefit plan. The pension plan in accordance with ITP that is secured through an insurance in Alecta is therefore recognised as a defined contribution plan. The year's fees for pension insurance policies taken out with Alecta amount to EUR 805 thousand (632). Alecta's surplus can be distributed to the policy holders and/or the insured. At the end of 2024, Alecta's surplus in the form of the collective consolidation level amounted to 162 percent (172). The collective consolidation level consists of the market value of Alecta's assets as a percentage of the insurance obligations calculated according to Alecta's actuarial calculation assumptions, which do not comply with IAS 19.

Defined contribution plans

In Sweden, the Group has defined contribution pension plans for workers that are fully paid by the company. Abroad, there are defined contribution plans which are partly paid for by the subsidiaries and partly covered through contributions paid by the employees. Payments to these plans are made on an ongoing basis in accordance with the rules of the respective plans. Next year's expected contributions to multi-employer defined benefit plans that are accounted for as defined contribution plans amount to EUR 44 thousand (44).

NOTE 24 Accrued charges and deferred income

	Group	
	31 Dec 2024	**31 Dec 2023**
Accrued wages, salaries and remuneration	2,215	2,490
Accrued holiday pay	2,649	2,518
Accrued social security contributions	2,037	2,097
Audit fees	276	117
Consultancy fees	94	69
Rent	114	134
Other items	5,270	3,767
Total	**12,655**	**11,192**

NOTE 25 Other liabilities

	Group	
Other current liabilities	**2024**	**2023**
Employee-related liabilities	3,220	3,401
VAT liabilities	718	954
Fair value, currency derivatives	–	24
Current liabilities Right-of-use assets	3,714	4,373
Other liabilities	2,178	3,222
Total	**9,830**	**11,979**

NOTE 26 Non-current liabilities

Non-current non-interest-bearing liabilities break down as follows.

	31 Dec 2024	**31 Dec 2023**
Included purchase price	3,611	–
Additional purchase price	1,930	1,415
Total	**5,541**	**1,415**

The additional purchase prices are conditional on the acquired companies achieving a certain result for the years 2023–2026. The liability for contingent consideration recognised in the balance sheet reflects management's best estimate of the outcome. In the event that the companies perform better or worse than management's assessment, the difference will be recognised in the income statement.

NOTE 27 Financial risk management and financial instruments

Financial policy and financial risk management
The Group's management of financial risks is based on a financial policy established by the Board that seeks to achieve a low level of risk through efficient management and control of the Group's financial risks. Through its business, the Group is exposed to currency risk, interest risk, liquidity and financing risk.

Currency risk
Exposure to currency risk can be divided into transaction exposure and translation exposure.

Transaction exposure
Transaction exposure is the risk of a negative effect on the Group's performance due to changes in currency exchange rates that affect the value of commercial transactions in a foreign currency in relation to the functional currency of the Group company that carries out the transaction. The Group's transaction exposure is managed as far as possible by matching inflows and outflows in the same currency. The remaining exposure is managed through the use of currency derivatives.

According to the Treasury policy, 60–80 percent of the forecasted net inflows or outflows in the currencies with a material impact for the Group should be hedged. Hedging should be done on a rolling basis over a 12 to 24 month horizon. The currency in which the Group has significant transaction exposure is SEK against EUR. The Group has a positive net inflow in SEK and the transaction exposure in SEK and other currencies is considered to have only a minor impact on the Group's results and financial position.

The Treasury policy allows the use of forward exchange contracts and currency options as hedging instruments. As at the balance sheet date the company only had outstanding currency futures.

The Group does not apply hedge accounting. All changes in the fair value of currency futures are thus recognised immediately through profit or loss for the period in which they occur.

The net fair value of outstanding currency derivatives at the balance sheet date amounted to EUR 117 thousand (–24). Net profit (+) / net loss (–) on forward contracts amounted to EUR 141 thousand (795) before tax during the financial year.

Translation exposure
Translation exposure arises from the translation of the balance sheet and income statement of subsidiaries that do not have EUR as their functional currency because the Group has EUR as its presentation currency. The Group has mainly a translation exposure in SEK against EUR as significant parts of the Group's net assets are in SEK. The translation exposure is not hedged.

Currency risk sensitivity analysis
A five percent strengthening of the Swedish krona against the euro would have a negative impact on the Group's reported results of approximately EUR –1,640 thousand (–2,140).

Interest risk
Interest risk is the risk that a change in market rates will have a negative impact on performance. Since December 2021, Troax has borrowed EUR 70 million from a bank, as of December 31, 2024, the loan amount is EUR 70 million. The loan carries a floating rate of EURIBOR 3 months plus a margin of 0.75 percent. If EURIBOR is negative, interest is calculated only on the margin. Changes in the EURIBOR therefore have an impact on the Group's net financial income/expense.

An increase in EURIBOR of 100 basis points would result in an increase in interest expense of EUR 700 thousand (600) before tax, based on the company's debts on the balance sheet date.

The Group does not apply hedge accounting.

Liquidity and financing risk
Liquidity and financing risk is the risk that the Group will not have access to financing to be able to handle its contractual obligations, or that this could only be obtained at a significantly increased cost. According to the financial policy, the Group's cash and cash equivalents plus overdraft facilities should total at least EUR 5 million. On the balance sheet date, cash and cash equivalents amounted to EUR 29.5 million (33.2). The Group and Parent Company have access to a central overdraft facility, which at the balance sheet date amounted to EUR 10 million (10).

The table below shows the maturity structure of the Group's financial liabilities including derivative liabilities. For each period, the maturity of the principal and payment of interest is shown. For liabilities that have variable interest rates, future interest payments have been estimated on the basis of the variable spot rate prevailing on the balance sheet date.

Specification of non-current interest-bearing liabilities	2024	2023
Opening balance	82,242	71,568
Leases entered into during the year	616	1,851
Leases terminated during the year	–42	–224
Amortisation of leases during the year	–4,179	–4,569
Loans taken/amortised during the year and additional loans from acquired companies	–3,271	14,000
Exchange differences	186	–384
Closing balance	**75,552**	**82,242**

2024	2025	2026	2027	2028 and later
Interest-bearing liabilities				
Non-current, interest-bearing liabilities	100	70,100	100	60
Lease liabilities in accordance with IFRS 16	3,714	2,235	1,451	1,277
Interest	3,499	2,749	68	32
Non interest-bearing liabilities				
Trade payables	22,763			
Other liabilities				
Currency derivatives				
Liabilities that are not derivatives	8,961	509	360	
Accrued expenses	12,655			
Total	**51,692**	**75,593**	**1,979**	**1,369**

The above interest-bearing liabilities relate to the Group. The Parent Company's interest-bearing liabilities amount to EUR 70,000 thousand.

2023	2024	2025	2026	2027 and later
Interest-bearing liabilities				
Non-current, interest-bearing liabilities		3,271	70,000	
Lease liabilities in accordance with IFRS 16	3,514	2,030	1,296	1,402
Interest	3,669	2,818	2,342	2,310
Non interest-bearing liabilities				
Trade payables	22,903			
Other liabilities				
Currency derivatives	24			
Liabilities that are not derivatives	11,825	1,315	100	
Accrued expenses	11,192			
Total	**53,127**	**9,434**	**73,738**	**3,712**

The above interest-bearing liabilities relate to the Group. The Parent Company's interest-bearing liabilities amount to EUR 70,000 thousand.

In the annual report, we have used Euribor forecasts for the years 2025–2026.

Year	2025	2026
Euribor	2.25 %	2.25 %

NOTE 28 Investment commitments

Troax continually invests in the maintenance of production facilities and production equipment. In addition to maintenance investments, investments are made to expand or upgrade production units aimed at increasing productivity and/or capacity.

In the financial year 2024, investments mainly concern the factories in Sweden and Poland and machinery in Sweden and Poland. The total amount of investment commitments entered into amounts to EUR 2.4 million (4.4).

NOTE 29 Collateral, contingent liabilities and contingent assets

At the end of the reporting period, the Group had no contingent liabilities or contingent assets. The Parent Company has a contingent liability in favour of subsidiaries.

Troax's past activities have led to an elevated level of trichloroethylene in the groundwater at its property in Hillerstorp, Sweden. In spring 2015, Troax completed an investigation involving bore samples to determine the scale of environmental impacts of the former activities. In June 2015, Gnosjö Municipality's Public Works Committee decided on a control program regarding chlorinated solvents in groundwater at selected sample points. The results of the sampling have been presented in a written report to Samhällsbyggnadsnämnden in Gnosjö Kommun no later than 2018. The test results from the checks, which are currently carried out every six months, currently show levels that normally do not require further action. The test results from the previous drillings are not sufficient to predict or determine with certainty what the final result will be. As of the date of this annual report, the Company has not made any provision for the environmental issue in question.

