HAKI SAFETY

ANNUAL REPORT 2024

AND SUSTAINABILITY REPORT

HAKI Safety AB (publ)

NEVER COMPROMISE ON SAFETY

Cover photo: In October 2024, HAKI Safety acquired Semmco, a privately owned UK-based leading manufacturer and supplier of aircraft and train maintenance access platforms and steps. The offering also includes training and service contracts for maintenance controls and spare parts. The customer base primarily consists of international aviation and train companies.

CONTENTS

Board of Directors' report
HAKI Safety's Annual Report is published in Swedish and English. The Swedish version constitutes the original version. The audited and reviewed annual accounts and consolidated accounts for the financial year 2024 are found on pages 22–60, and partly on page 73. The Board of Directors' report is found on pages 22–26.

Other external assurance
The auditor has performed a limited assurance of the Sustainability report, pages 2, 11, 18–20 and 25–26, in accordance with FAR's standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. The auditor has performed a limited assurance of the Corporate Governance report, pages 66–69, in accordance with FAR's standard RevR 16 *Auditor's examination of the corporate governance report*.

PRODUCTS AND SOLUTIONS FOR SAFE CONDITIONS FOR EVERYONE WORKING IN CHALLENGING ENVIRONMENTS

Vision

HAKI Safety's vision is to create safe conditions for everyone working in challenging environments.

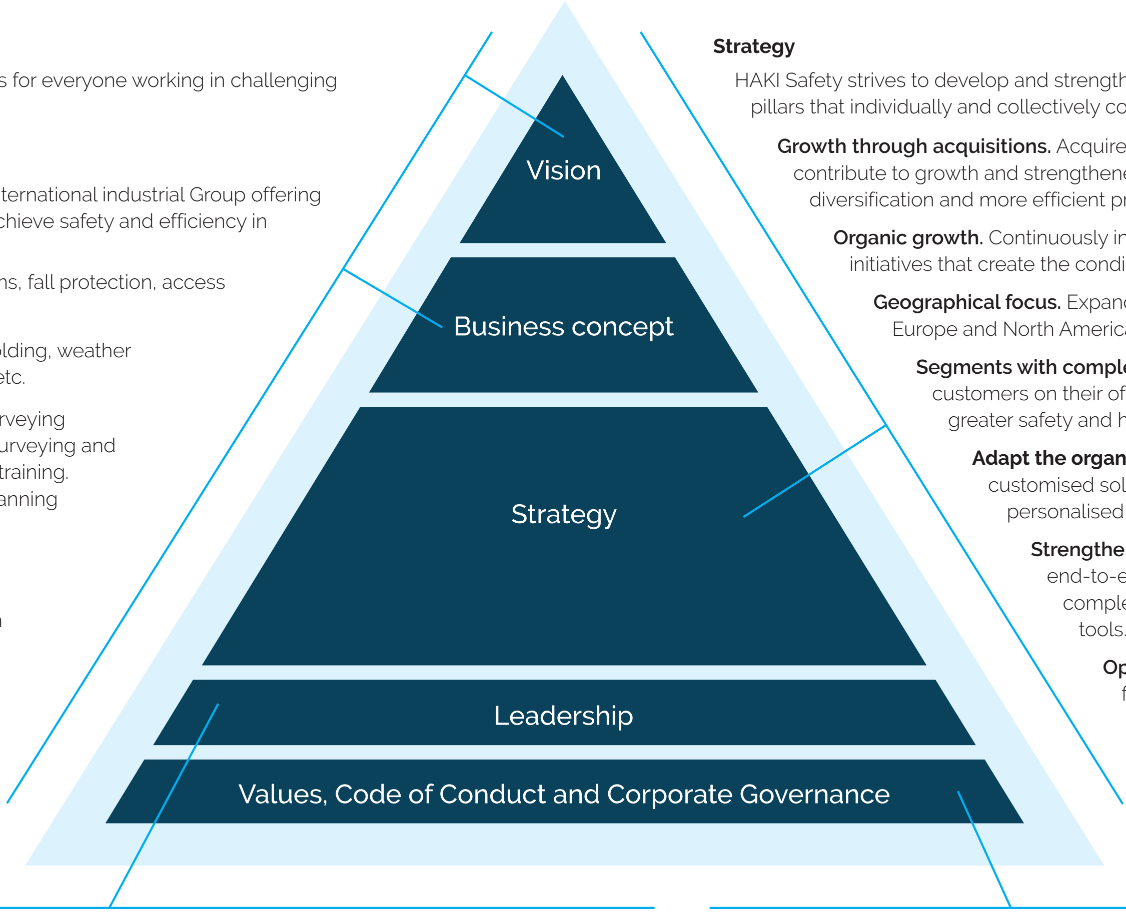
Business concept

HAKI Safety, formerly Midway Holding, is an international industrial Group offering products and solutions that help customers achieve safety and efficiency in their various environments.

- Work zone safety: catchfans, barrier systems, fall protection, access platforms, stairs, etc.
- System scaffolds: system and frame scaffolding, weather protection, stair systems, bridge systems, etc.
- Digital and technical solutions: geodesy surveying instruments and equipment for cadastral surveying and mapping. Bespoke platform solutions and training. Digital design and construction tools for planning and visualisation

The products are developed, manufactured and sold to customers active in infrastructure, energy, industry, aviation, rail and construction and civil engineering, mainly in Europe and North America.

Group motto — Never Compromise on Safety.



Strategy

HAKI Safety strives to develop and strengthen the Group based on seven strategic pillars that individually and collectively contribute to the Group achieving its goals.

Growth through acquisitions. Acquire one to two companies per year that contribute to growth and strengthened positions in the market, as well as to risk diversification and more efficient production capacity.

Organic growth. Continuously invest in the existing operation and special initiatives that create the conditions for growth.

Geographical focus. Expand operations to more countries, primarily in Europe and North America.

Segments with complex needs. Focus on working closely with customers on their often demanding projects, offering them greater safety and higher efficiency.

Adapt the organisation and offering to customers. Offer customised solutions according to size and needs, such as personalised advice or e-commerce.

Strengthen the customer offering. Improve the end-to-end offering with a broader product portfolio complemented by digital design and construction tools.

Optimise the supply chain. Optimise processes from purchasing and production to inventory management and logistics, focusing on customer requirements.

Leadership

The operational organisation consists of a commercial operation supported by an organisation with functions related to the supply chain. The Group applies open and permissive leadership, with a short distance between management and employees and between ideas and decisions.

Values

The Group's core values: Safety, Customer Focus, Excellence and Trust, combined with a common Code of Conduct and corporate governance, provide the framework for the operation and create a stable, responsible group.

KEY FIGURES 2024

Net sales, SEK million

1,050

2023 **1,188**

Gross margin, %

35.8

2023 **33.4**

Adjusted EBITA, SEK million

77

2023 **95**

Adjusted EBITA margin, %

7.3

2023 **8.0**

Earnings per share, SEK

1.50

2023 **2.27**

Net debt/adjusted EBITDA

2.8

2023 **1.9**

Equity/assets ratio, %

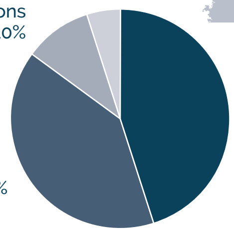
46

2023 **48**

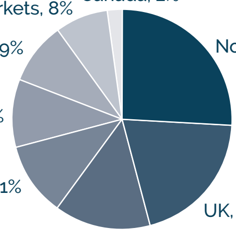
Number of employees

352

PRODUCTS AND SOLUTIONS



SALES BY COUNTRY



WE ARE DELIVERING ACCORDING TO OUR STRATEGY

Sverker Lindberg, President and CEO of HAKI Safety, how would you summarise 2024?

We are leaving another eventful year behind us, a year in which we continued to work purposefully to implement our strategy, which ultimately creates safe conditions for everyone working in challenging environments. The level of activity was high across the Group, from supply chain to sales via product development and technical support.

During the year we acquired one company, Semmco, which designs and manufactures access platforms for the safe and efficient maintenance of aircraft, helicopters and trains, and we finalised the divestment of another, FAS Converting Machinery, which was not part of our core business. We presented financial targets at our Capital Markets Day and we signed a new credit facility, leaving room for investment in both organic growth and acquisitions. We established an additional warehouse and office in Norway to meet increasing demand and we extended our e-commerce to the UK market, to name a few areas.

In other words, we continued to deliver according to our strategy, involving a strategic transformation from being a conglomerate to being a focused industrial Group and from offering a range of system scaffolds to a broader range of safety solutions. In addition, we have broadened our geographical reach and entered more market segments, further increasing the diversification of risk within the Group.

How did the Group perform financially during the year?

After a comparably weak first half of the year, we were able to report a satisfying and expected recovery during the second half, with organic growth in both the third and fourth quarters. The market was generally soft in some segments and geographical areas, while newly acquired operations reported good results overall. We have further developed and diversified the Swedish company HAKI by means of acquisitions in recent years, becoming less sensitive to economic conditions in Sweden and the Swedish construction sector. Norway and the UK were our largest markets, and our products and solutions are widely used in various infrastructure and energy projects across Europe. Sales of work zone safety products such as catchfans, barrier systems and fall protection are now larger than those for traditional system scaffolds.

We also reported a gross margin of 35.8 percent for 2024, which is very satisfactory. We have prioritised and continue to prioritise our gross margin. We are seeing positive effects from ongoing efficiency measures and from synergies in acquisitions. The potential to increase the turnover rate of our inventories is still high, and work focusing on this area is continuing. We have set ambitious targets for both the turnover rate of our inventories and for increasing the level of service to customers. The EBITA margin was lower in 2024 than in 2023, negatively affected by the market situation during the first half of the year but offset by the positive development of the gross margin.

"Sales of work zone safety products are now larger than those for traditional system scaffolds."

Sverker Lindberg
President and CEO

And the different geographical markets?

Demand was mixed in our main geographical markets. The weak demand for new residential construction affected the Group mainly in Sweden and Austria. The weak performance in these countries was offset by strong demand for products related to infrastructure projects in both Denmark and France. In France and the UK, demand for commercial real estate products was also positive.

The lack of large one-off customer orders and purchases of rental equipment particularly affected operations in Norway and the UK at the beginning of the year. This was balanced by strong demand for energy project products, with the Norwegian operation gaining market share, mainly through strategic rental.

The geodesy operation reported very positive development during the year.

What is new at HAKI Safety?

We are a Group in development and change. To guide us, we have a clear strategy that we have delivered and will continue to deliver on.

If we go back to 2020, we had come a long way in the strategic transition from a conglomerate to an industrial Group, with several divestments behind us. With the divestments, sales fell to around SEK 600 million and we reported a break-even result. After a few more divestments, and above all acquisitions in our core operation – companies that help create safe conditions for everyone working in challenging environments – sales had doubled and we were reporting a profit. This was the first part of our strategic journey that we delivered.

Our next goal is to repeat the journey and double sales to SEK 2,000 million by 2027, with an adjusted EBITA margin above 10 percent. We are therefore working determinedly on both organic initiatives and an acquisition agenda. We have both favourable macroeconomic trends and long-term principal owners as underlying positive factors.

So what is new? HAKI Safety is in many ways a new company with a new focus and direction, with new goals and metrics.

You often mention that the strategic transformation has taken place on several parallel tracks.

That is true. In addition to having shifted from a conglomerate under the company name Midway Holding to a focused industrial Group, which was clarified when we changed name to HAKI Safety in December 2023, we have also shifted from a range of system scaffolds to a broader range of safety solutions. In terms of sales, products in what we call work zone safety are now larger than traditional system scaffolds.

> HAKI Safety is in many ways a new company with a new focus and direction, with new goals and metrics."

The change has also meant a shift in geographical balance. Our largest markets in 2024 were Norway and the UK, and not Sweden as many might think. The Swedish market accounted for just 14 percent of the Group's sales in 2024.

With acquisitions, we are now also exposed to more market segments, which, combined with the geographical expansion, is positive for our risk exposure. Infrastructure, energy, industry and construction and civil engineering are examples of market segments in which we operate. With the acquisition of Semmco, we also expanded into the aviation and rail sectors, which is very exciting.

The acquisition of Semmco – how did it change the Group?

The acquisition of the UK-based Semmco in October 2024 is in line with our acquisition strategy to grow geographically and in market segments with complex needs.

Semmco is a leading manufacturer and supplier of aircraft and train maintenance access platforms and steps. In addition to synergies, primarily in the supply chain going forward, the global aviation industry is growing. Similarly, the use of trains as a means of transport is expected to grow with the ongoing green transition.

With the acquisition, we also got a changed customer mix, as Semmco's customers are end customers, mainly in the form of international aviation and train companies. Semmco also has stable earning capacity and is only slightly affected by seasonal variations. Consequently, once again this gives us greater risk diversification.

How are you working with sustainability?

Safe workplaces are at the heart of all of HAKI Safety's activities, and the Group's solutions to create safe working conditions are the result of decades of experience and knowledge. The Group contributes to the circular economy in that our products have long lives and are easy to recycle. New products are also compatible with older ones to minimise waste. Efficient production methods such as robotic welding make it possible to save energy, reduce waste and ensure a safer working environment.

Like many other companies, we performed a double materiality assessment during the year, which gave us insights for our continued sustainability work.

With recurring acquisitions, what is your approach to the internal culture within the Group?

Transferring from being a holding company with many independent subsidiaries to operating as an international Group has meant changes to the organisation, processes and policies. This is of course challenging for many. We work as cross-functionally as we can and stay focused on our core mission of serving our customers.

The employee survey for the year generally demonstrated very satisfied employees and it also showed that safety, engagement and inclusion are perceived as our strengths. This is very encouraging as these are key areas for well-being in the workplace. And this is important because we want our employees to stay with us for a long time.

During the year, we renewed our Core Values and in 2025 we will define an Employer Value Proposition for our employees.

You began 2025 with several activities.

As I mentioned, the level of activity is high in the Group. In January 2025, we signed an agreement to acquire Trimtec, a Swedish distributor of Trimble's high-tech precision equipment. The acquisition strengthens the Group's digital and technical offering. It also broadens our geodesy offering to more geographies and enables a complete offering in the Swedish market, from project planning to delivery of safety products. With the very good experience from our corresponding Norwegian operation, Norgeodesi, we see both growth and development opportunities for the acquired company, not least in services, which is a distinctively profitable part of the offering. The acquisition will be financed within the framework of existing credit facilities, which may be refinanced through a new issue of shares.

In line with our strategy, in January the Group initiated a strategic overview of the remaining portfolio company, Landqvist Mekaniska Verkstad, for which divestment is one of the options being considered.

> With the acquisition of Semmco, we also expanded into aviation and rail, which is very exciting."

What are the prospects for the future?

We make no forecasts but do note that events in the world still represent uncertainty for short-term market development.

In the longer term, our markets are generally driven by a number of underlying trends which create opportunities for profitable growth for many years. The most important driver is world population growth. With population growth comes the need to improve and expand infrastructure, initiate new sustainable energy and industrial initiatives, and make both residential and commercial buildings more efficient. Increasing urbanisation is leading to densification of inner city environments, which requires work at high heights, with the associated additional safety requirements. A growing middle class is increasing demand for travel, with air and rail transport expected to grow. Safety awareness and requirements are continuously increasing with the aim of ensuring that no one is injured or killed because of their work. Safer, lighter new products are being developed in line with increased sustainability requirements. In these trends, we have real competitive advantages and are poised for growth.

Any concluding words?

I would like to take this opportunity to thank all employees for their strong performance during the year. It is they who make HAKI Safety the great company that it is and they who will enable further growth and development in the future as well. Thank you also to our shareholders and customers for your continued trust.

Malmö, 10 March 2025

Sverker Lindberg
President and CEO

IN BRIEF:

- Delivered according to the strategy: from a conglomerate to a focused industrial Group
- Delivered according to the strategy: from system scaffolds to safety solutions
- Broadened in terms of geography and products and in more market segments
- Strong offer and position in an attractive market
- Solid strategy, with supply chain potential

FINANCIAL TARGETS AND DIVIDEND POLICY FOR HAKI SAFETY

In March 2024, HAKI Safety communicated financial targets and a dividend policy for the Group.

Financial target | **Outcome 2024** | **Comments of the outcome for the year**

NET SALES OF SEK 2,000 MILLION BY 2027

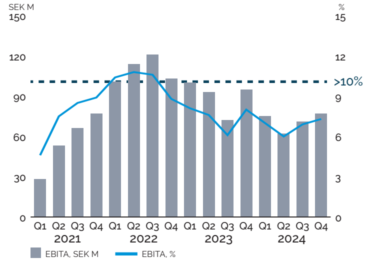
Net sales are to amount to SEK 2,000 million by 2027. The net sales increase will be based on a combination of organic growth, organic growth projects and acquired growth.