Collateral and contingent liabilities	**Group**		**Parent Company**	
In the form of pledged assets for liabilities and provisions	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
Floating charges	1,742	1,802	–	–
Security for pension	653	652	653	652
Borrowing for the benefit of subsidiaries	–	–	2,843	2,714
Total collateral and contingent liabilities	**2,395**	**2,454**	**3,496**	**3,366**

NOTE 30 Related parties

Related parties
The Parent Company has related party transactions with its subsidiaries, see Note 31. The Parent Company's sales in both 2024 and 2023 were exclusively to group companies. No purchases were made from Group companies.

Transactions with key management personnel
Wages, salaries and other remuneration to key management personnel are shown in Note 7.

NOTE 31 Significant Events After the Reporting Period

No significant events have occurred after the end of the financial year

NOTE 32 Participations in Group companies

Holdings in Group companies	Group company's registered office, country	31 Dec 2024 Participating interest	31 Dec 2023 Participating interest
Troax AB	Gnosjö, Sweden	100.0%	100.0%
Troax Nordic AB	Gnosjö, Sweden	100.0%	100.0%
Troax UK Ltd	Swindon, UK	100.0%	100.0%
Troax Lee Manuf. Ltd	Swindon, UK	100.0%	100.0%
Troax Italy SRL	Genoa, Italy	100.0%	100.0%
Troax Schweiz AG	Warth, Schweiz	100.0%	100.0%
Troax Inc.	Nashville, USA	100.0%	100.0%
Folding Guard	Chicago, USA	100.0%	100.0%
Troax Nordic AS	Oslo, Norway	100.0%	100.0%
Troax SAS	Chambèry, France	100.0%	100.0%
Troax BV	Lisse, Netherlands	100.0%	100.0%
Troax GmbH	Bad Camberg, Germany	100.0%	100.0%
Troax Güvenik Sistem	Istanbul, Turkey	100.0%	100.0%
Troax Shanghai System	Shanghai, China	100.0%	100.0%
Troax Denmark A/S	Ishøj, Denmark	100.0%	100.0%
Troax Systems SL	Barcelona, Spain	100.0%	100.0%
Troax Safety Systems Poland Sp.z.o.o.	Środa, Poland	100.0%	100.0%
Satech Safety Technology SPA	Milan, Italy	100.0%	100.0%
Satech Safety Technology SAS	Lyon, France	100.0%	100.0%
Satech Safety Technology GmbH	Stuttgart, Germany	100.0%	100.0%
Satech K.K	Tokyo, Japan	100.0%	100.0%
Lagermix Rullportar AB	Gnosjö, Sweden	100.0%	100.0%
Troax Safety Systems Co., Ltd.	Tokyo, Japan	100.0%	100.0%
Troax Safety Systems India	Bangalore, India	100.0%	100.0%
Natom Logistic	Środa, Poland	100.0%	100.0%
Terracotta Invein S.L.U	Barcelona, Spain	100.0%	100.0%
Troax Safety Systems PTY LTD	Rosehill, Australia	100.0%	100.0%
Claitec Solutions S.L.U	Girona, Spain	100.0%	100.0%
Troax Safety Systems Ltd.	Seoul, South Korea	100.0%	100.0%
Troaks d.o.o	Karlovac, Croatia	100.0%	100.0%
Garantell Holding AB	Värnamo, Sweden	100.0%	100.0%
Garantell AB	Värnamo, Sweden	100.0%	100.0%
Förrådsmontage i Öst AB	Värnamo, Sweden	100.0%	100.0%
Förrådsmontage i Söder AB	Värnamo, Sweden	100.0%	100.0%
Garantell Ltd	Worcestershire, UK	100.0%	100.0%
Garantell GmbH	Kelkheim, Germany	100.0%	100.0%
Troax Safety Systems Jiangsu Co., Ltd	Shanghai, China	100.0%	100.0%
Svenska Cykelrum AB	Stockholm, Sweden	100.0%	100.0%
Safety, Technology & Legislation	Swindon, UK	100.0%	0.0%
Troax CZ S.R.O	Kladno, Czech Republic	100.0%	0.0%
Terra International Ltd	Swindon, UK	100.0%	0.0%

Troax Group AB (publ) owns all the shares in Troax AB. Other Group companies are directly or indirectly owned by Troax AB.

	31 Dec 2024	31 Dec 2023
Opening acquisition values	87,694	87,694
Carrying amount as of 31 December	**87,694**	**87,694**

Analysis of the Parent Company's direct holding of shares in subsidiaries

Subsidiary / Corp ID no. / Registered office	Number of shares	Participation	31 Dec 2024 Carrying amount	31 Dec 2023 Carrying amount
Troax AB / 556093-5719 / Gnosjö	1,046,800	100%	87,694	87,694
			87,694	**87,694**

NOTE 33 Untaxed reserves

Parent Company	31 Dec 2024	31 Dec 2023
Tax allocation reserve	2,640	5,090
Total	**2,640**	**5,090**

NOTE 34 Specifications to the cash flow statement

Cash and cash equivalents	Group		Parent Company	
The following sub-components are included in cash and cash equivalents:	**31 Dec 2024**	**31 Dec 2023**	**31 Dec 2024**	**31 Dec 2023**
Cash in hand and at bank	27,703	33,165	5,971	11,212
Total according to the cash flow statement	**27,703**	**33,165**	**5,971**	**11,212**

Adjustments for non-cash items				
Depreciation	14,738	12,199	–	–
Provisions for pensions	51	307	–	–
Other provisions	137	417	–	–
Other effects	568	–31	–	–
Total	**15,494**	**12,892**	**–**	**–**

NOTE 35 Information about the Parent Company

Troax Group AB (publ), corp. ID number 556916-4030, is a Swedish-registered limited liability company based in Gnosjö. The address of the head office is Box 89, 335 04 Hillerstorp. The consolidated financial statements for 2024 consist of the Parent Company and its subsidiaries, together referred to as the Group.

NOTE 36 Proposed appropriation of profits

Non-restricted equity in the Parent Company in EUR thousand:	
Share premium reserve	18,950
Retained earnings	9,872
Profit for the year	8,252
Total	**37,074**

The Board's opinion on the proposed distribution of profits

The Board of Directors proposes to distribute to the shareholders EUR 0.34 (0.32) per share, totalling EUR 20.4 million (19.2). The proposed dividend to shareholders reduces the company's equity ratio to 19.2 percent and the Group's equity ratio to 51.6 percent. The equity/assets ratio is satisfactory in view of the fact that the company's and Group's business remains profitable. It is estimated that liquidity in the company and Group can be maintained at an equally satisfactory level. It is the Board's view that the proposed distribution does not prevent the company, or other companies in the Group, from fulfilling their short-term or long-term obligations, nor from completing required investments. The proposed dividend can thus be justified with regard to what is recommended in the Swedish Companies Act, Chapter 17, Section 3, paragraphs 2–3 (the rule of caution).

The record date for payment is 2 May 2025.

NOTE 37 Result from investments in group companies

Parent Company	2024	2023
Dividends	0	24,989
Total	**0**	**24,989**

ASSURANCE

We hereby declare that, to the best of our knowledge, the annual report has been prepared in accordance with generally accepted accounting principles and gives a true and fair view of the Company's position and results, and that the administration report gives a true and fair view of the development of the Company's operations, position and results and describes the significant risks and uncertainties facing the Company.

We hereby also confirm that to the best of our knowledge, the consolidated financial statements have been prepared in accordance with international financial reporting standards, adopted pursuant to Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, and provide a true and fair view of the Group's financial position and performance, and that the Directors' Report for the Group provides a fair review of the development and performance of the business and the financial position and performance of the Group, as well as a description of the principal risks and uncertainties facing the Group.

HILLERSTORP, 21 MARCH 2025

FREDRIK HANSSON
Board Member

STEFAN LUNDGREN
Employee Representative

MARTIN NYSTRÖM
CEO

ANNA STÅLENBRING
Board Member

ANDERS MÖRCK
Chair

BERTIL PERSSON
Board Member

EVA NYGREN
Board Member

THOMAS WIDSTRAND
Board Member

MARIE LANDFORS
Board Member

As stated above, the financial statements and consolidated financial statements were authorised by the Board of Directors on 21 March 2025. The consolidated income statement and balance sheet and the Parent Company's income statement and balance sheet are subject to adoption by the Annual General Meeting on 29 April 2025.

We submitted our audit report on 21 March 2025.
Öhrlings PricewaterhouseCoopers AB

JOHAN PALMGREN
Authorised Public Accountant

AUDITOR'S REPORT

To the Annual General Meeting of Troax Group AB (publ), **CORP. ID NO. 556916-4030**

REPORT ON THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

OPINIONS

We have audited the financial statements and consolidated financial statements of Troax Group AB (publ) for 2024. The Company's financial statements and consolidated financial statements are included on pages 8–52 and 72 of this document.

In our opinion, the financial statements have been prepared in accordance with the Swedish Annual Accounts Act and present fairly, in all material respects, the financial position of the Parent Company as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with the Swedish Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act.

The Directors' Report is consistent with the other parts of the financial statements and consolidated financial statements.

We therefore recommend that the Annual General Meeting adopt the income statement and balance sheet of the Parent Company and the consolidated income statement and balance sheet.

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

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibility in accordance with these standard is described further in the section Auditor's responsibilities. 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.

Focus and scope of the audit

We designed our audit by determining materiality and assessing the risk of material misstatements in the financial statements. In particular, we considered matters where the CEO and Board of Directors made subjective judgements, for instance, in respect of significant accounting estimates that involved making assumptions and forecasts about future events that are inherently uncertain. As in all audits, we also considered the risk of override of internal controls by the Board of Directors and CEO, including, among other things, consideration of whether there was evidence of systematic deviations that represented a risk of material misstatements due to fraud.

We tailored our audit in order to perform audit procedures that were appropriate for the purpose of being able to give an opinion on the financial statements as a whole, taking into account the Group's structure, financial reporting procedures and controls, as well as the industry sector in which the Group operates.

Materiality

The scope of the audit was influenced by our assessment of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatement can arise due to fraud or error. They are considered material if, individually or in combination, they could reasonably be expected to influence the economic decisions that users make on the basis of the financial statements.

Based on professional judgment, we determined certain quantitative materiality measures, including for financial reporting as a whole. On the basis of these disclosures and qualitative assessments, we established the scope of the audit and the nature, timing and extent of our audit procedures, and evaluated the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and consolidated financial statements for the reporting period. These matters were addressed in the context of our audit of the financial statements and consolidated financial statements as a whole, and we do not provide separate opinions on these matters.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation of intangible assets with indefinite useful lives and goodwill Under heading (n) in Note 1 "Accounting policies" and Note 12 of the Annual Report Troax describes its valuation of intangible assets with indefinite useful lives and goodwill. Intangible assets with indeterminate useful lives and goodwill account for a significant proportion of the Group's total assets. As these assets are not amortised on a regular basis, Troax will instead test annually for impairment. Troax has done this in the fourth quarter of 2024. The impairment test includes assumptions about, among other things, future sales, margins, capital tied up and discount factors. The company management and Board therefore have to make complex judgements and estimates. In order to assess the valuation, Troax has also performed simulations and sensitivity analyses to understand how a change in various assumptions affects the testing of a possible impairment requirement. Because the value of goodwill and intangible assets is a material amount and the assumptions required include judgments and estimates, each of which can have a significant effect on the valuation, it is a particularly important area for the audit.	Our audit procedures included an assessment of the mathematical accuracy of the cash flow calculations and a reconciliation of the cash flow forecasts to the budget and business plan. We have evaluated and assessed that the company's valuation model is consistent with accepted valuation techniques. We have assessed the sensitivity and impact on impairment testing of the assumptions that have the greatest impact on impairment testing, which include sustainable growth rate, sustainable operating margin and discount rate. We have reviewed the sensitivity analyses performed and have challenged management's assumptions and tested the margins of safety that exist and assessed the risk that an impairment loss would arise. We have also assessed whether the company has adequately disclosed in the annual report the assumptions that, if changed, could lead to impairment.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS

This document also contains information other than the annual accounts and consolidated accounts and can be found on pages 1–7, 64–71 and 73–74. The other information also consists of the remuneration report which we obtained before the date of this audit report. The Board of Directors and the CEO are responsible for this other information.

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

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 performing our review, we also consider the other knowledge we have obtained during the audit and whether the information otherwise appears to be materially misstated.

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

RESPONSIBILITIES OF THE BOARD AND CEO

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

In the preparation of the financial statements and consolidated financial statements, the Board of Directors and CEO are responsible for assessment of the company's and Group's ability to continue as a going concern. They disclose, where appropriate, information on conditions that may affect the ability to continue as a going concern and to use the going concern basis of accounting. However, the going concern basis of accounting is not used if the Board of Directors and CEO intend to liquidate the company, discontinue operations or do not have a realistic alternative to either of these actions.

The Audit Committee of the Board of Directors shall, without prejudice to the responsibilities and duties of the Board of Directors, inter alia, monitor the financial reporting of the company.

AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the financial statements and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit performed in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement if one 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 these financial statements and consolidated financial statements.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the Auditor's report.

REPORT ON OTHER STATUTORY AND REGULATORY REQUIREMENTS

AUDITOR'S REVIEW OF MANAGEMENT AND PROPOSAL FOR DISPOSITION OF THE COMPANY'S PROFIT OR LOSS

OPINIONS

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

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

BASIS FOR OPINIONS

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Our responsibility in accordance with these is described further in the section Auditor's responsibilities. 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 AND CEO

The Board of Directors is responsible for proposing the appropriation of the company's profit or loss. Dividend proposals include an assessment of whether the dividend is justifiable considering the demands that the nature, scope and risks of the Group's operations place on the amount of equity in the Parent Company and the Group, and on the consolidation requirements, liquidity and financial position in general of the Parent Company and the Group.

The Board of Directors is responsible for the organisation of the company and the management of its affairs. This includes, among other things, continuously assessing the financial situation of the company and the Group, and ensuring that the company's organisation is such that the accounting, treasury management and other financial affairs of the company are adequately controlled. The CEO shall carry out the day-to-day management in accordance with the guidelines and instructions of the Board of Directors and shall, inter alia, take the measures necessary to ensure that the company's accounts are kept in accordance with the law and that the funds are managed in a satisfactory manner.

AUDITOR'S RESPONSIBILITIES

Our objective for the audit of the administration, and thereby our opinion on discharge from liability, is to obtain audit evidence to enable us to determine with reasonable assurance whether any member of the Board or the CEO has, in any material respect:

» undertaken any action or been guilty of any omission which may give rise to liability to the company; or

» in any other way acted in contravention of the Swedish Companies Act, the Swedish Annual Accounts Act or the Articles of Association.

Our objective in auditing the proposed appropriation of the company's profit or loss, and hence our opinion thereon, is to obtain reasonable assurance about whether the proposed appropriation of the company's profit or loss is in accordance with the Swedish 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 may give rise to liability to the company, or that a proposed appropriation of the company's profit or loss is not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration can be found on the website of the Swedish Inspectorate of Auditors: www.revisorsinspektionen.se/revisornsansvar. This description forms part of the Auditor's report.

AUDITOR'S REVIEW OF THE ESEF REPORT

OPINIONS

In addition to our audit of the annual accounts and consolidated accounts, we have also examined whether the Board of Directors and the CEO have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) in accordance with Chapter 16. Section 4 a of the Securities Market Act (SFS 2007:528) for Troax Group AB (publ) for the year 2024.

Our review and opinion relates only to the statutory requirement.

In our opinion, the ESEF report has been prepared in a format that allows for substantially uniform electronic reporting.

BASIS FOR OPINIONS

We have performed the review in accordance with FAR's recommendation RevR 18 The auditor's review of the ESEF report. Our responsibilities under this recommendation are further described in the Auditor's responsibilities section. We are independent of Troax Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

RESPONSIBILITIES OF THE BOARD AND CEO

It is the responsibility of the Board of Directors and the CEO to ensure that the ESEF report has been prepared in accordance with Chapter 16, Section 4 a of the Securities Market Act (SFS 2007:528), and that there are such internal controls as the Board of Directors and the CEO determine are necessary to enable the preparation of the ESEF report that is free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITIES

Our task is to express an opinion, with reasonable assurance, as to whether the ESEF report has been prepared, in all material respects, in a format that complies with the requirements of Chapter 16, Section 4 a of the Securities Market Act (SFS 2007:528), on the basis of our review.