SEK 1,050 MILLION

Performance during the year was affected by the divestment of FAS Converting Machinery in January 2024 and by continued weak market growth during the first half of the year. In the third and fourth quarters, positive development was reported with organic growth and the acquisition of Semmco.

ADJUSTED EBITA MARGIN >10%

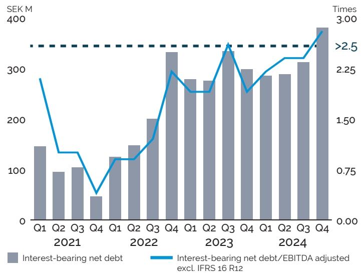
The adjusted EBITA margin is to amount to more than 10 percent. Adjusted EBITA margin is deemed to give a fair picture of the profitability of the underlying business as it excludes amortisation and write-downs of acquisition-related intangible assets and non-recurring items.



Adjusted EBITA was SEK 77 million (95), corresponding to an adjusted EBITA margin of 7.3 percent (8.0), negatively affected by the market situation during the first half of the year but offset by the positive development of the gross margin.

FINANCIAL NET DEBT IN RELATION TO ADJUSTED EBITDA <2.5

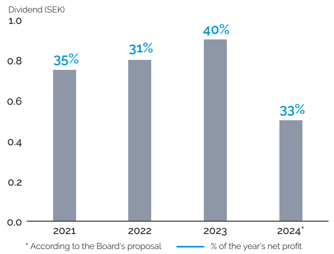
Net financial debt divided by adjusted EBITDA is to be less than 2.5. The key figure shows the relation of net debt to adjusted EBITDA. The financial net debt refers to interest-bearing liabilities with deductions for cash and adjusted EBITDA as operating profit excluding depreciation, amortisation and write-downs and non-recurring items. The measures are measured excluding the effects of IFRS 16.



The debt/equity ratio increased towards the end of the year owing to the acquisition of Semmco and was 2.8 (1.9). HAKI Safety estimates that the ratio will decrease over time in connection with Semmco's profit generation and general continued profitability improvements.

DIVIDEND POLICY

The dividend is to amount to 25–50 percent of the year's net profit. Proposals for dividends will consider the shareholders' expectation of a reasonable dividend yield and the business's need for financing.



The Board of Directors proposes to the 2025 Annual General Meeting a dividend of SEK 0.50 per share (0.90), taking ongoing acquisition activities into account. The dividend corresponds to 33 percent of net profit for the year.

GOOD END TO THE YEAR WITH CONTINUED GROWTH IN A SOFT MARKET

Tomas Hilmarsson, CFO of HAKI Safety, how would you summarise 2024?

We were able to report a good end to the year despite the market remaining soft. Organic growth was positive in both the third and fourth quarters, which was satisfying after a relatively weak start to the year. We divested FAS Converting Machinery in January and acquired Semmco in October. If Semmco had been part of the Group for the full financial year, the Group's sales would have been about SEK 78 million higher and operating profit about SEK 10 million higher.

The gross margin was a strong 35.8 percent, an improvement of just over two percentage points.

Cash flow from operating activities for the year amounted to SEK -4 million, compared with SEK 153 million in 2023. The change is on account of net investments in strategic rental equipment.

Where are you investing?

During the year, we invested more than SEK 100 million in organic growth projects such as strategic rental. Strategic rental is a way for customers to first rent the Group's products and then later buy them. The concept affects cash flow when input materials are purchased but provides stable, recurring rental earnings and earnings when the rental material is bought by the customer, which has a long-term positive impact on Group profitability.

HAKI Safety has new financial targets – how will you achieve them?

The target of SEK 2,000 million in sales by 2027 includes both organic and acquired growth, in roughly equal proportions. Investments in organic growth include strategic rental and investments in e-commerce. Our long-term acquisition goal is to acquire one to two companies a year. In 2024, we finalised the acquisition of Semmco, which contributed to an increase in both sales and profitability in the two months it was part of the Group. In early January 2025, we signed an agreement to acquire Trimtec, a distributor of Trimble's high-tech precision equipment, which will enhance the Group's digital and technical offering.

What is the path to an adjusted EBITA margin of at least 10 percent?

Underlying profitability measured as adjusted EBITA margin amounted to 7.3 percent in 2024 and was not at a level that could be considered good. However, several focused supply chain activities are in progress, from procurement to logistics via warehousing. Combined with a strong focus on gross margin levels, these activities are contributing to increased profitability in the Group. I would also like to emphasise our acquisitions, which generally report good earnings and good profitability levels.

Financial net debt in relation to adjusted EBITDA should be lower than 2.5.

The acquisition of Semmco meant that the Group's debt/equity ratio exceeded its financial target of a ratio of 2.5. However, we estimate that this is temporary and that the ratio will decrease over time as the operation generate earnings and we continue to improve profitability.

Malmö, 10 March 2025

"Our long-term goal is to acquire one to two companies a year."

Tomas Hilmarsson
Chief Financial Officer

HAKI Safety as an investment

HAKI Safety works continuously to create value for all its stakeholders. For those with holdings or who are considering HAKI Safety as an investment, there are a number of factors that form the basis for the Group's value creation.

1

Favourable global trends

Population growth. With population growth comes the need to improve and expand infrastructure, initiate new sustainable energy and industrial initiatives, and make both residential and commercial buildings more efficient.

Urbanisation. Increasing urbanisation is leading to densification of inner city environments, which requires work at high heights, with the associated additional safety requirements. A growing middle class is increasing demand for travel, with air and rail transport expected to grow.

Increasing demands for safe workplaces. Safety awareness and requirements are continuously increasing with the aim of ensuring that no one is injured or killed because of their work. Safer new products are being developed in line with increased sustainability requirements.

2

Delivering according to strategy

HAKI Safety has delivered on the strategy transformation, launched at the end of 2018. The Group has shifted from being a conglomerate to a focused industrial Group and from offering a range of system scaffolds to a product portfolio of safety solutions. The strategic journey continues with a target of doubling sales by 2027.

3

Long-term principal owners

HAKI Safety has long-term principal owners, who have been instrumental in the Group's strategic transformation. The owners' commitment, networks and expertise contribute to the Group's stability and enable it to accelerate its growth.

THE HAKI SAFETY SHARE IN 2024

HAKI Safety has been listed on Nasdaq Stockholm since 1989 and can be found on the exchange's Small Cap under HAKI A and HAKI B. HAKI Safety was previously called Midway Holding (MIDW A and MIDW B).

Share performance

In 2024, the price of the Class B share increased by 9.0 percent, which can be compared to the Stockholm Stock Exchange's small cap index (Nasdaq OMX Small Cap Sweden PI), which decreased by 10.1 percent.

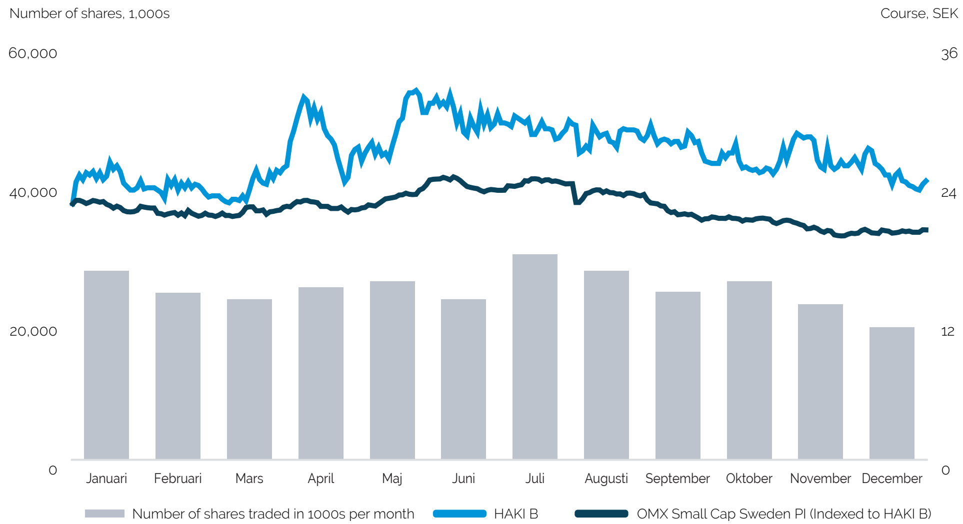
Share turnover and purchase price

A total of 2.0 million Class B shares (1.8) in HAKI Safety were traded in 2024, at a total value of SEK 55.9 million (42.4). This meant an average Class B share turnover of 8,150 shares (7,000) or SEK 0.22 million (0.17) per trading day. There were 251 trading days (251) out of 251 possible trading days (251).

The highest trading price at the close of the stock exchange in 2024 was recorded on May 27 at SEK 31.90, while the lowest was recorded on March 5 at SEK 22.20.

HAKI Safety's total market capitalisation, Class A and B shares, amounted to SEK 686 million (611) on 31 December 2024.

SHARE PRICE PERFORMANCE FOR HAKI B 1 JANUARY 2024 – 31 DECEMBER 2024



Share capital and shareholders

HAKI Safety has been listed on Nasdaq Stockholm since 1989 and can be found on the exchange's Small Cap under HAKI A and HAKI B. HAKI Safety was previously called Midway Holding (MIDW A and MIDW B).

As of 31 December 2024, the share capital amounted to SEK 273,291,360 divided into 27,329,136 shares, of which 9,584,697 Class A shares and 17,744,439 Class B shares, each with a quota value of SEK 10. Class A shares carry ten votes each and Class B shares carry one vote each.

The majority shareholder in HAKI Safety is Tibia Konsult AB, with 53.5 percent of the votes. Tibia Konsult was founded by Sten K Johnson, who was also Midway Holding's founder and long-time CEO and Chairman of the Board. The company is currently managed by the family.

Dividend

For the financial year 2024, the Board of Directors proposes a dividend of SEK 0.50 per share (0.90), which corresponds to approximately 33 percent of the profit for the year after tax.

Key figures per share, SEK	2024	2023	2022	2021	2020
Earnings per share	1.50	2.27	2.60	2.12	-0.02
Earnings per share, total operations	1.50	2.27	2.60	2.12	-0.02
Earnings per share after full dilution [1]	1.48	2.24	2.57	2.12	-0.02
Earnings per share after full dilution, total operations [1]	1.48	2.24	2.57	2.12	-0.02
Cash flow per share, total operations	-0.70	0.89	-0.29	0.26	-0.22
Equity per share	25.03	23.53	22.25	20	17
Equity per share after full dilution [1]	24.71	23.23	21.97	20	17
Listed price, Class B share/Equity, %	96	87	116	119	100
Listed price, Class B share at year-end	24.10	22.10	25.90	23.50	17.25
P/E ratio, times	16	10	10	11	–
Dividend	0.50 [2]	0.90	0.80	0.75	0.00
Dividend yield, %	2.1	4.1	3.1	3.2	0.0

Earnings per share after full dilution: Profit/loss for the year in relation to the average number of shares, adjusted for the dilution effect of outstanding convertible instruments. The dilution effect for convertible instruments is the number of shares that may be added upon full conversion. Reported for continuing and total operations.

[1] Takes into account the full potential dilutive effect of warrant programmes. Dilutive effects are only taken into account if they result in a deterioration of earnings per share.

[2] The Board of Director's proposal to the 2025 Annual General Meeting.

THE SHARE AND OWNERSHIP

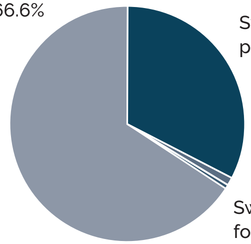
Ownership structure by holdings	Capital, %	Votes, %	Number of shares	Number of known shareholders
1 - 1,000	3.04	1.26	831,386	3,404
1,001 - 10,000	7.29	2.51	1,991,212	672
10,001 - 20,000	1.88	0.48	512,777	34
20,001 -	90.45	96.38	24,720,260	61
Unknown holding size	-2.66	-0.63	-762,499	-
Total	**100**	**100**	**27,329,136**	**4,171**

Types of shares, number of shares, capital and votes

Type of shares	Number of shares	Capital, %	Votes, %
Class A shares	9,584,697	25.1	84.4
Class B shares	17,744,439	64.9	16.6
Total	**27,329,136**	**100**	**100**

Concentration	Concentration	Capital, %	Votes, %	Number of shares
The 10 largest shareholders	10	78.85	90.44	21,548,593
The 20 largest shareholders	20	84.26	94.34	23,028,206
The 30 largest shareholders	30	86.28	95.37	23,578,281

SHAREHOLDER TYPES, % OF CAPITAL



Largest shareholders as of 31 December 2024, Class A and B shares [1]

Name	A shares	B shares	Capital, %	Votes, %
Tibia Konsult AB	5,374,920	6,960,289	45.14	53.45
Marknadspotential AB	3,303,883	1,160,433	16.34	30.11
Kenneth Lindqvist, privately and through company		1,300,932	4.76	1.15
Svante Nilo Bengtsson and family		752,666	2.75	0.66
Avanza Pension	830	714,827	2.62	0.64
Bengt Stillström	90,769	408,020	1.83	1.16
Inger Bergstrand	240,000	180,000	1.54	2.27
Peter Svensson		416,093	1.52	0.37
Leif Göransson and family	9,989	316,294	1.19	0.37
Håkan Blomdahl		318,645	1.17	0.28
Total, 10	9,020,391	12,528,202	78.85	90.44
Others	564,306	5,216,237	21.15	9.56
Total number of shares	**9,584,697**	**17,744,439**		

[1] See www.hakisafety.com/the-share/ownership-structure for current holdings.

Source: Modular Finance AB. Data compiled and processed from Euroclear, Morningstar, Swedish Financial Supervisory Authority, and others.

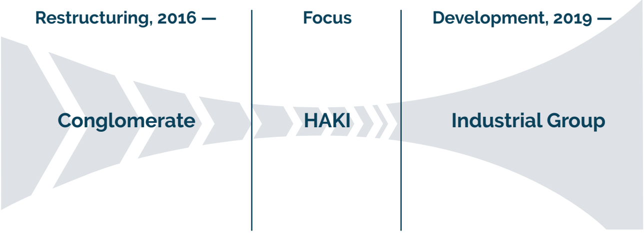
FROM SYSTEM SCAFFOLDS TO SAFETY SOLUTIONS

HAKI Safety is working to continue to develop and strengthen the Group based on an established strategy. Favourable macroeconomic trends and a partially fragmented market are supporting the Group's growth.

Strategic shift

In 2016, the former Midway Holding consisted of a diversified, dispersed ownership of individual companies or groups of companies. Few holdings reported sustainable profitability and the Group's indebtedness was high. After several years of divesting and discontinuing operations to strengthen the Group's balance sheet, work began to develop a strategy that was launched at the end of 2018. At that time, it was determined that there was significantly greater long-term potential in building an industrial group based on safe working conditions at temporary workplaces centred around HAKI's system scaffolds than in continuing as a conglomerate. Several companies were subsequently acquired, adding both products and geographical breadth to the HAKI operation.

FROM CONGLOMERATE TO INDUSTRIAL GROUP



The company shifted from being a conglomerate to a focused industrial group, and also from offering a range of system scaffolds to a broader range of safety products in a greater number of geographical areas and market segments. In other words, the shift in strategy took place in parallel and in several dimensions. It was clarified in December 2023 when Midway Holding changed its name to HAKI Safety.

HAKI Safety's focus is to further develop the product categories that are part of the Group, which also includes an increasingly stronger digital offering. The Group also seeks acquisitions which can provide not only growth and synergies but also greater risk diversification. The structured work that started at the end of 2022 to streamline the supply chain, from procurement and production to warehouse management and logistics, continues.

Favourable global trends

Overall, HAKI Safety's market is driven by a number of underlying trends that create opportunities for growth.

Population growth. With population growth comes the need to improve and expand infrastructure, initiate new sustainable energy and industrial initiatives, and make both residential and commercial buildings more efficient.

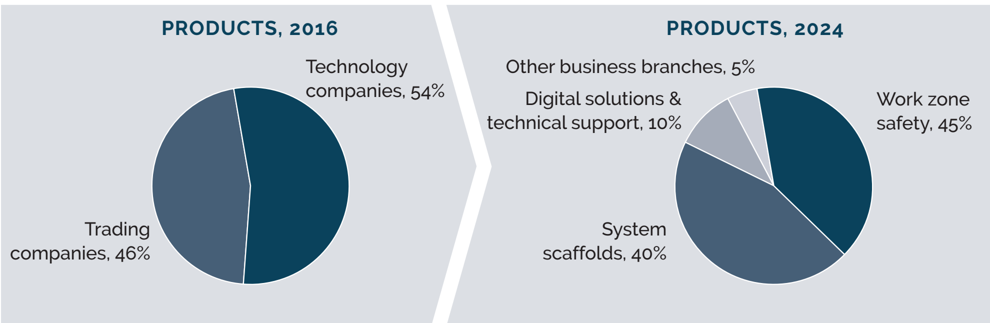
- HAKI Safety has a wide range of products and solutions for the construction and maintenance of most infrastructures, helping create safe working conditions for those who work in or passing by these environments.
- Innovation and improvement are at the heart of everything HAKI Safety does. Challenges are often related to height, load and anchorage possibilities, and it is important to optimise the cost, safety and strength of the products offered.

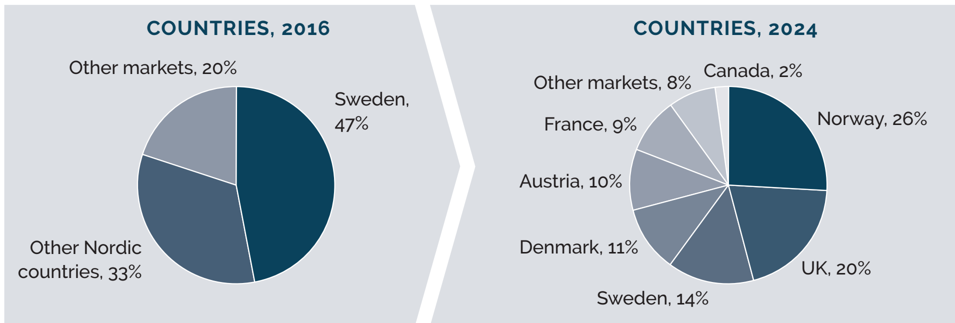
Urbanisation. Increasing urbanisation is leading to densification of inner city environments, which requires work at high heights, with the associated additional safety requirements. A growing middle class is increasing demand for travel, with air and rail transport expected to grow.

- Through acquisitions, HAKI Safety has complemented its product portfolio to also include products and solutions for working at height and in confined spaces. Among other things, they ensure that neither the public nor workers are put at risk by falling objects.
- Semmco, acquired by the Group in 2024, develops and manufactures access platforms that enable safe, efficient maintenance of aircraft, helicopters and trains.

Increasing demands for safe workplaces. Safety awareness and requirements are continuously increasing with the aim of ensuring that no one is injured or killed because of their work. Safer, lighter, new products are being developed in line with increased sustainability requirements.

- HAKI Safety's business concept is to offer a wide range of safety products and solutions that help customers achieve safety and efficiency in their various environments.





» The Group never compromises on safety, either in its own workplaces or with the products and solutions offered to customers. In supplier dialogues, requirements are set for suppliers' occupational health and safety management.

Market and competitors

HAKI Safety is active within work zone safety, system scaffolds and digital and technical solutions.

Work zone safety
HAKI Safety defines the work zone safety market with products and solutions designed to protect those working at height or in confined spaces or passing by temporary or non-stationary workplaces. These include catchfans, barrier systems, fall protection or access platforms that enable safe, efficient maintenance of aircraft and trains, for example, and also commercial buildings and infrastructure such as bridges and tunnels.

The market is fragmented and competitors are often local specialists. HAKI Safety is one of the larger companies in the European market, along with Honeywell/Combisafe and Safety Respect, all of which may be considered to have a more complete product range and a larger geographical presence than the others.

System scaffolds
The more traditional scaffolding is built with tubes cut to the required length and assembled with various types of fittings. This method is still widely used in North America and parts of Europe. HAKI's system scaffolds, on the other hand, consists of modules with a patented spring lock. System scaffolds is up to 60 percent faster to assemble than traditional tube and fitting scaffolding, and is lighter, which not only saves time, but also reduces the risk of occupational injuries. It also saves the environment in terms of less material consumption.

The market for system scaffolds is growing at the expense of tube and fitting scaffolding. At the same time, the market for system scaffolds is largely consolidated and dominated by companies that are either local specialists, such as Aluhak, Solideq and Alustar, or global generalists such as Peri, Altrad and Layher. HAKI Safety is smaller in size than the global generalists but has a broader product range and greater geographical presence than the local specialists.

Digital and technical solutions
HAKI Safety's digital offering consists of several parts. One is to be a distributor on the Norwegian market of Trimble's precision equipment used in mapping and surveying of, for example, roads, tunnels, bridges and buildings. With the 2025 acquisition of Trimtec, the Group will also be a distributor of Trimble products on the Swedish market. The competitors for Trimble's products are mainly Leica and Topcon/Sokkia.

Another part of HAKI Safety's digital portfolio is the offering of advanced CAD drawings to customers involved in complex projects, plus the Lasco tool used by customers who need help customising system scaffolds and combining modules from different HAKI systems.

The customer offering also includes training on scaffolding erection and safety, as well as other technical support and advice. The competitors here, and in the drawing programs, are the larger system scaffolding companies.

Customers

HAKI Safety's products are often purchased or rented by the end customers' suppliers. They may be rental companies, scaffolders and industrial service companies. Increasingly, however, HAKI Safety is selling directly to the end customer, as in the case of Semmco, the Group's 2024 acquisition, where the customers are mainly international aviation and train companies.

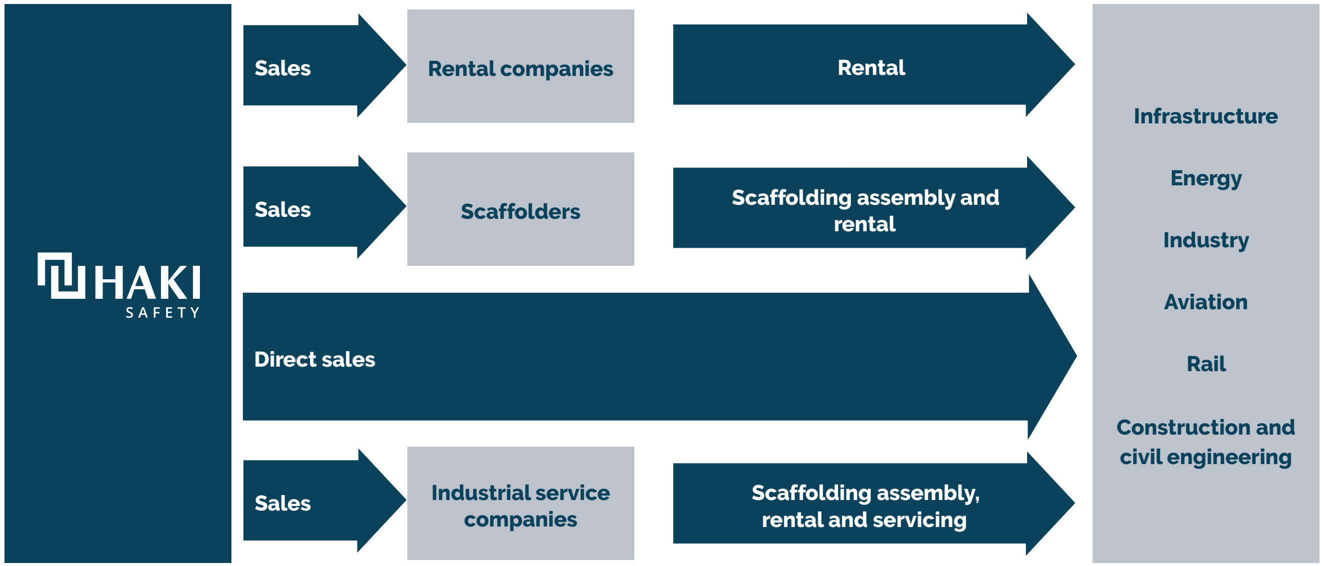
As some products are not sold directly to the end customer, it is not possible to identify the final market segment of the products sold with any accuracy. The products also have a very long service life, some up to 15-20 years, and can therefore be reused in several projects, and change owners in case of second-hand sale.

However, end customers are mainly in market segments such as infrastructure, energy, industry, aviation, rail and construction and civil engineering.

Brands

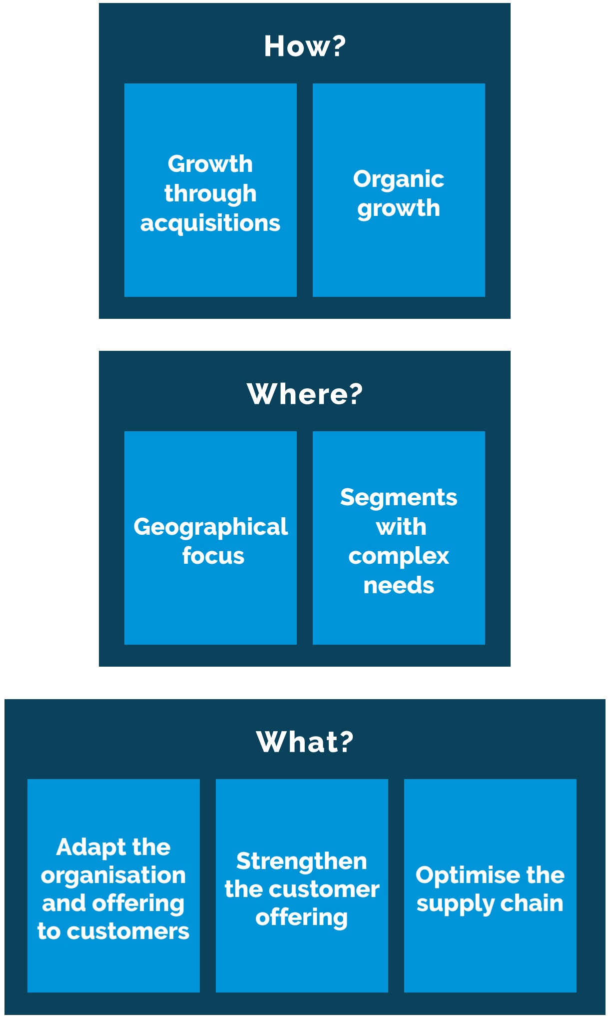
The majority of HAKI Safety's products are marketed under the HAKI brand. The Group also includes the EKRO, Semmco and Norgeodesi brands, which have been assessed as having strong recognition in their respective markets.

BROAD CUSTOMER BASE



Three areas – seven strategic pillars

HAKI Safety strives to develop and strengthen the Group based on seven strategic pillars that individually and collectively contribute to the Group achieving its goals.



Investments in growth

Growth through acquisitions
HAKI Safety conducts a pronounced and active acquisition work and continuously evaluates acquisition candidates that have the potential to complement the existing range and contribute to growth and stronger market positions, as well as to risk diversification and more efficient production capacity. The long-term goal is to acquire one to two companies a year.

Semmco, a leading UK manufacturer and supplier of aircraft and train maintenance access platforms and steps, was acquired in 2024. With the acquisition, HAKI Safety obtained an expanded product range in the growing market for work zone safety and also broadened the Group's exposure to more market segments and geographical areas. Semmco had sales of approximately SEK 100 million in 2024.

The divestment of FAS Converting Machinery, a manufacturer of machinery for converting plastic film materials into products supplied on rolls, was finalised at the start of the year. The company had been part of the Group since 2009 but, following the Group's shift in strategy, it was no longer deemed part of the core business. FAS Converting Machinery had sales of approximately SEK 90 million in 2023.

GROWTH, 2019-2024

ACQUIRED GROWTH	ORGANIC GROWTH
Span Access Solutions (UK)	Strategic rental for complex projects
Vertemax Group (UK)	Geographical expansion
EKRO Bausystem (Austria)	E-commerce
Novakorp Systems (France)	
Semmco Group (UK)	

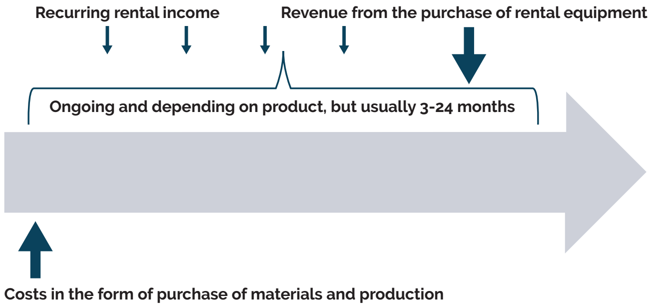
Organic growth
Conditions for organic growth are provided by investing in the existing operations and in special initiatives.

One such growth initiative is strategic rental, which is a way for new customers to familiarise themselves with the Group's products and solutions by first renting them and then later buying them. It is a concept for customers who want to test new geographical areas, market segments or products, often in combination with complex projects. Strategic rental is used, for example, by customers in the energy sector in Norway. It is also common in the UK and France, where customers are often active in the construction and maintenance of complex, unique commercial real estate. Demand for strategic rental remained strong in 2024 and the Group invested more than SEK 100 million in the concept during the year.

Another growth initiative is the Group's e-commerce platform, which was launched in the Scandinavian market at the end of 2022 and in the UK in September 2024. The sales channel has mainly attracted new customer groups. Over time, the e-commerce service will be expanded to include more products and target even more geographical markets.

Resources are also being devoted to developing the Group's other digital offerings to meet customer demand for faster and simpler solutions. This involves helping customers to build right – right from the start – using cost-effective solutions, and includes everything from laser scanning to building virtual models to estimate the right quantities of materials and create detailed cost estimates.

STRATEGIC RENTAL



The relative sizes of the arrows show the size of the investment and the revenue.

Focus on broader geographical presence and segments with complex needs

Geographical focus
HAKI Safety has strengthened its position in French- and German-speaking Europe and Central Europe through acquisitions in recent years. With the Group's acquisition of Semmco, HAKI Safety gains a foothold in the US, in addition to Europe. With greater geographical presence, the Group is less affected by economic fluctuations in individual countries. The broadened geographical presence has also increased the Group's exposure to different market segments, which, among other things, has resulted in decreased exposure to residential construction and increased exposure to infrastructure and energy, and to aviation and rail.

Segments with complex needs
Close cooperation with customers is a central aspect of HAKI Safety's business model. This is particularly true in very large and complex projects for the construction and maintenance of infrastructure and

large commercial real estate. System scaffolds and modern catchfans are key elements in these projects, which require experience, cost-effectiveness and sustainability. The Group continually invests in product development and new digital solutions to proactively meet customer demand for various innovative and effective solutions. HAKI Safety gains market share by working with its customers to help them win business rather than winning over competitors' customers.

Safety and customer focus in everything the Group does

Adapt the organisation and offering to customers

The Group continuously develops its organisation and service based on the specific needs of its customers.

Large customers involved in complex projects are offered customised CAD solutions. The customer offering also includes training on scaffolding erection and safety, as well as other technical support and advice.

The Group's e-commerce is primarily aimed at smaller customers in the construction sector, such as home builders, scaffolding companies, tradesmen and women and private individuals with a DIY project, for both interior and exterior construction projects.

CUSTOMISED OFFERS

Customised solutions

Large customers, complex projects

- Advanced digital tools, technical support

Smaller customers, simpler projects

- E-commerce, self-service

ENHANCED OFFERS

Product development, 1–2% of net sales

15% Work zone safety

15% System scaffolds

2% Digital solutions

Strengthen the customer offering

The Group works continuously to improve the overall offering to its customers. HAKI's traditional system scaffolds with various frame scaffolding, weather protection, stair systems, bridge systems, etc. has been comlemented with other work zone safety products and solutions such as catchfans, barrier systems, fall protection and access platforms. Digital design and engineering tools for planning and visualising complex projects have been developed in parallel with traditional product development.

Optimise the supply chain

Supply chain activities are focused on optimising processes, from procurement and production to inventory management and logistics. The aim is to improve the ability to meet customer needs and ensure customer focus at all stages, while optimising efficiency and working capital. The Group's work in this respect is based on three focus areas:

- Streamlining, which aims to optimise flows and eliminate waste by ensuring that an order, from supplier to customer, arrives in the right quantity, is of the right quality and is delivered on time.
- Broadening, which involves working towards standardisation and finding synergies between products, geographical markets and units.
- Strengthening, which focuses on partnerships with both suppliers and customers to increase availability and other customer benefits.

The near-term priority is to increase the inventory turnover, which has positive effects on working capital.

Sustainability strategy

The Group contributes to the circular economy in that its products have long lives and are easy to recycle. New products are also compatible with older ones to minimise waste. Efficient production methods such as robotic welding make it possible to save energy, reduce waste and ensure a safer working environment.

The safety aspect applies not only to the products and solutions that the Group offers its customers, but also to the internal culture of HAKI Safety. Moreover, the Group strives to be a model of ethics in its industry.

Through its three sustainability commitments, HAKI Safety will be:

- a partner that takes environmental responsibility by playing an active role in the sustainable development of the industry
- a leader in safety that takes social responsibility by striving to provide safe, healthy working environments
- a responsible Group that, through its governance, is a model of ethical business practices in its industry

Read more about HAKI Safety's sustainability work on pages 15–20.

READY FOR GROWTH

- Delivered according to the strategy: from a conglomerate to a focused industrial Group
- Delivered according to the strategy: from system scaffolds to safety solutions
- Broadened in terms of geography and products and in more market segments
- Strong offer and position in an attractive market
- Solid strategy, with supply chain potential

SUSTAINABILITY REPORT

When the Scottish landmark the Forth Bridge needed to be repaired and painted, HAKI Safety designed and engineered, among other things, a bespoke working platform that was integrated into two fabricated steel suspension frames that ran along the existing gantry rails.