RevR 18 requires that we plan and perform our audit procedures to obtain reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement if one exists.

Errors can arise from irregularities or mistakes 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 the ESEF report.

The audit firm applies International Standard on Quality Management 1, which requires the firm to design, implement and manage a quality management system including policies or procedures relating to compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The audit involves performing procedures to obtain evidence that the ESEF report has been prepared in a format that enables consistent electronic reporting of the annual accounts and consolidated accounts.

The auditor selects the procedures to be performed, including assessing the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's and the CEO's preparation of the evidence 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 internal control.

The audit also includes an evaluation of the appropriateness and reasonableness of the assumptions made by the Board and the CEO.

The audit procedures mainly include the validation that the ESEF report has been prepared in a valid XHTML format and a reconciliation that the ESEF report is consistent with the audited annual accounts and consolidated accounts.

The audit also includes an assessment of whether the consolidated income statement, balance sheet, statement of changes in equity, cash flow statement and notes to the ESEF report have been tagged with iXBRL as required by the ESEF Regulation.

Öhrlings PricewaterhouseCoopers AB, SE-113 97 Stockholm, was appointed auditor of Troax Group AB (publ) by the general meeting of shareholders on April 22, 2024 and has been the company's auditor since December 12, 2012.
In spring 2015 the company became a public interest entity.

Gothenburg, 21 March 2025
Öhrlings PricewaterhouseCoopers AB

JOHAN PALMGREN
Authorised Public Accountant
Auditor in Charge

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Troax Group AB (publ) ("Troax" or "The Company") is a Swedish public limited company. The Company's shares were listed on Nasdaq Stockholm on 27 March 2015 and since then the Company applies the Swedish code for corporate governance ("the Code"). The guidelines for the Code are available on the website of the Swedish Corporate Governance Board (www.bolagsstyrning.se). The Code is based on the "comply or explain" principle, which means that companies applying the Code can deviate from individual rules but provide an explanation for the deviation.

SHARE CAPITAL AND SHAREHOLDERS

The share capital at the end of the year amounted to EUR 2,574,618 divided into a total of 60,000,000 shares. All shares have equal voting rights. At the end of 2024, Investment AB Latour owned 18,060,000 shares (18,060,000) corresponding to 30.1 percent (30.1) of the capital and votes. The ten largest shareholders together owned 73.75 percent (70.9) of the shares in the company. For further information on the share and shareholders, see www.troax.com.

ANNUAL GENERAL MEETING

According to the Swedish Companies Act (SFS 2005:551), the General Meeting is the highest decision-making body of the Company. At the Annual General Meeting, shareholders exercise their voting rights on key issues such as the adoption of the profit and loss account and balance sheet, the appropriation of the Company's profits, the discharge of the members of the Board of Directors and the Chief Executive Officer, the election of the members of the Board of Directors and the auditors, and the remuneration of the Board of Directors and the auditors. The Articles of Association do not contain any separate restrictions on the appointment or removal of a Board member or amendment of the Articles of Association. Nominations of Board members comply with the instructions issued by the Annual General Meeting in 2024.

The AGM must be held within six months of the end of the financial year. In addition to the Annual General Meeting, extraordinary general meetings may be called. In accordance with the Articles of Association, a general meeting of shareholders must be called through an advertisement in the official gazette Post- och Inrikes Tidningar and through a summons being made available on the company's website. At the time of the summons, information that a summons has been issued must be published in the Swedish newspaper Svenska Dagbladet.

RIGHT TO PARTICIPATE IN GENERAL MEETINGS OF SHAREHOLDERS

Shareholders who want to participate in a general meeting must be entered in the share register maintained by Euroclear Sweden on the day six working days before the meeting, and must notify the Company of attendance not later than on the day stated in the summons to the general meeting. Shareholders can attend general meetings in person or through a proxy and can also be assisted by up to two people. Normally, shareholders have an opportunity to notify the company of their intention to attend the general meeting in several different ways, which are stated in the summons. Shareholders are entitled to vote for all shares held by the shareholder in the Company.

INITIATIVE OF A SHAREHOLDER

Shareholders who want to have a matter dealt with at a general shareholders' meeting must submit a written request to the Board. Such a request must normally be received by the Board not later than seven weeks before the general shareholders' meeting.

ANNUAL GENERAL MEETING 2024

The 2024 Annual General Meeting was held on April 22. At this meeting, seven Board members were elected, including Chairman Anders Mörck, and a Nomination Committee was appointed, see below under "Nomination Committee". The previous Board of Directors consisted of six members, one of whom, who was also the CEO, did not receive any remuneration. At the meeting, 79.29 percent (73.33) of all shares and votes were represented. The Annual Report and the accompanying auditors' report were also presented at the meeting and approved, together with the discharge of the Board of Directors and the CEO. It was also decided that fees to the Board of Directors shall amount to a total of SEK 2,840,000 (1,880,000) of which SEK 340,000 (279,000) for committee work and that elected auditors shall be paid according to approved invoices. A decision was taken on a stock option programme for Group Management.

NOMINATION COMMITTEE

Companies that adhere to the Code must have a Nomination Committee. As of 2019, the Nomination Committee is appointed based on ownership of the company on the last business day of August. According to the Code, the Nomination Committee must comprise at least three members, of which a majority shall be independent in relation to the company and the Group's management. At least one of the Nomination Committee's members must be independent in relation to the company's largest shareholder in terms of voting power or in relation to a group of shareholders that cooperate on the company's management. The Nomination Committee shall prepare its recommendations taking into account that the composition of the Board must be appropriate in view of the company's business, stage of development and other relevant circumstances. The Board members must together offer diversity and breadth in terms of qualifications, experience and background.

The Nomination Committee for the 2025 Annual General Meeting consists of Ossian Ekdahl (representative of the shareholder Latour and Chairman of the Nomination Committee), Christian Lindström (representative of the shareholder SEB Investment Management), Pär Andersson (representative of the shareholder Spiltan Fonder), Sophie Larsén (representative of the shareholder AMF Fonder) and Anders Mörck (co-opted and Chairman of the Board of Troax Group AB). The Nomination Committee's mandate remains in force until a new Nomination Committee has been appointed.

BOARD OF DIRECTORS

The Board of Directors is the company's next highest decision-making body after the Annual General Meeting. In accordance with the Swedish Companies Act, the Board is responsible for the company's administration and organisation, which means that the Board is responsible for, among other things, establishing goals and strategies, safeguarding procedures and systems for evaluation of established goals, continuously evaluating the company's performance and financial position, as well as evaluating the operational management. The Board is also responsible for ensuring that the annual and interim reports are prepared in a timely manner. In addition, the Board appoints the CEO.

The members of the Board of Directors are normally elected by the Annual General Meeting for the period until the end of the next Annual General Meeting. According to the Company's Articles of Association, the Board of Directors, insofar as it is elected by the General Meeting, shall consist of at least four members and at most eight members with at most four alternates. According to the Code, the Chairman of the Board of Directors is elected by the Annual General Meeting and has specific responsibility for the management of the Board's work and for ensuring that the Board's work is well organised and carried out effectively The persons elected as Directors at the 2024 AGM are listed on pages 64–65. It is the Nomination Committee's opinion that the composition of the Board of Directors is appropriate in view of the company's business, financial position, stage of development and other circumstances. An important basis for nomination of board members is that the composition of the board must reflect and accommodate the various skills and experiences that may be required for the company's strategic development and governance. In particular, the Nomination Committee has taken into account the requirement for diversity and breadth on the board, as well as the need to strive for equal gender distribution. According to the Nomination Committee, the composition is appropriate for the purpose of meeting such requirements in the company's business. The Nomination Committee has chosen to apply rule 4.1 of the Corporate Governance Code as its diversity policy.

The Board follows written rules of procedure which are revised annually and adopted at the inaugural meeting of the Board each year. The rules of procedure govern, among other things, board practices, functions and the distribution of work between the board members and the CEO. In connection with the inaugural Board meeting, the Board also establishes the instructions for the CEO, including financial reporting.

The Management Board meets according to an annual schedule. In addition to these board meetings, additional board meetings can be convened in order to deal with matters that cannot be referred to an ordinary board meeting. In addition to board meetings, the Chairman of the Board and the CEO maintain a continuous dialogue concerning management of the company. During the year, the Board met seven times. For attendance in 2024, see separate table. Agendas for Board meetings, together with the documentation required by the Rules of Procedure, are sent to members approximately one week before the meeting. In addition to this documentation, Members receive monthly updates on financial developments and other relevant information.