HAKI SAFETY'S STRATEGY FOR SUSTAINABLE DEVELOPMENT

Safe workplaces are at the heart of all of HAKI Safety's activities, and the Group's solutions to create safe working conditions are the result of decades of experience and knowledge.

The Group contributes to the circular economy in that its products have long lives and are easy to recycle. New products are also compatible with older ones to minimise waste. Efficient production methods such as robotic welding make it possible to save energy, reduce waste and ensure a safer working environment.

The safety aspect applies not only to the products and solutions that the Group offers its customers, but also to the internal culture of HAKI Safety. Moreover, the Group strives to be a model of ethics in its industry.

In 2024, the Group performed a double materiality assessment in accordance with the EU Corporate Sustainability Reporting Directive. Based on the assessment, HAKI Safety will continue to develop its sustainability work and report according to the requirements.

Basis of the Sustainability report

HAKI Safety's Sustainability report is included in the Annual Report and complies with the requirements for the statutory sustainability report prescribed in the Swedish Annual Accounts Act. The areas covered by the statutory requirements can be found in the Board of Directors' Report, see page 23. A limited assurance of HAKI Safety's Sustainability report has been performed by the Group's auditor. The auditor's report is found on page 73.

HAKI Safety's Sustainability report for 2024 covers the entire Group: the parent company and all subsidiaries unless otherwise stated. Semmco, which was acquired at the end of October 2024, is only included in the data for reported energy consumption and direct and indirect emissions and for the time it has been part of the Group, i.e. for two months. The portfolio company FAS Converting Machinery, which was divested in January 2024, is not included in the report at all. Historical data is unchanged. Social responsibility refers to own employees.

Sustainability governance

The Board of Directors has ultimate responsibility for the Group's sustainability work. In 2024, it received regular updates on HAKI Safety's work on the double materiality assessment and also underwent sustainability training delivered by an external provider.

At Group level, sustainability work is led by a sustainability responsible who reports to the CEO and is a member of Group Management.

The sustainability responsible coordinates the Group's sustainability work and works closely with the functional organisation, in particular Procurement and Health, Safety, Quality and Environment (HSQE), and the Group functions HR and Finance. Each member of Group Management is in turn responsible for the implementation and monitoring of sustainability targets and strategies in their respective organisations. Group Management holds weekly update meetings and monthly strategy meetings. More information on corporate governance, including the composition of the Board of Directors and the Group Management, is available in the Corporate Governance report on pages 66–69.

Data included in the report is collected using various systems, mainly the Group's sustainability database (environment and energy), and global systems for HR, work-related injuries and incidents, and financial reporting. System support is also available for supplier information and evaluations.

Energy consumption data is obtained either by direct measurement of consumption or by calculations based on fuel consumption. For reporting carbon dioxide and other greenhouse gas emissions, the global Greenhouse Gas Protocol (GHG) standard and the market-based approach are used for the calculations. Emissions from transport are calculated based on the total transport work performed per mode of transport for delivered products, raw materials and inputs.

The Group's ambition is to introduce some sustainability reporting in the Group's quarterly reports in 2025.

There are currently no sustainability-related incentives in HAKI Safety's remuneration of senior executives.

HAKI Safety's sustainability work is regulated by directives and policies. The Group's Code of Conduct is the central document for how HAKI Safety's own employees and its suppliers are expected to act in different situations. Combined with the Group's sustainability policy, the Code of Conduct forms the basis of the sustainability work. These documents will both be reviewed and updated in 2025. The Board of Directors approves all directives, including the Group's Code of Conduct. Group Management approves related policies that supplement and clarify the directives. Directives and policies apply to everyone in the Group and are available to the company's employees in the Group's global HR system.

The main documents related to the Group's sustainability management in addition to the Code of Conduct are:

Environment

- Sustainability Policy

Social responsibility

- Global Work Environment Directive
- Global Employee Handbook
- Global Diversity, Equity & Inclusion Policy
- Global Harassment and Victimisation Policy
- Supplier qualification and evaluation process

Governance

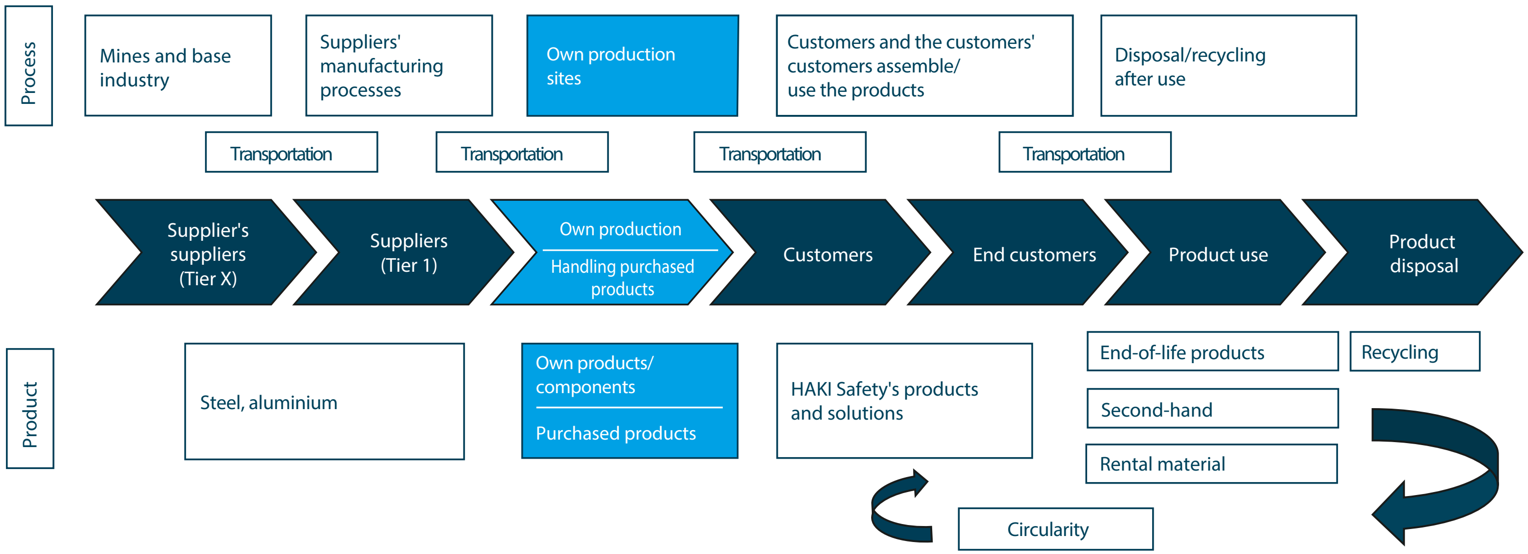
- Whistleblowing Policy
- Insider Policy
- Finance Policy (the part that is tax-related)

HAKI Safety does not have own operations in high-risk countries. Tier 1 suppliers are companies that are mainly based in the EU.

The Group's goal is for all major production units to be certified to ISO 9001 (quality) and eventually ISO 14001 (environment) and ISO 45001 (occupational health and safety).

A key aspect of HAKI Safety's risk management is about identifying and mitigating risks. The work also includes assessing potential environmental and occupational health and safety risks. Read more about the Group's risks on pages 25–26.

SUSTAINABILITY IN THE STRATEGY, BUSINESS MODEL AND VALUE CHAIN



Upstream activities

To ensure the supply of materials and products for its operations, HAKI Safety has two alternative suppliers (dual sourcing) for the largest purchasing categories. These are mainly steel and aluminium, which are purchased either as materials for processing or as finished products. At the top of the value chain (Tier X), therefore, is mining for the production of iron ore, followed by steel, and bauxite for the production of aluminium. The purchases (Tier 1) are made mainly from companies in the EU.

The main upstream environmental impacts are linked to biodiversity, greenhouse gas emissions and energy consumption. Social responsibility risks are mainly related to human rights and working practices (Tier X) and occupational health and safety (Tier 1).

Own operations

In HAKI Safety's own operations, production is the most material activity. At the end of 2024, the Group had six production units which, depending on their size, have different impacts on the environment through greenhouse gas emissions and energy consumption. Two of these were added with the acquisition of Semmco at the end of October. In addition to production, there are warehousing, sales, marketing, general and administrative activities. The Group also conducts research and development to develop more sustainable new products.

At the end of 2024, the Group had around 350 employees in 10 countries. For more information about the number of employees per country, see Note 8, page 41. Social responsibility risks are mainly related to working practices and occupational health and safety.

The Group's Core Values: Safety, Customer Focus, Excellence and Trust, combined with a common Code of Conduct and corporate governance, provide the framework for operations and create a stable, responsible group.

Downstream activities

HAKI Safety's motto is to never compromise on safety, and its vision is to create safe conditions for everyone working in challenging environments. The Group has sales in around 20 countries, mainly in Europe and North America. For more information about HAKI Safety's products and solutions, markets and customer categories, see the strategy section, pages 10–13.

Suppliers are engaged for product distribution and their activities generate greenhouse gas emissions and consume energy. The customers or customers' customers assemble and use the products in their projects for the duration of the projects. The products are long-lasting, with a service life of 15–20 years for system scaffolds, and can therefore be reused in several other projects. The environmental impact of the use of the Group's products is not significant in itself, although the context of the product may have an impact on the environment, as in the construction of new infrastructure such as bridges and tunnels. Social responsibility risks are mainly related to health and safety in terms of worksite accidents at temporary or non-stationary workplaces.

The Group's products are designed for a long service life and easy recycling. New products are also compatible with older ones to minimise waste. HAKI Safety also offers the possibility of strategic rental and purchase of second-hand products.

Stakeholder dialogue

HAKI Safety's key stakeholders include shareholders, investors, employees, customers and suppliers, as well as societal stakeholders such as public authorities, the media, researchers and students, and local stakeholders and neighbours of the production facilities. Contact and feedback from these groups helps HAKI Safety understand and manage expectations along the value chain and identify current issues. Stakeholder dialogues are ongoing.

A growing area of dialogue on the Group's sustainability is questions and surveys from customers, in many cases forwarded by third-party companies and organisations.

HAKI Safety is a member of several trade associations, including the Union of European Scaffolding Companies (UEG), the British National Access and Scaffolding Confederation (NASC), the Swedish scaffolding association Ställningsföretagen (STIB) and the Norwegian energy sector safety organisation Samarbeid for Sikkerhet (SFS). The Group is active in the public debate on safety at temporary workplaces. The focus in recent years has been to highlight the importance of planning and foresight to improve safety in an industry characterised by time pressure and short lead times. Membership should not be construed to mean that the Group endorses all actions or statements made by each organisation.

Process to identify and manage negative and positive impacts from the company's operations and value chain

The largest portfolio company of the former Midway Holding, HAKI, has been working on sustainability-related issues for many years. The starting point was essentially system scaffolds and the impact of its production. Since the shift in strategy from the end of 2018, and subsequently the change of name from Midway Holding to HAKI Safety, several companies have been acquired that have gradually assumed HAKI's sustainability commitment, operational goals and metrics.

The Group's ambition is to introduce new sustainability targets in the areas of environmental responsibility, social responsibility and governance in 2025, the outcomes of which can be reported in the sustainability report that will be published in the 2025 Annual Report.

In 2024, the Group performed a double materiality assessment in accordance with the EU Corporate Sustainability Reporting Directive. The work was performed largely under the leadership of the Group's sustainability responsible with the functional organisation, in particular Procurement and Health, Safety, Quality and Environment (HSQE), and the Group functions HR and Finance. The Group Management was kept regularly informed about the work and actively participated in the completion of the impact assessment, the financial impact assessment and the double materiality assessment. The Board was regularly informed about the process.

Based on the assessment, HAKI Safety will continue to develop its sustainability work and report according to the requirements.

STAKEHOLDER DIALOGUE

Stakeholder group	Form of dialogue	Priority issues
INVESTORS & SHAREHOLDERS	Annual General Meeting, annual report, investor meetings and visits, capital markets day, emails and phone calls	Climate and environmental impact, business ethics
EMPLOYEES	Union-employee cooperation, performance appraisals, employee surveys, staff meetings and social events	Work environment, physical and mental health, pay and benefits
CUSTOMERS	Face-to-face customer meetings and visits, trade fairs, events, customer satisfaction surveys, websites	Compatible products, product safety, innovations, sustainable transport, waste and hazardous waste management, sustainable purchasing
SUPPLIERS	Supplier meetings and visits, emails and phone calls	Code of Conduct
SOCIETY		
Public authorities	Correspondence, local meetings/visits	Compliance with environmental and social legislation, labour law issues
Media	Press releases, emails and phone calls	Carbon footprint
Researchers and students	Email interviews	Carbon footprint, circularity
Neighbours/local associations	Emails and phone calls	Community engagement

FOCUS AREA ENVIRONMENTAL RESPONSIBILITY: A PARTNER THAT TAKES AN ACTIVE ROLE IN INDUSTRY DEVELOPMENT

12 Responsible consumption and production
Target 12.2 Sustainable use of resources
Target 12.5 Waste management
Target 12.6 Sustainable practices

HAKI Safety's ambition is to play an active role in the development of the industry by reducing its environmental impact and thus also becoming an attractive partner for its customers. The Group strives to reduce emissions and increase recycling through continuous innovation and optimisation of products, services and working methods. The work also focuses on efficient waste management and sustainable purchasing.

The Group contributes to the circular economy in that its products have long lives and are easy to recycle. New products are also compatible with older ones to minimise waste. Efficient production methods such as robotic welding make it possible to save energy, reduce waste and ensure a safer working environment.

Energy and climate

The production unit in Sibbhult is the facility with the greatest environmental impact of the Group. The facility is environmentally certified to ISO 14001, which provides a clear framework for reducing the facility's environmental impact and ensuring that statutory requirements are met. The ambition is for other operations in the Group to eventually also achieve ISO 14001 certification. The production unit in Sibbhult and several of the Group's operations are ISO 9001 certified, which provides a framework for continuous improvement in the form of a quality management system.

Most of the Group's energy consumption, as well as its direct climate impact, comes from purchased ecolabelled electricity and district heating. Energy consumption in the Group increased marginally during the year. The development differed somewhat between countries depending on the type of operation and activity level during the year. Overall, higher consumption levels in some countries were balanced by lower levels in others. The Group is actively engaged in cutting its energy consumption, and implements ongoing energy-saving measures.

Direct emissions, Scope 1, increased during the year, mainly explained by an unintentional error in reported country data for 2023 that showed lower emissions than they actually were. Adjusted for the error in 2023, the emission level in 2024 was at par with the previous year. As for energy consumption, the development differed between countries but was balanced in total. The Group's indirect emissions from sources such as purchased energy and heating, Scope 2, increased slightly during the year following the acquisition of Semmco. Data reported by Semmco is included in the reporting of both climate emissions and energy consumption for the two months it belonged to the Group.

Other information

The Group neither conducts any water-intensive activities nor has production units in areas of water stress.

Chemicals are used in production to a limited extent and there are currently no substances of concern or very high concern in HAKI Safety's production.

Scrap metal and other waste are natural parts of operations, with forging scrap being the largest category of scrap.

OUTCOME IN THE AREA OF ENVIRONMENTAL RESPONSIBILITY

	2024	2023	2022	2021	2020
Energy consumption, kWh	2,689,306	2,578,707	3,995,377	3,782,762	3,606,279
Direct emissions – Scope 1, tonnes CO_2e	650	607	377	303	268
Indirect emissions – Scope 2, tonnes CO_2e	46.0	44.0	44.4	41.4	63.4

FOCUS AREA SOCIAL RESPONSIBILITY: A LEADER IN SAFETY

3. Good health and well-being
Target 3.4 Healthy workplace

8. Decent work and economic growth
Target 8.8 Safe and secure working environments

HAKI Safety's business concept is to offer products and solutions that help customers achieve safety and efficiency in their various environments. However, the safety aspect also includes HAKI Safety's internal culture, where a healthy lifestyle is promoted among all employees. The information below refers to own employees.

Working environment – health & safety

In 2023, accident reporting began to be categorised in a clearer new way. In addition to observations and/or near misses, incidents are reported in four different categories, ranging from minor injury to permanent injury.

The number of reported observations and incidents increased during the year, mainly owing to improved and stricter reporting. The Group's focus is to increase the number of reported observations to work preventively and thereby reduce the number of serious occupational accidents.

The number of occupational accidents resulting in absences of more than eight hours was four during the year. Two of these accidents involved hand injuries from machine work/materials handling, which led to a review and improvement of procedures to prevent recurrence.

Performance appraisals, surveys and dialogues

The Group holds information and communication occasions with its employees at different levels and via different channels in the Group. Important such occasions are the annual performance appraisals and employee surveys.

Performance appraisals are part of the mandatory global HR process, ranging from recruitment and onboarding to offboarding and archiving of data.

The Group's employee survey is also part of the global HR process but participation is voluntary. For 2024, the response rate was 70 percent and the results showed, among other things, an eNPS (employee Net Promoter Score) of 26, which is considered to be very good. An eNPS is a measure of the employee experience at a company. The average for Nordic companies is 7.

In addition, HAKI Safety complies with local legislation and/or collective agreements where they exist and participates in the consultations that are requested in addition to the general information meetings that take place regularly.

Training and skills development

The Group prioritises giving employees the opportunity to develop their skills. Training is organised both individually and in larger groups, based on needs identified in appraisals and surveys.

To promote a healthy lifestyle among all employees, all employees in the Group have access to a wellness allowance.

Diversity and inclusion

HAKI Safety endeavours to achieve a mix of employees in terms gender, age and ethnicity with regard to the type of activities conducted. Diversity and inclusion are generally considered to be important elements in situations such as recruitment, training, evaluation, salary setting and succession planning.

Both the Board of Directors and Group Management comprise 40 percent women. Women make up 35 percent of the Extended Management Team, which consists of people reporting to Group Management. In the Group as a whole, the proportion of women is just over 22 percent.

OUTCOME IN THE AREA OF SOCIAL RESPONSIBILITY

	2024	2023	2022	2021	2020
Number of occupational accidents	33	18	14	7	7
Number of occupational accidents leading to absence (8 hours or more)	4	4	5	1	2

FOCUS AREA GOVERNANCE: A RESPONSIBLE GROUP

HAKI Safety strives to be a model of ethics and equality in its industry, and also strives to promote this in its value chain.

The Group promotes the values of fair competition and is actively engaged in combating all forms of bribery and corruption within its own organisation and value chain.

5. Gender equality
Target 5.5 Equal participation and representation

10. Reduced inequalities
Target 10.3 Equal opportunities

16. Peace, justice and strong institutions
Target 16.5 Eliminate corruption and bribery

Regulatory compliance

Based on the Group's Code of Conduct, HAKI Safety works both internally and throughout the value chain to promote exemplary business conduct based on compliance with laws, regulations and international agreements. Combined with the whistleblower policy, this constitutes an important cornerstone of the organisation's compliance.

The Group's whistleblower policy states that every employee has the right to report suspected violations of laws or regulations, harassment, safety breaches, unfairness or conflicts of interest without any repercussions. During the year, a total of one case was reported via the whistleblowing system, which, however, was dismissed for lack of relevance.

Supplier evaluation and follow-up

The Group's goal is for all strategically important suppliers to have signed the Group's Code of Conduct, which addresses issues related to human rights, health and safety, environmental management and social responsibility. The number of strategically important suppliers totalled around 20 in 2024. At the year-end, 68 percent of these suppliers were documented as having signed the code. However, the proportion is expected to be close to 100 percent in the first quarter of 2025.

The procurement function has been largely professionalised in recent years and it deals with all aspects of purchasing, from sustainable purchasing to payment terms and call-offs.

Human rights

Human rights relate to fundamental rights defined by conventions and declarations, including areas such as child labour, forced labour, freedom of association, discrimination/diversity, gender equality and the right to collective bargaining. These areas are addressed in the Group's Code of Conduct.

None of the Group's operations is deemed to have a significant risk of human rights violations. HAKI Safety has signed statements on the management of issues relating to forced labour, child labour and trafficking/modern slavery in accordance with the UK Modern Slavery Act and the Norwegian Transparency Act (Åpenhetsloven).

Active role in public debate

HAKI Safety is a member of several trade associations, including the Union of European Scaffolding Companies (UEG), the British National Access and Scaffolding Confederation (NASC), the Swedish scaffolding association Ställningsföretagen (STIB) and the Norwegian energy sector safety organisation Samarbeid for Sikkerhet (SFS). The Group is active in the public debate on safety at temporary workplaces. The focus in recent years has been to highlight the importance of planning and foresight to improve safety in an industry characterised by time pressure and short lead times. These membership should however not be construed to mean that the Group endorses all actions or statements made by each organisation.

OUTCOME IN THE AREA OF GOVERNANCE

	2024	2023	2022	2021	2020
Number of corruption-related incidents reported	0	0	0	0	0
Whistleblower cases	1 [1]	0	0	0	0
Number of GDPR-related incidents	1 [2]	2 [3]	0	1	2

1 Dismissed for lack of relevance.
2 Reported to the Swedish Authority for Privacy Protection.
3 Of which one case was reported to the Swedish Authority for Privacy Protection.

FINANCIAL INFORMATION

During the conversion of Battersea Power Station in the UK into a public space, HAKI Safety's catchfans were used. These products are used for work at height and in confined spaces to ensure that neither the public nor workers are endangered by falling objects.

BOARD OF DIRECTORS' REPORT

The Board of Directors and the CEO of HAKI Safety AB (publ) (556323-2536) hereby submit the following report for the year 2024. The statements of comprehensive income, balance sheets, cash flow statements, equity analyses, accounting principles, risk reporting and notes form part of the financial statements.

HAKI Safety AB is a Swedish public limited company, and has its registered office and headquarters in Malmö, Sweden. HAKI Safety AB is listed on Nasdaq Stockholm Small Cap under the tickers HAKI A and HAKI B.

Operations in 2024

HAKI Safety, Midway Holding until 20 December 2023, is an international industrial Group offering safety products and solutions that help customers achieve safety and efficiency in their various environments.

With effect from the first quarter of 2024, HAKI Safety introduced a reporting segment with an associated reporting structure for the distribution of net sales. At the same time, the two previous business areas, Safe Access Solutions and Industrial Services, were discontinued.

- Work zone safety: catchfans, barrier systems, fall protection, access platforms, stairs, etc.
- System scaffolds: system and frame scaffolding, weather protection, stair systems, bridge systems, etc.
- Digital solutions and technical support: surveying instruments and equipment for land surveying, and construction laser level tools. Bespoke platform solutions and training. Digital design and construction tools for planning and visualisation
- Other business branches

The products are developed, manufactured and sold to customers active in market segments such as infrastructure, energy, industry, aviation, rail and construction and civil engineering, mainly in Europe and North America.

HAKI Safety is working to continue to develop and strengthen the Group based on an established strategy. Favourable macroeconomic trends and a partially fragmented market are supporting the Group's growth. HAKI Safety's strategy involves seeking acquisitions which can provide not only growth and synergies but also greater risk diversification. The structured work to streamline the supply chain, from procurement and production to warehouse management and logistics, remains a priority.

The Group contributes to the circular economy in that its products have long lives and are easy to recycle. New products are also compatible with older ones to minimise waste. Efficient production methods such as robotic welding make it possible to save energy, reduce waste and ensure a safer working environment.

For more information about HAKI Safety's products and solutions, markets and customer categories, see the strategy section, pages 10–13.

Financial performance in 2024

After a comparably weak first half of the year, HAKI Safety reported a recovery during the second half, with organic growth in both the third and fourth quarters. Newly acquired companies generally reported good results.

Net sales for 2024 amounted to SEK 1,050 million (1,188), a decrease of 12 percent year-on-year. Organically, net sales declined by 5 percent. Acquisitions and divestments had a negative impact on net sales of 7 percent. Exchange rates had no impact on net sales.

The market in general was soft in some market segments and geographical areas. The weak demand for new residential construction affected the Group mainly in Sweden and Austria. The weak performance in these countries was offset by strong demand for products related to infrastructure projects in both Denmark and France. In France and the UK, demand in commercial real estates developed well. The lack of large one-off customer orders and purchases of rental equipment particularly affected operations in Norway and the UK at the beginning of the year. This was balanced by strong demand for energy project products, with the Norwegian operation gaining market share, mainly through strategic rental. Demand for digital and technical solutions remained high. Positive demand was noted in Norway for both geodesy products and services.

Adjusted EBITA was SEK 77 million (95), corresponding to an adjusted EBITA margin of 7.3 percent (8.0), negatively affected by the market situation during the first half of the year but offset by the positive development of the gross margin. Gross margin was 35.8 percent (33.4). Operating profit amounted to SEK 70 million (99). Net profit after tax was SEK 41 million (62).

Cash flow for the year from operating activities amounted to SEK -4 million (153). The change is on account of net investments in strategic rental equipment.

Earnings per share before dilution totalled SEK 1.50 (2.27) and after dilution SEK 1.48 (2.24).

Acquisitions

On 29 October 2024, HAKI Safety signed an agreement for and finalised the acquisition of Semmco, a privately owned UK-based leading manufacturer and supplier of aircraft and train maintenance access platforms and steps. The offering also includes training and service contracts for maintenance controls and spare parts. The customer base primarily consists of international aviation and train companies. Semmco's headquarters and main manufacturing operation are in Woking, Surrey, England, with a manufacturing and sales operation also in Arlington, Texas, USA. Sales over the last twelve months amounted to approximately SEK 100 million (GBP 7 million). The company was founded in 1993 and has around 60 employees.

Since the date of the acquisition and until 31 December 2024, Semmco contributed sales of approximately SEK 22 million and an operating profit of approximately SEK 5 million, including amortisation of acquired intangible assets (customer relations). If Semmco had been part of the group since January 1, 2024, HAKI Safety's sales would have been approximately SEK 78 million higher and operating profit approximately SEK 10 million higher for the 2024 financial year. The purchase price amounts to a maximum of GBP 8.5 million on a debt-free basis, including working capital adjustments, of which GBP 5.6 million is a fixed purchase price and a maximum of GBP 2.9 million is an additional purchase price. The additional purchase price will be based on Semmco's performance during 2025. Transaction costs amounted to SEK 4 million, charged to the 2024 financial year.

Revaluation of earnouts of the Novakorp Systems acquisition in 2022 had a positive net effect on profit of SEK 13 million (39) and has

Board of Directors' report, *continued*

been adjusted based on the expected outcome. The operation shows good development but did not fully achieve its financial targets for full payout of the additional purchase price.

Divestments

In December 2023, HAKI Safety announced that it had signed an agreement to divest FAS Converting Machinery to the US company CMD Corporation. The transaction was finalised on 24 January 2024 and the business was deconsolidated from January 2024.

The divestment of FAS Converting Machinery had a negative impact on operating profit in the first quarter of SEK 5 million including transaction costs. The negative impact was mainly due to a product-related warranty matter that arose after the transaction date and was settled in the final settlement of the purchase price.

SIGNIFICANT EVENTS IN 2024

Date	Event
24/01/2024	Divestment of FAS Converting Machinery is finalised
07/02/2024	Year-end report 2023 is published
14/03/2024	Financial targets and new reporting structure communicated
22/03/2024	Annual report for 2023 is published
22/04/2024	Interim report January–March 2024 is published
22/04/2024	Annual General Meeting is held
12/07/2024	Interim report April–June 2024 is published
23/10/2024	Interim report July–September 2024 is published
29/10/2024	Acquisition of Semmco Group is announced

Significant events after year-end

Acquisition of Trimtec and consideration of a new issue of shares
On 30 January 2025, HAKI Safety signed an agreement to acquire Trimtec, a Swedish distributor of high-tech precision equipment. The acquisition broadens the Group's geodesy offering to more geographical areas, strengthens the digital offering and enables a complete offering on the Swedish market, from project planning to delivery of safety products. Trimtec sells and rents precision equipment for among other things, cadastral and mapping. The offering also includes service maintenance contracts and training. Its head office is in Stockholm, and the company has sales offices in another five Swedish cities. Trimtec's sales for 2024 amounted to approximately SEK 130 million. The company was founded in 2002 and currently has approximately 40 employees. The majority of the company's product range is manufactured by Trimble, a leading manufacturer of precision equipment for cadastral surveying and mapping. The transaction is expected to be finalised in March 2025, subject to regulatory approval by relevant authorities.

The purchase price amounts to SEK 50 million on a debt-free basis. Subject to certain financial performance goals being achieved at Trimtec during 2025 and 2026, an additional maximum of SEK 50 million in contingent cash consideration (earn-out) may also be paid. The initial purchase price is intended to be paid in cash and financed within the framework of existing credit facilities, which may be refinanced through a new issue of shares.

In such a case, the new issue will be resolved based on an authorisation by the general meeting or subject to subsequent approval by a general meeting. HAKI Safety intends to explore the options of carrying out a new share issue, either as a directed share issue or as a rights issue. The share issue may be carried out during the first half of 2025, but no decision has yet been made and the timing and type of share issue will depend on, among other things, the prevailing market conditions at the time of the share issue. Should the share issue be carried out as a rights issue, the existing shareholders, Tibia Konsult AB and Marknadspotential AB, have declared their intention to enter into binding subscription and guarantee commitments on customary terms and conditions for an amount corresponding to the entire proceeds from the issue.

Strategic review of Landqvist Mekaniska Verkstad
A strategic review of the remaining portfolio company, Landqvist Mekaniska Verkstad, has been initiated, and divestment is one of the options that is being considered. Landqvist Mekaniska Verkstad is recognised as Other business branches in the Annual Report.

Corporate Governance report

The Corporate Governance report can be found on pages 66–69.

Parent company

The parent company's activities consist mainly of administrative tasks. The parent company had eight employees at the end of 2024. For the parent company, the profit/loss after financial items amounted to SEK -26 million (-15). The equity/assets ratio in the parent company amounted to 40 percent (50).

Non-financial performance indicators

The Group's non-financial performance indicators are described in the Sustainability report on pages 15–20.

Environment and statutory sustainability report

Two of the Group's subsidiaries conduct activities subject to a notification requirement in Sweden under the Environmental Code relating to blasting work at Landqvist Mekaniska Verkstad and the use of a woodchip boiler at the Sibbhult facility.

In accordance with Chapter 6, Section 11, of the Annual Accounts Act, HAKI Safety has prepared a statutory Sustainability report. See pages 15–20. The table below provides guidance on where the statutory information can be found in the financial statements.

AREA	Page
Business model	2, 11
Policies, frameworks, stakeholders and key issues	15–17
Environmental responsibility	18
Employee relations and social responsibility	19
Human rights	20
Preventing corruption	20
Risks and risk management	25–26
Diversity on the Board and in management	19, Note 9

Board of Directors' report, *continued*

Research and development

Innovation and improvement are at the heart of everything HAKI Safety does. The Group strives for growth, and to find new business opportunities and develop new ways to help its customers. HAKI Safety holds around 20 patents and protected designs. The Group's research and development costs for 2024 amounted to SEK 20 million (26).

Guidelines for remuneration and other terms of employment for senior management

Guidelines for remuneration and other terms of employment for senior management were adopted at the 2021 Annual General Meeting. The guidelines are essentially in line with previous years' remuneration principles and are based on agreements already entered into between the company and senior executives. The Board has appointed a Remuneration Committee to negotiate remuneration with the CEO and authorised the CEO to negotiate remuneration with other members of management. Final agreements are presented to the Board.

HAKI Safety shall offer market-based total compensation that enables the recruitment and retention of senior executives. Remuneration of senior management consists of fixed salary, pension, a limited amount of variable remuneration based on the fixed salary, and other remuneration. Altogether, these elements constitute the individual's total compensation. The fixed salary should take into account the individual's responsibilities and experience.

Senior management are entitled to pensions, which must be defined contribution. The retirement age is 65.

Other remuneration and benefits must be on market terms and contribute to facilitating the executive's ability to perform their duties. The employment contracts of senior management include termination provisions. Under these contracts, employment may be terminated at the request of the employee or the company with a notice period of three to twelve months.

The Board is entitled to deviate from the above guidelines if the Board deems that there are special reasons for doing so in an individual case.

For further information on remuneration of senior management, see Note 11. Full guidelines are available on the Group's website. At least three weeks before the Annual General Meeting, the Board publishes its Remuneration Report for the 2024 financial year on the website.

Call option programme

In November 2022, Group Management acquired call options in accordance with the long-term incentive program resolved by the 2022 Annual General Meeting. The call options were acquired at market value in accordance with a valuation by an independent third party.

The CEO acquired 150,000 call options and other senior executives 300,000 call options, of which 100,000 were synthetic call options, in accordance with the principles established by the Annual General Meeting. Karin Larsson, who joined Group Management in September 2023, acquired 50,000 call options in September 2023, which were the remaining call options in the programme. Consequently, the call options programme from the 2022 Annual General Meeting is fully subscribed by Group Management. An updated market valuation by a third party was obtained in connection with the acquisition of the call options.

The call options entitle the holder to subscribe for new Class B shares in the company during the period 1 May 2025 up to and including 30 June 2025 at a subscription price of SEK 35.80, corresponding to 135 percent of the volume-weighted average price according to Nasdaq Stockholm's official price list for the share during the five trading days immediately following the 2022 Annual General Meeting, adjusted for share dividends during the period. Full dilution was assumed in the calculation of earnings per share.