The Chairman of the Board and CEO discuss and decide issues for the respective meetings before these take place. The Company's CFO regularly participates in the company's board meetings. In addition to this member of the Group management, others can participate in the meetings if so desired or required.

The Board of Directors of the Company currently consists of seven ordinary members and one employee representative, who are presented in the section "Board of Directors, senior management and auditors".

AUDIT COMMITTEE
The Board has decided to work through an Audit Committee chaired by Anna Stålenbring and with Bertil Persson as a member. The Audit Committee met three times in 2024. The main tasks of the Committee are:

» monitor the Company's financial reporting, and sustainability reporting
» monitoring the effectiveness of the Company's internal control, internal audit and risk management,
» staying informed about the audit of the annual accounts and consolidated accounts,
» reviewing and monitoring the auditor's impartiality and independence, paying particular attention to whether the auditor provides non-audit services to the Company,
» assisting with preparing proposals to the Annual General Meeting for the election of auditors.

REMUNERATION COMMITTEE
The Board has decided to appoint a remuneration committee for 2024 with Anders Mörck as chair and Eva Nygren as member. The Remuneration Committee met twice in 2024. In terms of remuneration issues for 2024, this meant that the committee:

» prepared suggestions concerning remuneration principles, remuneration and other employment terms and conditions for the CEO and the Group management,
» reviewed and evaluated existing and completed programmes concerning variable remuneration for the company's management, and
» reviewed and evaluated the application of guidelines for remuneration for the Group management, as decided by the Annual General Meeting, and other remuneration structures and remuneration levels within the company.

EVALUATION OF THE BOARD'S WORK
The Chairman of the Board is responsible for the evaluation of the Board's work, including assessments of the performance of individual Board members. This is carried out on an annual basis according to an established procedure. The assessment focuses on factors such as availability of, and requirements for, specific competence within the Board, commitment, the quality of the Board material and time for reading the same. The results of the evaluation are reported to the Nomination Committee and form the basis for the Nomination Committee's proposals for board members and remuneration for the board.

CEO AND OTHER MEMBERS OF THE GROUP MANAGEMENT
The CEO reports to the Board of Directors and is responsible for the day-to-day management and operations of the Company. The division of responsibilities between the Board and the CEO is set out in the Rules of Procedure of the Board and the Instructions to the CEO. The CEO is also responsible for preparing reports and compiling management information for Board meetings and is the rapporteur of the material at Board meetings.

According to the financial reporting guidelines, the Chief Executive Officer is responsible for the Company's financial reporting and must therefore ensure that the Board receives accurate information to enable it to evaluate the Company's financial position.

The Chief Executive Officer shall keep the Board of Directors continuously informed of the development of the Company's operations and sales, results and financial position, cash flow, credit status, important business events and any other events, circumstances or conditions that can be assumed to be important for the Company's shareholders. The CEO and the Group Management are presented in the section "Board, Group Management and auditors".

REMUNERATION FOR BOARD MEMBERS, THE CEO AND GROUP MANAGEMENT

REMUNERATION FOR BOARD MEMBERS

Decisions on fees and other remuneration for Board members, including the chairman, are taken by the Annual General Meeting. Remuneration to the Chairman of the Board was set at SEK 820,000 (720,000) and at SEK 320,000 (290,000) each for Board members Bertil Persson, Anna Stålenbring, Eva Nygren, Fredrik Hansson, Thomas Widstrand and Marie Landfors. In addition, remuneration for work in the Audit Committee is SEK 150,000 to the Chairman and SEK 100,000 to other members, and for work in the Remuneration Committee SEK 60,000 to the Chairman and SEK 30,000 to other members. Thomas Widstrand did not receive any remuneration during his period of employment with the company. After completion of the assignment, the Board member is not entitled to any benefits.

GUIDELINES FOR REMUNERATION OF THE CEO AND OTHER SENIOR EXECUTIVES

The Annual General Meeting held in April 2024 decided on guidelines for remuneration of the CEO and other senior executives.

REMUNERATION IN FINANCIAL YEAR 2024

The remuneration of the Company's management consists of base salary, variable remuneration, pension benefits and other benefits. The table below provides an overview of the remuneration of directors and Group Management for the financial year 2024. The amounts are shown in thousands of EUR.

	Attendance			Remunerations			
GROUP	**Board meetings**	**Audit Committee**	**Remuneration Committee**	**Fee/ Basic salary**	**Variable remuneration**	**Other benefits**	**Pension**
Anders Mörck (Chairman)	7/7		2/2	77.0	–	–	–
Anna Stålenbring	7/7	3/3		41.1	–	–	–
Eva Nygren	7/7		2/2	30.6	–	–	–
Bertil Persson	7/7	3/3		36.7	–	–	–
Fredrik Hansson	7/7			28.0	–	–	–
Marie Landfors	5/7			21.0	–	–	–
Thomas Widstrand	7/7			14.1	–	–	–
Stefan Lundgren (work rep)	7/7			–	–	–	–
Martin Nyström (CEO)	5/7			208.2	–	6.8	33.2
Thomas Widstrand (CEO)				148.7	79.4	6.4	52.6
Other senior executives (6 persons)				1,204.8	0.0	77.7	369.4
Total				**1,810.2**	**79.4**	**90.9**	**455.2**

CURRENT EMPLOYMENT CONTRACTS FOR THE CEO AND OTHER MEMBERS OF THE GROUP MANAGEMENT

Decisions on current remuneration levels and other employment terms and conditions for the CEO and other members of the Group Management are taken by the Board of Directors. Agreements on pensions must, where possible, be based on fixed premiums and must adhere to levels, practices and collective agreements that apply in the country where the senior executive in question is employed.

The CEO is entitled to a fixed annual salary of EUR 360 thousand, a short-term variable remuneration linked to certain KPIs for the financial year 2024, one of which is related to sustainability, corresponding to a maximum of EUR 105 thousand. In addition, there is a possible long-term variable remuneration linked to certain key figures for the financial year 2027, which corresponds to a maximum of EUR 430 thousand, distributed over three years and eight months.
In 2024, total remuneration including pension provisions for the CEO amounted to EUR 248.2 thousand and for the former CEO and Board member to EUR 287.1 thousand. In addition to the General Insurance Act, the CEO is covered by the ITP 1 plan on salary shares up to 7.5 income base amounts. In addition, the remuneration consists of a direct pension

At the end of the financial year, the Group of senior executives, the Executive Board, consisted of six persons in addition to the Chief Executive Officer. In addition to a fixed annual salary, these six individuals have a short-term variable remuneration linked to certain key performance indicators for the financial year 2024 and a possible long-term remuneration linked to certain key performance indicators for the financial year 2024. In 2024, the total remuneration to senior executives amounted to EUR 1,652 thousand of which EUR 0.0 thousand relates to short-term variable remuneration and EUR 0.0 thousand relates to long-term variable remuneration. Members of the Group Management resident in Sweden are subject to a period of notice of 3–6 months in case of resignation by the employee, and 6–12 months in the case of termination by the employer. Senior executives are covered by the

ITP plan, including the right to the 10-day solution, in addition to the general insurance law.

AUDIT

The auditor must audit the Company's financial statements and accounts and the Board's and CEO's administration. After each financial year the auditor must submit an auditor's report and a consolidated auditor's report to the Annual General Meeting. In 2024, the auditor participated in one board meeting in order to provide comments on continuous auditing and the general approach to the accounting year. The auditors are elected until the Annual General Meeting in 2025.

In accordance with the Articles of Association of the Company, the Company shall have not less than one and not more than two auditors and not more than two deputy auditors. The Company's auditor is Öhrlings PricewaterhouseCoopers AB, with Johan Palmgren as auditor in charge. The company's auditor is presented in more detail in the section "Board of Directors, Group Management and auditors". In 2024, the total remuneration of the Company's auditors amounted to EUR 423 thousand (506).

INFORMATION POLICY, INSIDER POLICY AND LOGBOOK INSTRUCTIONS

The company has adopted an information policy in order to comply with the information requirements for a company whose shares are listed on a regulated market.

The Company has established policy documents in order to inform employees and other interested parties within Troax about the applicable rules and regulations for the Company's disclosure of information and the special requirements that apply to persons active within a listed company, for example with regard to price-sensitive information.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The objective of the internal financial controls within Troax is to create an effective decision-making process in which requirements, targets and frameworks are clearly defined. The company and the management use the internal control systems to monitor operations and the Group's financial position.