Outlook

Events in the world continue to pose uncertainty for market development in the near term. The geographical areas and product categories differ, making the market situation uncertain in the short term. In the longer term, however, the Group is well-positioned in the market, which means that HAKI Safety looks to the future with confidence.

Proposed appropriation of profits

The following funds in the parent company are at the disposal of the Annual General Meeting (SEK):

Retained earnings	99,914,500
Profit/loss for the year	-19,923,601
Total	**79,990,899**

The Board of Directors proposes that profits be appropriated as follows (SEK):

Dividend to shareholders, SEK 0.50 per share	13,664,568
Carried forward	66,326,331
Total	**79,990,899**

The Board of Directors finds that the proposed appropriation of profits is in accordance with the precautionary rule in Chapter 17, Section 3, of the Swedish Companies Act as follows: The Board of Directors finds that the distribution of profits is justifiable with regard to the requirements that the nature, scope and risk of the operations place on the size of the equity, the company's and the Group's consolidation needs, liquidity and position in general.

RISKS AND RISK MANAGEMENT

An important element of HAKI Safety's strategic planning is the identification of business-critical risks that could have a negative impact on the Group.

Risk diversification

HAKI Safety has worked purposefully to increase risk diversification within the Group and has moved from selling system scaffolds to offering a wider range of safety solutions. The Group has also expanded in terms of geography and into more market segments. The Group currently operates in 10 countries and sells to just over 20 countries.

Demand for the Group's products and solutions broadly correlates with the cyclical fluctuations of global industrial production. The Group's most recent acquisition, Semmco, has made it less cyclical as it has stable earning capacity and is only slightly affected by seasonal variations.

Risks

A new cross-functional risk management process was introduced in 2023 to address risks across the Group. The risks are grouped into four categories:

- Strategic risks
- Operational risks
- Compliance risks
- Financial risks

The four risk categories include assessments of sustainability risks such as climate impact, occupational health and safety risks, human rights risks and risks related to non-compliance with laws and regulations, both within the Group and in the supply chain.

The highest governance body for risk management is the Board of Directors and its Audit Committee. Day-to-day risk management is coordinated by the Quality, Health, Safety & Environment function (QHSE), which brings together staff from the commercial organisation and functions such as Finance, IT, HR, Communications and Sustainability. Risks are also addressed in forums such as Sales & Operation Planning (S&OP) and within the sustainability work.

Risk management

Each identified risk is assessed on a five-point scale based on severity and likelihood. The actions that are then implemented focus primarily on reducing the likelihood of each significant risk.

A risk with a low overall value does not require any action, while risks with medium values should be managed by defining the appropriate action and establishing a deadline for such action to be taken.

Crisis management

In the event of an incident that could affect the Group as a whole, the Quality, Health, Safety & Environment (QHSE) function convenes the Group's crisis organisation, which is made up of the managers from the commercial organisation, the supply chain and communications and sustainability. The team should quickly be able to assess whether or not there is a real need for centralised management of the issue in question, and ensure that the resources needed in a crisis are made available. In other cases, HAKI Safety's incident management is decentralised, which means that as far as possible, incidents should be resolved locally, close to the origin of the incident.

GROUP RISKS

LIKELIHOOD					
5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5
	1	2	3	4	5

IMPACT

MAJOR GROUP RISKS

- Volatility of demand
- Changing customer behaviours
- Increased dependence on large customers
- Development of acquisitions
- Sub-optimal resource allocation
- Product liability
- Production stoppage
- Disruption to critical IT systems and cyber-related risks
- Over- or undercapacity in production
- High stockholding

Result	Risk	Assessment
1–5	Low	Acceptable risk – no action needed
6–12	Medium	Risk mitigation measures should be considered
13–25	High	Risk mitigation measures are required

RISKS WITH HIGH AGGREGATE VALUES

	Risk	Focus and management
Strategic risks		
Changing customer behaviours	Risk of changing customer behaviours in general, as well as competitors' actions affecting the demand for different products and their profitability	Focus on customers and suppliers, competitor analysis, product development and risk diversification measures
Increased dependence on large customers	Risk of the Group becoming too dependent on large individual customers	Focus on having a broad customer base and a broad customer offering
Development of acquisitions	Risk that integration of acquired entities is complex and synergies take longer to realise than expected	Focus on consistent and predefined Group-wide processes
Sub-optimal resource allocation	Risk of sub-optimisation of operations	Focus on centralising processes and warehouses while keeping sales local to improve customer service and free up capital
Product liability	Risk of delivery delays and/or quality problems	Focus on processes, procedures and quality management systems via ISO 9001 at the Group's sites
Production stoppage	Risk of production stoppages due to unforeseen events, such as power outages, subcontractor failures, raw material shortages	Focus on flexible production, action plans, outsourcing, use of multiple suppliers
Operational risks		
Disruption to critical IT systems and cyber-related risks	Risk of neglected IT upgrades and IT attacks bringing operations to a standstill	Focus on regular upgrades and preventive measures to protect business-critical information
Overcapacity in production	Risk of not being able to deliver products according to contracts and needs	Focus on promoting continuous improvement for efficient production and high flexibility in the production process
Financial risks		
Volatility of demand	Risk of widespread financial crisis and economic downturn affecting performance and results	Focus on action plans combined with a focus on complementary products and geographical markets to diversify risk
Stockholding	Risk of overstocking leading to a lack of capital that prevents necessary investments	Focus on the Sales & Operation Planning process and stock optimisation
Undercapacity in production	Risk of loss of revenue	Focus on increased insourcing and optimisation of the number of production units
Compliance risks		
Currently no risks with high aggregate values		

Macroeconomic risks

Wars and conflicts may have global impacts that may affect, for example, commodity prices and pose supply chain challenges. A general increase in political uncertainty within and across geographical areas may also have a negative impact on business activities through, for example, higher interest rates and inflation, which in turn affect the general economic situation.

HAKI Safety continuously monitors and responds to the geopolitical situation in the world. The procurement function works actively to identify alternative suppliers and suppliers with a geographical spread. In previous situations, the Group has also countered negative developments through a mix of cost-cutting measures and price increases.

Financial risks and risk management

HAKI Safety's financial risk management is described in Note 24 Financial risk management and financial instruments.

Sustainability risks

HAKI Safety's sustainability work and associated risks are described on pages 15–20.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

OPERATING INCOME AND EXPENSES, SEK m	Note	2024	2023
Net sales	1	1,050	1,188
Cost of goods sold		-674	-791
GROSS PROFIT		**376**	**397**
Selling expenses		-215	-211
Administrative expenses	4	-80	-81
Research and development costs		-20	-27
Other operating income	3	14	43
Other operating expenses	3	-5	-22
OPERATING PROFIT	2, 3, 4, 8, 9, 10, 11, 15	**70**	**99**
Net financial items			
Finance income	6	24	32
Finance costs	6	-44	-53
PROFIT/LOSS BEFORE TAX		**50**	**78**
Income tax	7	-9	-16
PROFIT/LOSS FOR THE YEAR		**41**	**62**
STATEMENT OF COMPREHENSIVE INCOME			
Translation differences		26	-2
Items that will be subsequently reversed in the income statement		**26**	**-2**
Revaluation of net pension liabilities		-1	-1
Items that will not be reversed in the income statement		**-1**	**-1**
Other comprehensive income for the period, net after tax		**25**	**-3**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**66**	**58**
Profit for the year attributable to:			
Parent company shareholders		41	62
Non-controlling interests		-	-
Total comprehensive income for the year attributable to:			
Parent company shareholders		66	58
Non-controlling interests		-	-
Earnings per share, before dilution, attributable to parent company shareholders.		1.50	2.27
Earnings per share, after dilution, attributable to parent company shareholders.		1.48	2.24
Average number of shares during the period, before dilution		27,329,136	27,329,136
Average number of shares during the period, after dilution		27,679,136	27,679,136
Proposed dividend per share		0.5	0.9

CONSOLIDATED BALANCE SHEET

ASSETS, SEK m	Note	31/12/2024	31/12/2023
FIXED ASSETS			
Intangible assets	13		
Capitalised expenditure and other intangible fixed assets		81	60
Goodwill		433	345
TOTAL INTANGIBLE ASSETS		**514**	**405**
Property, plant and equipment	14, 15		
Buildings and land		93	86
Plant and machinery		29	35
Equipment, tools and installations		267	196
Construction in progress and advances in respect of property, plant and equipment		1	0
TOTAL PROPERTY, PLANT AND EQUIPMENT		**390**	**317**
Financial fixed assets			
Deferred tax assets	7	0	0
Other non-current receivables	17, 24	12	10
TOTAL FINANCIAL FIXED ASSETS		**12**	**10**
TOTAL FIXED ASSETS		**916**	**733**
CURRENT ASSETS			
Inventories, etc.	16		
Raw materials and supplies		33	32
Goods in progress		52	30
Finished goods and goods for resale		263	276
TOTAL INVENTORIES		**348**	**338**
Current receivables			
Accounts receivable	17, 24	173	118
Tax receivables		2	4
Other receivables		14	14
Prepaid expenses and accrued income	18	14	9
TOTAL CURRENT RECEIVABLES		**203**	**145**
Cash and cash equivalents	23, 24	35	53
TOTAL CURRENT ASSETS		**586**	**536**
Assets held for sale	22	-	64
TOTAL ASSETS		**1,502**	**1,333**

EQUITY AND LIABILITIES, SEK m	Note	31/12/2024	31/12/2023
Capital and reserves attributable to parent company shareholders			
Share capital	27	273	273
Reserves		36	16
Retained earnings		375	355
		684	**643**
Non-controlling interests		**-**	**-**
Total equity		**684**	**643**
Non-current liabilities			
Liabilities to credit institutions	19, 26	415	375
Deferred tax liability	7	27	22
Other liabilities	19	40	53
Provisions	12, 20	27	26
TOTAL NON-CURRENT LIABILITIES		**509**	**476**
Current liabilities			
Liabilities to credit institutions	19, 26	72	42
Customer prepayments		1	1
Accounts payable		88	60
Tax liabilities		13	11
Other liabilities	19	81	20
Accruals and deferred income	21	54	58
TOTAL CURRENT LIABILITIES		**309**	**192**
Liabilities directly associated with assets held for sale	22	-	22
TOTAL EQUITY AND LIABILITIES		**1,502**	**1,333**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to parent company shareholders				Non-controlling interests	Total equity
SEK m	Share capital	Reserves	Retained earnings	Total		
Equity, 01/01/2024	**273**	**16**	**355**	**643**	**0**	**643**
Comprehensive income						
Profit/loss for the year	-	-	41	41	-	41
Other changes	-	-5	5	0	-	0
Other comprehensive income	-	26	-1	25	-	25
Total comprehensive income	**0**	**21**	**45**	**66**	**-**	**66**
Transactions with owners						
Dividend	-	-	-25	-25	-	-25
Total transactions with owners	**-**	**-**	**-25**	**-25**	**-**	**-25**
Equity, 31/12/2024	**273**	**36**	**375**	**684**	**-**	**684**

	Equity attributable to parent company shareholders				Non-controlling interests	Total equity
SEK m	Share capital	Reserves	Retained earnings	Total		
Equity, 01/01/2023	**273**	**9**	**326**	**608**	**-**	**608**
Comprehensive income						
Profit/loss for the year	-	-	62	62	-	62
Other changes	-	10	-10	0	-	0
Other comprehensive income	-	-2	-1	-3	-	-3
Total comprehensive income	**0**	**8**	**51**	**58**	**-**	**58**
Transactions with owners						
Dividend	-	-	-22	-22	-	-22
TOTAL TRANSACTION WITH OWNERS	**-**	**-**	**-22**	**-22**	**-**	**-22**
Equity, 31/12/2023	**273**	**16**	**355**	**643**	**-**	**643**

Reserves relate mainly to exchange rate differences arising from the translation at current rates of the financial statements of foreign operations and other reserves in subsidiaries.

CONSOLIDATED CASH FLOW STATEMENT

PROFIT/LOSS FROM OPERATING ACTIVITIES, SEK m	Note	2024	2023
Continuing operations			
Profit/loss before tax		50	78
of which interest paid		-21	-25
of which interest received		4	2
Adjustments for items not included in cash flow		-40	-49
Depreciation/amortisation	13	92	115
Taxes paid		-7	-13
Cash flow from operating activities before changes in working capital		**95**	**132**
Change in working capital			
Change in inventories		-86	50
Change in current receivables		-40	2
Change in current liabilities		27	-31
Cash flow from operating activities		**-4**	**153**
Investing activities			
Investments in intangible fixed assets	13	-6	-8
Investments in property, plant and equipment	13	-8	-15
Property, plant and equipment sold	13	0	0
Acquired subsidiaries	29	-60	-50
Sold subsidiaries	29	37	0
Cash flow from investing activities		**-37**	**-74**
Financing activities	27		
Repayment of loans		-321	-21
Change in lease liability		-20	-23
Borrowings		390	17
Change in current financial liabilities		-2	-6
Dividend		-25	-22
Cash flow from financing activities		**22**	**-55**
Cash flow for the year		-19	24
Cash and cash equivalents at start of year		53	32
Effects of exchange rate differences on cash and cash equivalents		0	-3
Cash and cash equivalents at end of the period		**35**	**53**
Specification of the line 'Adjustment for items not included in cash flow'			
Cancellation of additional purchase price		-14	-39
Restructuring and pension provision		-	-8
Other items		-26	-2
		-40	**-49**

From 2023 onwards, net investments in assets related to strategic rental materials are presented as part of cash flow from operating activities.

PARENT COMPANY INCOME STATEMENT

OPERATING INCOME AND EXPENSES, SEK m	Note	2024	2023
Administrative expenses	4	-33	-24
Other operating income		6	9
OPERATING PROFIT		**-27**	**-15**
Results from financial investments			
Income from shares in Group companies	5	13	10
Interest income and similar items	6	15	18
Interest expense and similar items	6	-27	-28
PROFIT/LOSS AFTER FINANCIAL ITEMS		**-26**	**-15**
Appropriations		1	19
Current tax on profit for the year	7	5	1
PROFIT/LOSS FOR THE YEAR		**-20**	**5**

The parent company's profit/loss is consistent with the parent company's comprehensive income.

PARENT COMPANY BALANCE SHEET

ASSETS, SEK m	Note	31/12/2024	31/12/2023
FIXED ASSETS			
Intangible assets			
Capitalised expenditure and other intangible fixed assets		2	2
TOTAL INTANGIBLE FIXED ASSETS		**2**	**2**
TOTAL PROPERTY, PLANT AND EQUIPMENT AND FINANCIAL FIXED ASSETS			
Inventories		1	1
Shares in Group companies	28	185	196
Other long-term holdings of securities		4	3
Deferred tax assets	7	8	2
TOTAL INVENTORIES AND FINANCIAL FIXED ASSETS		**198**	**202**
TOTAL FIXED ASSETS		**200**	**202**
CURRENT ASSETS			
Current receivables			
Receivables from Group companies		715	600
Tax receivables		0	0
Other receivables		1	0
Prepaid expenses and accrued income	18	2	1
TOTAL CURRENT RECEIVABLES		**718**	**601**
Cash at bank and in hand	23	**6**	**10**
TOTAL CURRENT ASSETS		**724**	**611**
TOTAL ASSETS		**924**	**815**

EQUITY AND LIABILITIES, SEK m		31/12/2024	31/12/2023
Equity			
Restricted equity			
Share capital (27,329,136 shares, quota value SEK 10)	27	273	273
Reserve fund		11	11
TOTAL RESTRICTED EQUITY		**284**	**284**
Non-restricted equity			
Retained earnings		100	120
Profit/loss for the year		-20	5
TOTAL NON-RESTRICTED EQUITY		**80**	**125**
TOTAL EQUITY		**364**	**409**
Provisions		**4**	**3**
Non-current liabilities			
Liabilities to credit institutions	25	356	310
TOTAL NON-CURRENT LIABILITIES		**356**	**310**
Current liabilities			
Liabilities to credit institutions	25	57	0
Accounts payable		2	2
Liabilities to Group companies		134	86
Other liabilities		1	2
Accruals and deferred income	21	6	4
TOTAL CURRENT LIABILITIES		**200**	**93**
TOTAL EQUITY AND LIABILITIES		**924**	**815**

PARENT COMPANY EQUITY

SEK m	Share capital	Reserve fund	Non-restricted reserves	Total
Equity, 01/01/2024	**273**	**11**	**125**	**409**
Comprehensive income				
Profit/loss for the year			-20	-20
Other comprehensive income				
Total comprehensive income			**105**	**389**
Transactions with owners				
Dividend			-25	-25
Total transactions with owners			**-25**	**-25**
Equity, 31/12/2024	**273**	**11**	**80**	**364**

SEK m	Share capital	Reserve fund	Non-restricted reserves	Total
Equity, 01/01/2023	**273**	**11**	**142**	**426**
Comprehensive income				
Profit/loss for the year			5	5
Other comprehensive income				
Total comprehensive income			**147**	**431**
Transactions with owners				
Dividend			-22	-22
Total transactions with owners			**-22**	**-22**
Equity, 31/12/2023	**273**	**11**	**125**	**409**

PARENT COMPANY CASH FLOW STATEMENT

PROFIT/LOSS FROM OPERATING ACTIVITIES, SEK m	Note	2024	2023
Profit/loss from operating activities			
Profit/loss after financial items and appropriations		-26	-15
of which interest paid		-23	-22
of which interest received		10	11
Adjustments for items not included in cash flow		-7	6
Taxes paid		0	0
Cash flow from operating activities before changes in working capital		**-33**	**-9**
Change in working capital			
Change in current receivables		-115	64
Change in current liabilities		49	-13
Cash flow from operating activities		**-99**	**42**
Investing activities			
Investments in property, plant and equipment	13	-1	-2
Divested subsidiaries		18	0
Change in other financial assets and current investments		0	0
Cash flow from investing activities		**17**	**-2**
Financing activities	27		
Repayment of loans		-317	-20
Borrowings		390	11
Increase/decrease in current financial liabilities		30	0
Dividends paid		-25	-22
Cash flow from financing activities		**78**	**-31**
Cash flow for the year		**-4**	**8**
Cash and cash equivalents at start of year		10	2
Cash and cash equivalents at end of the period	**18**	**6**	**10**
Specification of items not included in cash flow			
Depreciation/amortisation		1	0
Anticipated dividends from subsidiaries		0	0
Other items		-8	6
		-7	**6**

The item 'Change in current liabilities' also includes the effect of non-cash Group contributions and changes in balances/liabilities in Group bank accounts.

GENERAL ACCOUNTING PRINCIPLES

All amounts in SEK million unless otherwise stated in the text.

HAKI Safety AB (publ) (556323-2536) is a limited company with its registered office in Malmö, Sweden. The parent company is listed on Nasdaq Stockholm.

The consolidated financial statements were authorised for issue by the Board of Directors on 20 March 2025.

The consolidated financial statements for HAKI Safety AB have been prepared in accordance with the Swedish Annual Accounts Act, RFR 1 Supplementary Rules for Groups and International Financial Reporting Standards (IFRS) and interpretations from the IFRS Interpretations Committee (IFRIC) as adopted by the EU. The parent company's reporting currency is the Swedish krona, which is also the reporting currency for both the parent company and the Group. The consolidated financial statements have been measured at cost, except:

- financial assets available for sale, financial assets and liabilities (including derivative instruments),
- assets held for sale – measured at fair value less selling expenses, and
- defined benefit pension plans – plan assets measured at fair value

New and amended standards applied by the Group

There are minor changes to standards that were approved for application from 2024, but no changes that are deemed to have more than negligible impact on the Group's financial statements. The same applies to the interpretative statements issued by IFRS IC.

The Group also elected to apply the following amendments early:

- Annual Improvements to IFRS Standards 2018–2020; and
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments listed above had no impact on the consolidated financial statements.

A number of new standards and interpretations are effective for financial years beginning after 1 January 2025, and have not been applied in preparing these financial statements. These new standards and interpretations are not expected to have a material impact on the Group's financial statements in the current or future periods or on future transactions.

Foreign currency translation

(a) Functional currency and reporting currency

Items included in the financial statements of the different entities in the Group are measured using the currency of the primary financial environment in which the entity operates (the functional currency). The consolidated financial statements use SEK, which is the parent company's reporting currency and the Group's functional and reporting currency.

(b) Transactions and balance sheet items

In the parent company and the Swedish companies, transactions in foreign currency are translated into SEK at the exchange rates prevailing on the transaction date.

Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rate, are recognised in the profit/loss for the year. Translation differences for non-monetary items, such as shares measured at fair value through profit/loss for the year, are recognised as part of the fair value gain/loss.

(c) Group companies

The profit and financial position of all Group companies that have a functional currency other than the reporting currency are translated into the Group's functional currency and reporting currency as follows:

- assets and liabilities for each of the balance sheets are translated at the closing rate,
- income and expenses for each of the income statements are translated at the average exchange rate (unless this average rate is not a reasonable approximation of the cumulative effect of the rates applicable on the transaction date, in which case income and expenses are translated on the transaction date), and
- any resulting exchange differences are recognised in other comprehensive income.

Exchange rates used in the preparation of the consolidated financial statements

	2024		2023	
	Average rate	Closing rate	Average rate	Closing rate
DKK	1.5327	1.5398	1.5403	1.4888
NOK	0.9832	0.9697	1.0054	0.9871
EUR	11.4322	11.4865	11.4765	11.096
GBP	13.5045	13.8475	13.1979	12.768
CAD	7.7143	7.6398	7.8637	7.5782
USD	10.5614	10.9982	10.6128	10.0416

Government grants

The Group applies IAS 20 for accounting for government grants. Government grants are recognised in the balance sheet as deferred income when there is reasonable assurance that the grant will be received and that HAKI Safety will comply with the conditions attached to the grant. Grants are systematically accrued in the income statement as cost reductions over the same periods as the costs they are intended to offset. If the grant has been received before the conditions for recognising it as revenue have been met, the grant is recognised as a liability. When assessing the Group's ability to meet the conditions associated with the grant with reasonable certainty and the probability of receiving the grant, events after the balance sheet date are also

General accounting principles, *continued*

taken into account. If the grant has been received before the conditions for recognising it as cost reduction have been met, the grant is recognised as a liability. Any obligation to repay government grants will be recognised as a change in estimates and judgements and will primarily reduce the remaining deferred income related to the grants.

Significant estimates and judgements

The Group tests annually whether goodwill is impaired in accordance with the accounting principles described under the heading of intangible assets in Note 13. The recoverable amount of cash-generating units (CGUs) has been determined by calculating the value in use. The calculations are based on estimated future cash flows, which for 2024 were based on financial budgets prepared by the management of each CGU. See Note 13. In this valuation, management makes assumptions and estimates about future conditions, which form the basis for calculating the recoverable amount. For the purposes of this Annual Report, management has assessed that no reasonable changes in the key assumptions would cause the estimated aggregate recoverable amount of each cash-generating unit to be less than their aggregate carrying amount. Significant estimates and judgements exist regarding the valuation of additional purchase considerations, inventory obsolescence and impairment of accounts receivable and non-current receivables. The model for the provisioning of accounts receivable and non-current receivables is described in a separate section under accounting principles.

Alternative performance measures

HAKI Safety presents certain financial measures that are not defined in IFRS. The purpose of presenting these measures is to provide some additional information to the reader that may be useful in understanding the financial information. These alternative performance measurements should be seen as an addition to rather than a replacement for the measures defined in accordance with IFRS. The definition and a numerical reconciliation of alternative performance measures are presented on HAKI Safety's website www.hakisafety.com.

Climate-related risks and opportunities

Climate-related risks and opportunities have been analysed as part of the double materiality assessment under the EU Corporate Sustainability Reporting Directive. Most climate-related risks and opportunities that have been preliminarily identified are within the value chain and are not considered to have a material impact on financial reporting.

Read more about HAKI Safety's sustainability work on pages 15-20.

PARENT COMPANY ACCOUNTING PRINCIPLES

The parent company's financial statements have been prepared in accordance with the Swedish Annual Accounts Act and RFR 2. RFR 2 contains exemptions from applying IFRS 9 in legal entities.

Financial instruments

The parent company applies the exemption in RFR 2 regarding IFRS 9 in legal entities. On initial recognition, financial instruments are measured at cost, which is the amount of expenditure incurred to acquire the asset plus transaction costs directly attributable to the acquisition. Otherwise, the same principles are applied as in the Group. The presentation follows the Swedish Annual Accounts Act, which means minor differences from IFRS.

Group contributions and shareholders' contributions

Both Group contributions received and paid are recognised as appropriations in the parent company, as their main purpose is to distribute taxable income within the Group. Dividends from subsidiaries are recognised as income from shares in Group companies. Shareholders' contributions paid are recognised by the donor as an increase in the item Shares in Group companies, after which the value of the shares is tested for impairment. Shareholders' contributions received are recognised by the recipient directly in equity.

SALES AND EARNINGS

NOTE 1 REVENUE RECOGNITION

ACCOUNTING PRINCIPLES

The Group recognises revenue when the Group meets a performance obligation, which is when a promised product or service is delivered to the customer and the customer takes control of the goods or services. Control of a performance obligation can be transferred over time or at a point in time. Revenue is the amount that the Group expects to receive as consideration for goods or services transferred. In order for the Group to recognise revenue from contracts with customers, each customer contract is analysed in accordance with the five-step model set out in IFRS 15.

The Group's revenue is primarily from the sale of goods to customers and is recognised on delivery to customers. The Group also has revenue over time from rental and revenue related to sales of software licenses that amount to insignificant amounts. Typically, a contract with a customer is identified by HAKI receiving a written order confirmation or a signed contract of sale. There are some framework agreements with major customers within the Group, but it is only when orders are confirmed that final terms and conditions, and therefore the Group's enforceable rights and obligations, are confirmed. In normal cases and for the majority of the Group's sales of goods, there is no extended period between order confirmation and actual delivery of the goods. Delivery is typically within four to six weeks from order confirmation.

In general, each separate product in the order is considered to be a separate performance obligation. The transaction price depends on the variable elements, which are usually discounts, bonuses and to some extent penalties. These are allocated to the performance obligations identified under each contract, where more than one performance obligation exists. Revenue is recognised when control of the products has passed from HAKI Safety to the customer, which for the majority of the Group's revenue is at one point in time, namely when the delivery of the product has been completed. This coincides with the transfer of the risks and benefits of the product to the customer, which also corresponds to the fact that the customer has normally obtained legal title to the product. The variable parts of the transaction price (i.e. discounts, bonuses and any penalties) are treated as a reduction in revenue at the time of the transaction. In cases where, after the transaction date, the customer is found not to be entitled to the discounts or bonuses issued, or becomes liable for a penalty, revenue is recognised only when the Group considers that it is no longer probable that the revenue may need to be reversed.

In rare cases, the Group enters into contracts with customers that contain significant financing components. For example, this was done for HAKI's major sale to a customer in Sweden in 2023. In this case, the Group took the financing component into account when determining the transaction price and the financing component is instead recognised as interest income over the term of the credit, which is 36 months. The financing component of this contract does not amount to a significant amount. In addition to this contract, the Group sometimes enters into customer contracts that contain a smaller financing component, but where the credit period is less than 12 months.

In these cases, the Group applies the practical expedient in accordance with paragraph 63 of IFRS 15 and therefore does not adjust the amount of compensation. The financing components of these contracts are also not expected to be significant.

Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. In the Group, this function has been identified as the group of senior executives who make strategic decisions.

With effect from the first quarter of 2024, HAKI Safety introduced a reporting segment with an associated reporting structure for the distribution of net sales. At the same time, the two previous business areas, Safe Access Solutions and Industrial Services, were discontinued. The reporting for the distribution of net sales follows the Group's geographical spread and core business: work zone safety, system scaffolds, digital and technical solutions, and other business branches.

- **Work zone safety:** catchfans, barrier systems, fall protection, access platforms, stairs, etc.
- **System scaffolds:** system and frame scaffolding, weather protection, stair solutions, bridge systems, etc.
- **Digital solutions and technical support:** surveying instruments and equipment for land surveying, and construction laser level tools. Bespoke platform solutions and training. Digital design and construction tools for planning and visualisation
- **Other business branches**

Revenue from external customers by geographical area, SEK m	2024	2023
Sweden	147	161
Denmark	114	99
Norway	274	296
UK	214	270
France	97	106
Austria	101	124
Canada	23	43
Other countries	80	94
Total revenue	**1,050**	**1,188**

Net sales per product category, SEK m	2024	2023
Work zone safety	354	331
System scaffolds	486	572
Digital solutions and technical support	131	112
Other operating segments	79	173
Total net sales	**1,050**	**1,188**

Revenue over time and direct sales, SEK m	2024	2023
Sales of goods	739	863
Sale of used material	114	159
Revenue from rentals	128	118
Other sales	69	48
Total revenue	**1,050**	**1,188**

Revenue over time amounted to SEK 151 million (140) and includes revenue from rental and service agreements. Revenue over time linked to service agreements is recognised as sales of goods and corresponds to SEK 23 million (22).

Fixed assets and net investments by geographical area, SEK m	Fixed assets		Net investments	
	2024	2023	2024	2023
Sweden	574	464	4	12
Other Nordic countries	192	147	71	21
Other countries	138	111	58	16
Total	**904**	**722**	**133**	**49**

Information on major customers

The HAKI Safety Group does not have revenue from any individual customer that amounts to 10 percent or more of sales.

NOTE 2 BREAKDOWN OF COSTS BY TYPE OF COST

	2024	2023
Material costs	481	579
Staff costs	255	256
Depreciation/amortisation	92	94
Leasing costs*	1	1
Freight	37	35
Other costs	123	144
Total	**989**	**1,109**

* Refers to short-term and low-value contracts.

NOTE 3 OTHER OPERATING INCOME AND EXPENSES

The Group, SEK m	2024	2023
Exchange rate gains	-	1
Gain on disposal of fixed assets	-	1
Government grants	-	2
Other items	1	-
Cancellation of additional purchase prices	13	39
Total other operating income	**14**	**43**
Loss on divestment of subsidiaries	-5	-
Impairment of goodwill	-	-21
Other items	0	-1
Total other operating expenses	**-5**	**-22**

NOTE 4 REMUNERATION OF AUDITORS

	The Group	Parent company	The Group	Parent company
SEK m	2024	2024	2023	2023
Deloitte				
Audit assignments	2	1	2	1
Audit activities other than the audit engagement	-	-	-	-
Tax advice	-	-	-	-
Other services	-	-	-	-
Total	**2**	**1**	**2**	**1**
Other auditors				
Audit assignments	1	-	1	-
Audit activities other than the audit engagement	-	-	-	-
Tax advice	-	-	-	-
Other services	-	-	-	-
Total	**1**	**0**	**1**	**0**
Total	**3**	**1**	**3**	**1**

An audit assignment refers to the statutory audit of the Annual Report and consolidated financial statements and accounting records and the administration by the Board of Directors and the CEO, as well as audits and other reviews carried out in accordance with an agreement or contract. This includes other tasks that the company's auditor is required to perform as well as advice or other assistance resulting from observations made during such an audit or the performance of such other tasks.

NOTE 5 INCOME FROM SHARES IN GROUP COMPANIES

ACCOUNTING PRINCIPLES
Shares in subsidiaries are recognised in the parent company in accordance with the cost method. The company only recognises revenue for dividends received that relate to profits earned after the acquisition. Dividends in excess of the profits earned after the acquisition are recognised as a repayment of the original investment and thus reduce the carrying amount of the recognised share.

SEK m	2024	2023
Impairment of shares in subsidiaries	0	0
Profit/loss from sale of shares in subsidiaries	7	0
Dividend from shares in subsidiaries	6	10
Total	**13**	**10**

NOTE 6 FINANCIAL INCOME AND EXPENSES

The Group, SEK m	2024	2023
Interest income	3	2
Exchange rate gains	21	29
Total	**24**	**32**
Interest expense	-28	-25
Exchange rate losses	-16	-28
Total	**-44**	**-53**

Parent company, SEK m	2024	2023
Interest income, internal	9	9
Interest income, external	1	2
Foreign exchange, net	5	7
Total	**15**	**18**
Foreign exchange, net	-5	-7
Interest expense, internal	-2	-2
Interest expense, external	-20	-19
Total	**-27**	**-28**

All income and expenses arise from instruments measured at amortised cost.

NOTE 7 CURRENT TAX ON PROFIT FOR THE YEAR

ACCOUNTING PRINCIPLES

Current and deferred income tax

In the income statement item Income tax, current and deferred income tax is reported for Swedish and foreign Group companies according to the applicable tax rate in each country. The state income tax in Sweden amounted to 20.6 percent in 2021 and 21.4 percent in 2020 and is calculated on the recognised profit plus non-deductible items and minus non-taxable income and other deductions, mainly tax-free dividends from subsidiaries.

The balance sheet method is used to account for deferred taxes. Under this approach, deferred tax liabilities and assets are recognised for all temporary differences between the carrying amounts and tax bases of assets and liabilities and for other tax deductions or loss carry-forwards. Deferred tax liabilities and assets are calculated using the current tax rate without discounting. Deferred tax assets are recognised only if it is probable that future taxable profits will be available against which the temporary differences can be used. Current and deferred tax is recognised in the income statement, except when the tax relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity. The change in the tax rate in Sweden to 20.6 percent from 2021 had no material impact on the Group's recognised deferred taxes.