CONTROL ENVIRONMENT

The basis for internal controls relating to financial reporting comprises the overall control environment. Troax's control environment includes sound values, competence, management philosophy, organisational structure, responsibility and authorities. Troax's internal instructions, policies, guidelines and manuals provide guidance for employees. The control environment also includes laws and external regulations.

Troax ensures a clear division of roles and responsibilities for the effective management of business risks through, among other things, the rules of procedure for the Board and its committees, as well as the instructions for the CEO. In the continuing operations, the CEO is responsible for the system of internal controls that is required to create a control environment for material risks. Troax also has guidelines and policies on financial governance and follow-up, issues concerning communication and business ethics.

The Board of Directors has appointed an Audit Committee whose tasks include ensuring that established principles for financial reporting and internal control are maintained.

RISK ASSESSMENT AND CONTROL ACTIVITIES

There is a risk that material misstatement could occur in the financial statements in connection with accounting and measurement of assets, liabilities, income and expenses or deviations from information requirements. Each year, Troax's finance function carries out a risk analysis with regard to the Group's balance sheet and income statement based on qualitative and quantitative risks.

Standard control activities include account reconciliations and supporting controls. The purpose of all control activities is to prevent, detect and correct any errors or discrepancies in the financial reporting. The most significant risks concerning financial reporting identified as a result of the Group's internal control activities are managed through control structures that in all material respects are based on deviation reporting from established goals or standards.

FOLLOW-UP

The Group applies IFRS. Financial data are reported on a monthly basis from 40 reporting entities in accordance with standardised reporting procedures. The reporting constitutes the basis for the Group's consolidated financial reporting. Consolidation is done from a legal and operational perspective, resulting in quarterly legal reports and monthly operational reports.

INTERNAL AUDIT

According to the Code, the Board must make a decision annually on whether the Company should have an internal audit function that evaluates whether internal governance and controls are functioning as planned, or whether the Board should establish that this is the case in some other way.

At group level, the CEO of each legal entity, together with the legal and/or operating entity's finance function and the Group's finance director, are responsible for ensuring that requisite controls are carried out and followed up. Internal control includes control over the company's and Group's organisation, procedures and follow-up measures. The purpose is to ensure that reliable and accurate financial reporting is carried out, that the company's and the Group's financial reporting is prepared in accordance with the law and applicable accounting standards, and that other requirements are fulfilled. The system for internal control also aims to monitor adherence to the company's and Group's policies, principles and instructions. In addition, the protection of the company's assets is monitored in an appropriate manner. Furthermore, internal control is performed through follow-up of implemented information and business systems and through risk analysis.

The size of the company, combined with the work on internal governance and control described above, means that the Board has not found it necessary to set up a separate internal audit function, which is performed by the Board as a whole. Effective Board work is thus the basis for good internal control, and Troax's Board has established rules of procedure and clear instructions for its work. However, the issue of a dedicated internal audit function will be reviewed annually.

AUDITOR'S STATEMENT ON THE CORPORATE GOVERNANCE REPORT

ENGAGEMENT AND RESPONSIBILITIES
The Board of Directors is responsible for the corporate governance report for 2024 on pages 58–62 and that it has been prepared in accordance with the Annual Accounts Act.

FOCUS AND SCOPE OF THE AUDIT
Our review was conducted in accordance with FAR's recommendation RevR 16 The auditor's review of the corporate governance report. This means that our review of the Corporate Governance Report has a different focus and is significantly less in scope than the focus and scope of an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides sufficient basis for our opinions.

OPINION
A Corporate Governance Report has been prepared. Disclosures in accordance with Chapter 6, Section 6, second paragraph, points 2–6 of the Annual Accounts Act and Chapter 7. Section 31, paragraph 2 of the same Act are consistent with the financial statements and consolidated financial statements and are in accordance with the Swedish Annual Accounts Act.

Gothenburg, 21 March 2025
Öhrlings PricewaterhouseCoopers AB

JOHAN PALMGREN
Authorised Public Accountant

BOARD OF DIRECTORS

SHAREHOLDINGS AS AT THE DATE OF ADOPTION OF THIS ANNUAL REPORT

ANDERS MÖRCK

Chairman of the Board since 2020.

BORN: 1963.

EDUCATION: MSc from Växjö University.

PROFESSIONAL EXPERIENCE: CFO of Investment AB Latour.

OTHER SIGNIFICANT BOARD APPOINTMENTS: Board member of HMS Networks AB, Swegon Group AB, Nord-Lock International AB, Hultafors Group AB, Bemsiq AB and Latour Industries AB.

SHAREHOLDING: 9,000 shares.

ANNA STÅLENBRING

Board member since 2015.

BORN: 1961.

EDUCATION: MSc from Växjö University.

PROFESSIONAL EXPERIENCE: Experience of 30 years in the management of industrial companies, most of which within the Nefab Group.

OTHER SIGNIFICANT BOARD APPOINTMENTS: Board member of Lammhults Design Group AB, VBG Group AB, engcon AB and Investment AB Chiffonjén.

SHAREHOLDING: 9,000 shares.

THOMAS WIDSTRAND

Board member since 2014.

BORN: 1957.

EDUCATION: MBA from the University of Gothenburg, School of Business, Economics and Law.

PROFESSIONAL EXPERIENCE: CEO of Troax Group, Borås Wäfveri AB and Cardo Pump AB.

OTHER SIGNIFICANT BOARD APPOINTMENTS: Board member of Balco AB, Elco Group and Arlaplast AB.

SHAREHOLDING: 3,478,824 shares and 15,310 call options giving the right to subscribe for 15,310 shares.

EVA NYGREN

Board member since 2016.

BORN: 1955.

EDUCATION: Architecture at Chalmers University of Technology.

PROFESSIONAL EXPERIENCE: Director of Investment at the Swedish Transport Administration, Group Chief Executive and CEO of Rejlerkoncernen AB, CEO of Sweco Sverige AB, Sweco Russia AB and Sweco FFNS Architects AB.

OTHER SIGNIFICANT BOARD APPOINTMENTS: Board member of Swedavia AB, Brekke & Strand Akustikk AS and NRC Group ASA.

SHAREHOLDING: 1,500 shares.

FREDRIK HANSSON
Board member since 2018.

BORN: 1971.

EDUCATION: MSc in Business and Economics from University of North Alabama.

PROFESSIONAL EXPERIENCE: CEO of Roxtec AB, owner-manager.

OTHER SIGNIFICANT BOARD APPOINTMENTS: Chairman of the Board of Scanbox Thermoproducts AB. Board member of HMS Networks AB and Anocca AB.

SHAREHOLDING: 10,000 shares.

BERTIL PERSSON
Board member since 2018.

BORN: 1961.

EDUCATION: MSc in Business and Economics from Stockholm School of Economics.

PROFESSIONAL EXPERIENCE: President of the Beijer Alma Group, senior positions in LGP Telecom, Scania AB and Investor AB.

OTHER SIGNIFICANT BOARD APPOINTMENTS: Board member of Bufab AB.

SHAREHOLDING: 4,500 shares.

MARIE LANDFORS
Board member since 2024.

BORN: 1965.

EDUCATION: Master of Science in Chemical Engineering from KTH in Stockholm.

PROFESSIONAL EXPERIENCE: Professional base in process and chemical industries, including SCA and AkzoNobel with commercial focus. Currently combines interim leadership with board positions in technology companies.

OTHER SIGNIFICANT BOARD APPOINTMENTS: Board member of Densiq AB.

SHAREHOLDING: 3,000 shares.

STEFAN LUNDGREN
Board member (employee representative) since 2021.

BORN: 1971.

EDUCATION: Master of Business Administration, Jönköping School of Economics.

PROFESSIONAL EXPERIENCE: Product manager for warehouse and industrial walls and storage at Troax AB.

SHAREHOLDING: 4,573 shares and 18,700 call options giving the right to subscribe for 18,700 shares.

MANAGEMENT

SHAREHOLDINGS AS AT THE DATE OF ADOPTION OF THIS ANNUAL REPORT

MARTIN NYSTRÖM

President and CEO since 2024.
Employed in the Troax Group since 2024.

BORN: 1984.

EDUCATION: MSc Industrial Engineering and Management, Linköping University.

PROFESSIONAL EXPERIENCE: Several leading positions within Sandvik Group.

SHAREHOLDING: 4,300 shares and 20,000 call options giving the right to subscribe for 20,000 shares.

ANDERS EKLÖF

CFO since June 2017.
Employed in Troax Group since 2017.

BORN: 1970.

EDUCATION: Master of Science in Business Administration at Växjö University.

PROFESSIONAL EXPERIENCE: CFO of Strömsholmen AB, authorised auditor and director of PwC.

SHAREHOLDING: 3,500 shares and 14,800 call options giving the right to subscribe for 14,800 shares.

JAVIER GARCIA

President EMEA since 2025.
Employed in Troax Group since 2004.

BORN: 1972.

EDUCATION: MBA Business Administration, IESE Business School and a Bachelor's degree in Computer Engineering Politécnica Catalunya University in Spain.

PROFESSIONAL EXPERIENCE: Various positions in marketing and sales at Fichet Bauche and Gunnebo.

SHAREHOLDING: 40,000 shares and 15,204 call options giving the right to subscribe for 15,204 shares.

CHRISTIAN HELLMAN

Vice President Supply Chain since 2017.
Employed in Troax Group since 2017.

BORN: 1976.

EDUCATION: In technology, management, logistics and finance.

PROFESSIONAL EXPERIENCE: Site Manager/Factory Manager at Experts nordic warehouse and AQ Enclosures Systems AB.

SHAREHOLDING: 0 shares and 6,300 call options giving the right to subscribe for 6,300 shares.

MICHAEL STANDAR

President Asia Pacific since 2019.
Employed in Troax Group since 2019.

BORN: 1963.

EDUCATION: Master of Science in Mechanical Engineering from Lund University (LTH).

PROFESSIONAL EXPERIENCE: Many years of experience in the welding industry (ESAB and voestalpine) with various positions in Europe and especially Asia.

SHAREHOLDING: 4,000 shares and 14,500 call options giving the right to subscribe for 14,500 shares.

MARTIN ASK

Vice President of Infomation Technology since 2025.
Employed in Troax Group since 1999.

BORN: 1980.

EDUCATION: In projects and product management.

PROFESSIONAL EXPERIENCE: Various positions in production, product development and marketing.

SHAREHOLDING: 0 shares and 3,200 call options giving the right to subscribe for 3,200 shares.

MARIE-ASTRID LÖFDAHL

Vice President of Human Resources since 2024. Employed in Troax Group since 2024.

BORN: 1985.

EDUCATION: Human Resources and Working Life Program at Linnaeus University in Växjö.

PROFESSIONAL EXPERIENCE: HR Interim Consultant at Stora Enso Packaging AB and Troax AB, and HR Business Partner at Husqvarna Group.

SHAREHOLDING: 10 shares.

MIKAEL CARLSSON

Vice President Strategy & Offering Since 2019. Employed in Troax Group since 2019.

BORN: 1980.

EDUCATION: Marketing degree at Växjö University.

PROFESSIONAL EXPERIENCE: Several leading positions within Bufab Group, AQ Enclosure Systems and MP Engineering.

SHAREHOLDING: 55 shares.

JOSÉ NUNEZ

President Americas since 2025. Employed in Troax Group since 2022.

BORN: 1965.

EDUCATION: MBA from Tecnológico de Monterrey.

PROFESSIONAL EXPERIENCE: Several cross-functional international leadership positions at Caterpillar.

SHAREHOLDING: 0 shares and 7,030 call options giving the right to subscribe for 7,030 shares.

CAMILLA DAVIDSSON

Vice President Marketing since 2025. Employed in Troax Group since 2025.

BORN: 1975.

EDUCATION: MBA from Mälardalen University.

PROFESSIONAL EXPERIENCE: Leading position in Marketing and Ecommerce in Barnes, EFG European Furniture Group and Staples.

SHAREHOLDING: 0 shares.

AUDITORS

Öhrlings PricewaterhouseCoopers AB (PwC).

Johan Palmgren (born 1974).

Öhrlings PricewaterhouseCoopers AB.

Torsgatan 21, SE-113 21 Stockholm.

GROUP HIGHLIGHTS

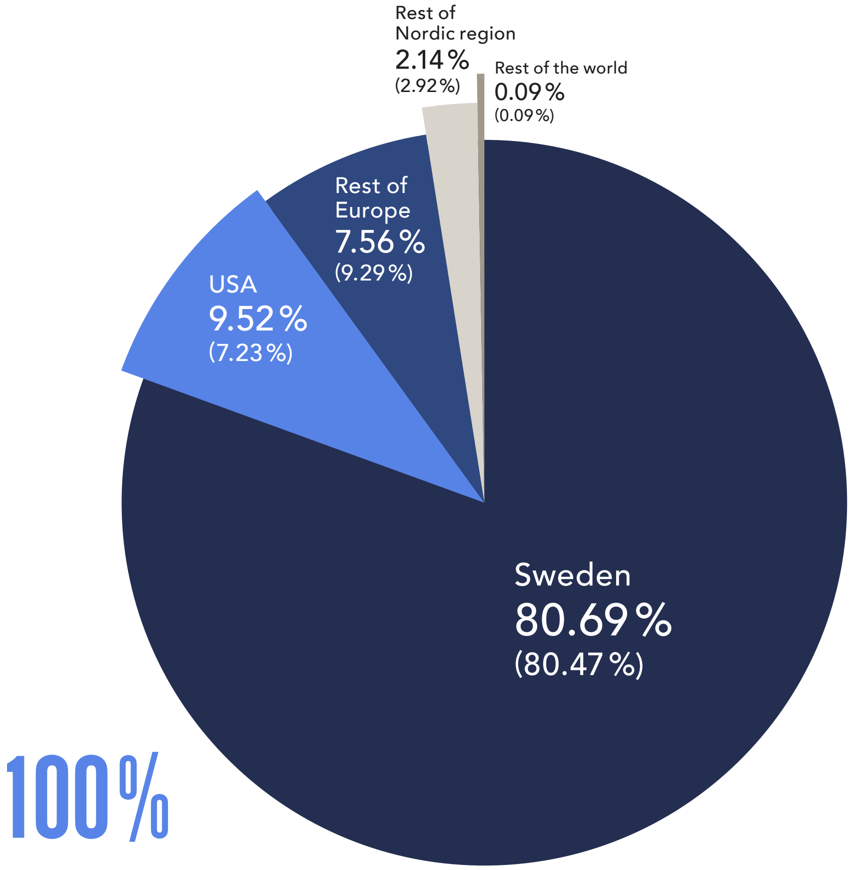
Income statement, EUR million	2024	2023	2022	2021	2020	2019	2018	2017	2016[1]	2015
Net sales	278.5	264.3	284.1	282.3	163.6	168.0	161.0	152.1	115.8	103.7
Operating expenses	−233.5	−214.4	−238.8	−199.9	−132.8	−135.0	−128.1	−121.5	−90.5	−81.3
Operating profit	45.0	49.9	49.6	52.4	30.8	33.0	32.9	30.6	25.3	22.4
Net financial income/expense	−4.3	−2.5	−1.4	−1.0	−0.7	−0.9	−0.8	−5.2	−3.9	−4.1
Profit before tax	40.7	47.4	48.2	51.4	30.1	32.0	32.1	25.4	21.4	18.3
Taxes	−9.5	−11.7	−11.4	−11.6	−6.8	−7.7	−7.7	−8.4	−5.1	−4.6
Profit for the year	31.2	35.7	36.8	39.8	23.2	24.4	24.4	17.0	16.3	13.7

[1] Column 2016 does not include the acquisition of Folding Guard.

Balance sheet, EUR million	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Non-current assets	211.8	207.5	165.8	162.9	152.8	135.3	119.6	114.8	121.5	102.5
Other current receivables	88.3	86.7	87.8	93.2	60.0	54.6	49.2	43.4	38.8	30.8
Cash and cash equivalents	29.5	33.2	37.5	35.2	32.5	30.3	22.7	14.1	12.2	10.8
Total assets	**329.7**	**327.4**	**291.1**	**291.3**	**245.3**	**220.2**	**191.5**	**172.3**	**172.5**	**144.1**
Equity	180.1	172.3	154.9	142.6	114.0	95.7	82.6	69.2	65.9	60.0
Non-current liabilities and provisions	100.4	103.9	88.8	98.2	100.5	91.3	78.1	77.1	83.4	64.5
Other current liabilities	49.2	51.2	47.4	50.5	30.8	33.2	30.8	26.0	23.2	19.6
Total equity and liabilities	**329.7**	**327.4**	**291.1**	**291.3**	**245.3**	**220.2**	**191.5**	**172.3**	**172.5**	**144.1**

Cash flow, EUR million	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Cash flow from operating activities	42.5	55.0	48.8	32.2	26.3	29.4	26.1	19.2	16.1	13.2
Cash flow from investing activities	−16.2	−45.1	−13.2	−14.6	−14.8	−8.7	−9.0	−3.3	−27.3	−5.6
Cash flow from financing activities	−29.9	−14.3	−32.4	−15.3	−9.5	−12.7	−8.0	−14.9	12.9	−10.0
Cash flow for the period	**−3.6**	**−4.4**	**3.2**	**2.3**	**2.0**	**8.0**	**9.1**	**1.0**	**1.7**	**−2.4**

TROAX ON THE STOCK EXCHANGE



DISTRIBUTION OF SHAREHOLDERS
By geography 2024 (2023)

Listing: **NASDAQ STOCKHOLM**
Number of shares: **60,000,000**
Ticker code: **TROAX**
ISIN code: **SE0012729366**

DIVIDENDS AND DIVIDEND POLICY

The Board of Directors proposes a dividend of EUR 0.34 per share (previous year EUR 0.34). Total EUR 20.4 million. The dividend represents 57 percent of profit after tax. The record date for dividend payments is 2 May 2025.

Troax's goal is to pay about 50 percent of its net profit in dividends. The dividend proposal shall take into account Troax's long-term development potential, financial position and investment needs.

Shareholders	Participation
Investment AB Latour	30.18 %
SEB Investment Management	6.77 %
AMF Funds and Pension	6.66 %
Widstrand, Thomas	5.81 %
Spiltan Fonder AB	5.23 %
State Street Bank and Trust Co, W9	4.49 %
Första AP-Fonden	4.34 %
JP Morgan	3.49 %
Svolder Aktiebolag	3.43 %
Nordea Funds	3.35 %
Total top ten shareholders	**73.75 %**
Other shareholders	26.25 %

Shareholding	Number of shareholders	Participation
1–500	5,074	0.74 %
501–1,000	305	0.39 %
1,001–5,000	316	1.21 %
5,001–10,000	46	0.54 %
10,001–15,000	26	0.55 %
15,001–20,000	14	0.4 %
20,001–	97	96.17 %
	5,878	**100 %**

Share data	2024	2023
Earnings per share, EUR	0.60	0.63
Exchange rate on balance sheet date, SEK/EUR	11.49	11.09
Proposed dividend, EUR	0.34	0.34
Dividend share	57 %	54 %
Share price at end of year, SEK	225.0	247.6
Direct return on closing price	1.73 %	1.52 %
Highest rate in 2023 (4 October)	–	148.3
Highest rate in 2024 (15 July)	262.0	–
Lowest rate in 2023 (28 December)	–	250.6
Lowest rate in 2024 (24 October)	204.5	–
Number of shareholders	5,878	6,943
Market capitalisation at end of year, SEK million	13,500	14,856

DEFINITIONS OF KEY PERFORMANCE INDICATORS

ADJUSTED NET MARGIN, %
Adjusted profit after tax as a percentage of net sales in the reporting period.

DEBT/EQUITY RATIO, %
Net borrowings divided by equity, as at the end of the period.

EARNINGS PER SHARE
Profit for the period divided by the average number of ordinary shares.

EBITDA
Operating profit before depreciation and amortisation.

EBITDA MARGIN, %
Operating profit before depreciation and amortisation expressed as a percentage of net sales for the period.

EQUITY/ASSETS RATIO, %
Equity as a percentage of total assets, as at the end of the period.

GROSS MARGIN, %
Gross profit expressed as a percentage of net sales for the period.

NET BORROWINGS
Interest bearing liabilities less cash and cash equivalents and interest-bearing assets as at the end of the period.

NUMBER OF EMPLOYEES
Average number of annual employees.

OPERATING MARGIN, %
Operating profit as a percentage of net sales in the reporting period.

WORKING CAPITAL
Total current assets less cash and cash equivalents less current non interest-bearing liabilities, excluding liabilities relating to additional consideration, as at the end of the period.

KEY PERFORMANCE INDICATORS

NOT DEFINED ACCORDING TO IFRS

Troax uses some performance measures that are not defined in the financial reporting framework applied by Troax. The purpose of these performance measures is to create a better understanding of the performance of the business. It must be additionally stressed that these alternative performance measures, as they are known, are not fully comparable with measures of similar description used by other companies.

NET BORROWINGS/EBITDA
Net borrowings in relation to EBITDA.

EUR million	Dec 2024	Dec 2023
Current, interest-bearing liabilities	0.0	4.4
Non-current, interest-bearing liabilities	70.4	74
Lease liabilities (IFRS 16)	9.0	8.2
Total interest-bearing liabilities	79.4	86.6
Cash and cash equivalents	29.5	33.2
Net borrowings	**49.9**	**53.4**
12 months rolling EBITDA	55.5	57.8
Net borrowings/EBITDA	**0.7**	**0.9**

ORGANIC GROWTH
Because Troax has activities is several countries with different currencies, it is essential to create understanding of how the company is performing excluding the currency impact when translating foreign subsidiaries' financial statements. As result, under the Organic growth concept, growth is reported excluding the currency impact when translating foreign subsidiaries' financial statements and excluding acquired businesses. This key performance measure is reported as a percentage of the previous year's net sales.

Net sales EUR million	12 months Jan–Dec 2024	12 months Jan–Dec 2023
Organic sales/growth	254.6	264.6
Currency effect	0.8	−4.9
Net sales from acquisitions	23.1	4.6
Total net sales	278.5	264.3
Operating profit (EBIT)	**45.0**	**49.9**

NET BORROWINGS
Interest-bearing loans excluding provisions for pensions minus cash and cash equivalents.

ANNUAL GENERAL MEETING 2025

The Annual General Meeting in Troax Group AB (publ) will be held on Tuesday, 29 April at 15.00. Notice of the Annual General Meeting is given, in accordance with the Articles of Association, via an announcement in the Swedish Gazette and on the company's website not more than six weeks and not less than four weeks before the Annual General Meeting. The convening of the meeting is announced in Svenska Dagbladet. The information below regarding the meeting does not constitute a legal summons.

NOTICE OF ATTENDANCE

Shareholders who wish to attend the Annual General Meeting must:

» be recorded in the share register maintained by Euroclear Sweden AB on 17 April 2025,

» give notice to the company no later than 23 April 2025 at the address Troax Group AB (publ), Box 89, SE-335 04 Hillerstorp, or by telephone +46 370-828 00, or by e-mail arsstamma@troax.com whereby the number of assistants shall be stated.

Upon notification, shareholders must state their names, personal or corporate identity numbers, addresses and telephone numbers. The personal data provided will be processed and used only for the Annual General Meeting 2025.

For those who wish to be represented by a proxy, the company will issue a form of proxy that is available at troax.com. If participation takes place using a form of proxy, this should be sent to the above address so that it reaches the company prior to the Annual General Meeting.

In order to participate in the Annual General Meeting, shareholders whose shares are registered in the name of a bank or other nominee must re-register the shares in their own name so that the shareholder is entered in the share register on the record date of 17 April 2025. Such registration shall be requested from the nominee in accordance with the nominee's procedures and at such time in advance as the nominee may determine. Voting rights registration requested by shareholders in such time that the registration is made by the nominee no later than 23 April 2025 will be taken into account in the preparation of the share register.

SALES OFFICES / DISTRIBUTORS

SALES OFFICES

Troax Safety Systems Pty Ltd.
Australia
+61 426 508 725

Troax GmbH
Austria
+43 664 204 19 48

Troax Belgium
Belgium
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Troax Shanghai Safety Systems Co. Ltd.
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Troaks d.o.o
Croatia & Slovenia
+385 47 64 20 71

Troax CZ s.r.o
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Troax Denmark A/S
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Claitec Solutions S.L.U
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Terra International Services
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Garantell AB
Sweden
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Lagermix Rullportar AB
Sweden
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Svenska Cykelrum AB
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+44 1793 542 000

Troax Lee Manufact. Ltd
United Kingdom & Ireland
+44 1384 277 441

Terra International Services
United Kingdom
+44 1793 22 44 55

ST&L Ltd.
United Kingdom
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USA
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Folding Guard Inc.
USA
+1 800 622-2214

DISTRIBUTORS

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Argentina
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Vecsa International
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Messo Consultores SPA
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Colsein SAS
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PRAGO International Services S.A.S
Colombia
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