Income tax – Group, SEK m	2024	2023
Current tax	-11	-15
Deferred tax	2	-1
Income tax	**-9**	**-16**
Current tax		
Tax expense for the year attributable to foreign operations	-16	-14
Tax expense for the year in Sweden	-2	-1
Tax attributable to previous years	7	-
Total	**-11**	**-15**
Deferred tax		
Related to loss carry-forwards	5	-
Change in untaxed reserves	-	-2
Change in temporary differences	-3	1
Total	**2**	**-1**

Temporary differences in the tax and accounting values of assets and liabilities have resulted in deferred tax liabilities and assets for the following items:

2024, SEK m	Deficit	Untaxed reserves	Temporary differences	Other	Total
Opening balance	0	-2	-20	0	-22
Transfers	2	-	-2	-	0
Exchange rate differences	-	-	-	-	-
Recognised in the income statement	5	-	-3	-	2
Recognised in equity, other comprehensive income	-	-	-	-	0
Change due to change in tax rate	-	-	-	-	0
Deferred tax attributable to acquired companies	-	-	-7	-	0
Closing balance	**7**	**-2**	**-32**	**0**	**-27**

The capitalised tax loss carry-forward has no time limit, is expected to be utilised in 2023 and is attributable to Sweden.

2023, SEK m	Loss	Untaxed reserves	Temporary differences	Other	Total
Opening balance	0	-5	-14	-1	-20
Transfers	-	5	-5	-	0
Exchange rate differences	-	-	-	-1	-1
Recognised in the income statement	-	-2	-1	2	-1
Recognised in equity, other comprehensive income	-	-	-	-	0
Change due to change in tax rate	-	-	-	-	0
Deferred tax attributable to acquired companies	-	-	-	-	0
Closing balance	**0**	**-2**	**-20**	**0**	**-22**

Tax on profit for the year – Parent company, SEK m	2024	2023
Current tax	-	-
Deferred tax	5	1
Current tax on profit for the year	**5**	**1**

Tax rate reconciliation – Group, SEK m	2024	2023
Nominal tax rate	20.60%	20.60%
Profit/loss before tax	50	78
Tax at the applicable rate	-10	-16
Non-taxable income and expenses	-3	6
Effect of foreign tax rates	-4	-6
Tax effect of non-capitalised losses	1	0
Tax effect of other temporary differences	0	0
Tax effect of adjustment of previous year's tax	7	0
Current tax on profit for the year	**-9**	**-16**

Non-capitalised tax losses are mainly related to tax losses incurred in countries where the Group cannot make it probable that the losses can be used against future taxable income, and tax losses in divested subsidiaries.

Tax rate reconciliation – Parent company, SEK m	2024	2023
Nominal tax rate	20.60%	20.60%
Profit/loss after financial items and appropriations	-25	4
Tax at the applicable rate	-5	-1
Tax effect of non-deductible expenses mainly related to business shares	10	3
Tax effect of non-taxable dividends and profit from shares in Group companies	-5	-2
Current tax on profit for the year	**0**	**0**

EMPLOYEES

NOTE 8 AVERAGE NUMBER OF EMPLOYEES

Average number of employees broken down by parent company and subsidiaries

	2024		2023	
	Number of employees	Of whom men	Number of employees	Of whom men
Parent company	8	3	7	3
Subsidiaries	344	277	304	247
Total	**352**	**280**	**311**	**250**

Average number of employees by country

	2024		2023	
	Number of employees	Of whom men	Number of employees	Of whom men
Sweden	105	80	125	99
Norway	39	31	37	30
Denmark	11	9	11	9
UK	91	73	45	37
France	17	14	14	12
Austria	48	37	54	40
Hungary	17	17	14	14
Slovakia	6	5	4	3
Canada	5	4	5	4
USA	13	10	2	2
Total	**352**	**280**	**311**	**250**

NOTE 9 GENDER BALANCE OF MANAGEMENT

	2024		2023	
Group	Number of men	Number of women	Number of men	Number of women
Boards	11	4	21	4
CEO and other senior executives	7	2	14	8

	2024		2023	
Parent company	Number of men	Number of women	Number of men	Number of women
Boards	3	2	3	2
CEO and other senior executives	3	2	3	2

NOTE 10 SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS

	2024			2023		
SEK m	Salaries and other remuneration	Social security costs	Of which pension costs	Salaries and other remuneration	Social security costs	Of which pension costs
Parent company	11	8	4	9	5	3
Subsidiaries	177	55	12	189	58	16
Total	**188**	**63**	**16**	**198**	**63**	**19**

Of the parent company's pension costs, SEK 1.2 million relates to the Group's Board and CEO (1.4).
Of the Group's pension costs, SEK 2.2 million relates to the Group's Board and CEO (2.0).

Salaries and other remuneration broken down between the parent company and subsidiaries and between Board members and the CEO and other employees

	2024		2023	
SEK m	Board of Directors and CEO (of which bonuses and gratuities)	Other employees	Board of Directors and CEO (of which bonuses and gratuities)	Other employees
Parent company	4	7	4	5
	(0.0)	(0.0)	(0.2)	(0.3)
Subsidiaries	8	169	10	179
	(0.6)	(0.5)	(0.5)	(0.6)
Total	**12**	**176**	**13**	**185**
	(0.6)	(0.5)	(0.7)	(0.9)

NOTE 11 REMUNERATION AND OTHER BENEFITS TO SENIOR EXECUTIVES

ACCOUNTING PRINCIPLES

Some executives have a performance-based bonus in addition to their fixed salary. All bonuses are in cash and limited to a certain percentage of the fixed salary. Bonuses are expensed during the vesting year based on estimates from Group Management and are paid out the following year.

Parent company, SEK m 31/12/2024	Basic salary Board fees	Variable remuneration	Other benefits	Pension cost	Total
Chairman of the Board, Lennart Pihl	0.4	0.0	0.0	0.0	0.4
CEO, Sverker Lindberg	3.3	0.0	0.1	1.2	4.6
Other senior executives	6.5	0.0	0.5	1.2	8.2
Other Board members					
Svante Nilo Bengtsson	0.2	0.0	0.0	0.0	0.2
Anders Bergstrand	0.1	0.0	0.0	0.0	0.1
Susanne Persson	0.2	0.0	0.0	0.0	0.2
Anna Söderblom	0.2	0.0	0.0	0.0	0.2
Total	10.9	0.0	0.6	2.4	13.9

Parent company, SEK m 31/12/2023	Basic salary Board fees	Variable remuneration	Other benefits	Pension cost	Total
Chairman of the Board, Lennart Pihl	0.4	0.0	0.0	0.0	0.4
CEO, Sverker Lindberg	3.1	0.2	0.1	1.4	4.8
Other senior executives	5.6	0.3	0.4	0.8	7.1
Other Board members					
Svante Nilo Bengtsson	0.2	0.0	0.0	0.0	0.2
Anders Bergstrand	0.1	0.0	0.0	0.0	0.1
Susanne Persson	0.2	0.0	0.0	0.0	0.2
Anna Söderblom	0.2	0.0	0.0	0.0	0.2
Total	9.8	0.5	0.5	2.2	13.0

Additional information

Other senior executives included four people during 2024.

Other benefits include a company car. Pension conditions under individual occupational pension scheme. Pensions are paid for life from the age of 65. Pensions refers to the cost that affected the profit/loss for the year. All pension benefits are vested and not conditional on future employment.

The Chairman of the Board negotiates the salary and other conditions for the CEO. The CEO negotiates the salary and other conditions for other senior executives. Final agreements on these issues are reported to the Board. The CEO and other senior executives are included in the long-term incentive scheme decided at the 2022 Annual General Meeting, in which all members of Group Management have acquired call options at market value. For further information on the call option scheme, see page 24.

Share-based payments

In the Group's long-term incentive scheme, Group Management has been offered the opportunity to acquire call options at market value. See further information in Note 32. As market value is paid, there is no cost to be recognised for these.

Notice periods

For the CEO, the employment contract has a notice period of 12 months for the company and 6 months for the CEO. There is no special severance pay.

Employment contracts for other senior executives are subject to a mutual notice period of three to six months without severance pay.

NOTE 12 POST-EMPLOYMENT BENEFITS FOR EMPLOYEES

ACCOUNTING PRINCIPLES

Severance pay

The Group recognises severance pay when it is obliged to pay them.

Pension obligations

The Group has both defined benefit and defined contribution pension plans. A defined benefit pension plan is a pension plan that specifies an amount of pension benefit an employee will receive after retirement, usually based on one or more factors such as age, length of service or salary. A defined contribution pension plan is a pension plan under which the Group pays fixed contributions to a separate legal entity, usually an insurance company.

The Group does not have any legal or constructive obligations to pay additional contributions if the insurance company does not have sufficient assets to pay the employee benefits related to the employees' service in current or prior periods.

The liability recognised in the balance sheet for defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets, with adjustments for unrecognised actuarial gains/losses for past service. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using interest rates of high-quality corporate or government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related pension liability. Actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions are recognised in other comprehensive income in the period in which they arise.

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as staff costs when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments may be available to the Group.

Commitments for retirement and survivors' pensions for salaried employees

In Sweden, pensions are secured through insurance with Alecta. According to UFR 10 of the RFR, this is a multi-employer defined benefit plan. The ITP pension plan secured through an insurance policy with Alecta is therefore recognised as a defined contribution plan. Alecta's surplus can be distributed to policyholders and/or insured persons.

The collective consolidation level should normally be allowed to vary between 125 and 175 percent. If Alecta's collective consolidation level falls below 125 percent or exceeds 175 percent, measures must be taken to create the conditions for the consolidation level to return to the normal range. At the end of 2024, Alecta's surplus in terms of the collective consolidation level amounted to 162 percent (2023: 158 percent).

The table below shows where in the financial statements the Group's post-employment benefits are recognised.

Recognition of defined benefit pension plans, SEK m[1]	2024	2023
Liability in the balance sheet	10	11
Recognition in operating profit/loss	-	-2
Revaluation through other comprehensive income	-1	-1

1 Costs recognised in operating profit/loss include current year service cost, previous year's service cost, net interest cost and gains and losses on settlements.

The Group has defined benefit pension plans in Sweden and Norway, which are subject to broadly similar regulations. The Group's defined benefit pension plans are mainly related to Norway. All the plans are final salary pension plans, which provide benefits to employees in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on employees' length of service and their salary leading up to retirement. The plans are essentially exposed to broadly similar risks, as described below. The Group's defined benefit pension plans are, as of the balance sheet date, unfunded plans, for which the company pays benefits at maturity.

The amounts recognised in the balance sheet have been calculated as follows:

SEK m	2024	2023
Present value of funded obligations	-	-
Fair value of plan assets	-	-
Present value of unfunded obligations	10	11
Liability in the balance sheet	**10**	**11**

The change in the defined benefit obligation during the year is as follows:

	2024			2023		
SEK m	Present value of obligation	Fair value of plan assets	Total	Present value of obligation	Fair value of plan assets	Total
As of 1 January	**11**	**0**	**11**	**12**	**0**	**12**
Service costs in the current year	-	-	-	-	-	-
Interest expense/income	0	0	0	0	0	0
Transfer on divestment of subsidiaries	-	-	-	-	-	-
Return on plan assets	-	-	-	-	-	-
Transfer to defined contribution plan	-	-	-	-	-	-
Gain/Loss due to change in assumptions	-1	-	1	1	-	1
Exchange rate differences	2	0	-1	-1	0	-1
Fees	-	-	-	-	-	-
Remuneration paid	-2	0	-2	-2	0	-2
As of 31 December	**10**	**0**	**11**	**11**	**0**	**11**
of which pension obligations in Norway	10	0	11	11	0	11

The majority of the actuarial gains and losses were related to changes in demographic and experience-based assumptions and the remaining difference is financial assumptions. The main actuarial assumptions were as follows:

	2024		2023	
%	Sweden	Norway	Sweden	Norway
Discount rate	3.70	3.70	3.70	3.70
Inflation	2.25	2.25	2.25	2.25
Salary increases	3.50	3.50	3.50	3.50
Pension increases	3.50	3.50	3.50	3.50

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions is:

%	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.5/(0.5)	-1.0/(-1.5)	1.90/(1.6)
Salaries	0.5/(0.5)	0.0/(0.0)	0.0/(0.0)
Pensions	0.5/(0.5)	1.04/(1.6)	-1.01/(-1.6)
Lifetime	1 year (1 year)	16.7/(16.7)	-16.47/(-16.2)

The above sensitivity analyses are based on a change in one assumption while holding all other assumptions constant. In practice, this is unlikely to happen and changes in some of the assumptions may be correlated. In calculating the sensitivity of the defined benefit obligation to material actuarial assumptions, the same method is used (the present value of the defined benefit obligation using the projected unit credit method at the end of the reporting period) as in calculating the pension liability recognised in the statement of financial position.

At the end of the period there were no funded obligations and therefore no plan assets.

Through its defined benefit pension plans and post-employment medical plans, the Group is exposed to a number of risks, the most material of which are detailed below:

Changes in bond yields

A decrease in the yield on mortgage bonds will mean an increase in the liabilities of the plan.

Inflation risk

Most of the plan's obligations are linked to inflation, with higher inflation leading to higher liabilities.

Life expectancy assumptions

The majority of the plans' obligations are to provide benefits for the life of the employee, so increases in life expectancy will result in an increase in the plans' liabilities.

Contributions to post-employment benefit plans for the 2023 financial year are expected to amount to SEK 0.0 million.

The maturity analysis of expected undiscounted pension and post-employment medical benefits is as follows:

SEK m	Within 1 year	1–2 years	2–5 years	> 5 years
Pension benefits	2	2	7	0

OPERATING ASSETS AND LIABILITIES

NOTE 13 INTANGIBLE ASSETS

ACCOUNTING PRINCIPLES

Development expenditure

Expenditure on product adaptations is normally charged to operating profit on an ongoing basis and is recognised as Research and development costs in the profit/loss for the year. For those development costs that meet the criteria for capitalisation, an intangible asset is recognised in the balance sheet.

Intangible assets

Goodwill represents the excess of the cost of acquisition over the fair value of the Group's share of the acquired subsidiary's identifiable net assets at the date of acquisition. Goodwill on acquisitions of subsidiaries is recognised as intangible assets. Goodwill is tested at least annually, and when there is an indication of impairment, to identify any impairment and is recognised at cost less accumulated impairment losses. The gain or loss on divestment of an entity includes the residual carrying amount of the goodwill relating to the divested entity. Goodwill is allocated to cash-generating units when testing for impairment. Other intangible fixed assets consist of capitalised development expenditure, brands and customer relationships. Internally generated customer relationships are not recognised in the balance sheet but in profit/loss for the year when the cost is incurred. Recognised customer relationships arise from business combinations and have a definite useful life. Acquired customer relationships are recognised at cost less accumulated amortisation and any accumulated impairment losses.

Impairment

Assets with an indefinite useful life are not amortised but are tested annually for impairment. Assets subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling expenses and value in use. In assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). A value in use is calculated based on estimated future cash flows and the estimated residual value at the end of the useful life. In calculating value in use, future cash flows are discounted at a rate that takes into account the market's assessment of the risk-free rate and the risk associated with the specific asset, also known as the WACC or discount rate. In calculating value in use, the Group uses actual results, forecasts for future periods, business plans and relevant available market data.

Amortisation

Amortisation according to plan is based on the cost of the assets and their estimated useful life:

Customer relationships	10–20%
Computer programs and software	10–20%

The Group

As of 1 January 2024, SEK m	Other intangible assets	Goodwill	Buildings and land	Machinery	Work in progress	Equipment	Total
Opening carrying amount	60	345	86	35	0	196	722
Exchange rate differences	2	22	4	0	0	4	32
Purchasing	6	0	14	2	1	186	209
Acquisition of companies	31	66	9	3	0	1	110
Sales/disposals/reclassifications	-1	0	-3	2	0	-74	-76
Impairment	0	0	0	0	0	-1	-1
Depreciation/amortisation	-17	0	-17	-13	0	-44	-92
Carrying amount	**81**	**433**	**93**	**29**	**1**	**267**	**904**
As of 31 December 2024							
Cost	142	460	193	191	1	390	1377
Accumulated amortisation and impairment	-61	-27	-100	-162	0	-123	-473
Carrying amount	**81**	**433**	**93**	**29**	**1**	**267**	**904**
of which carrying amount of right-of-use assets	-	-	*70*	*9*	-	*9*	*88*

1 January – 31 December 2023, SEK m	Other intangible assets	Goodwill	Buildings and land	Machinery	Work in progress	Equipment	Total
Opening carrying amount	79	363	104	35	2	224	807
Exchange rate differences	1	4	-2	0		-6	-4
Purchasing	8	0	22	5	6	98	139
Sales/disposals/reclassifications	0	0	-18	11	-7	-76	-90
Assets in the disposal group held for sale and disposals	-10	0	-3	0	0	0	-13
Impairment	0	-21	0	0	0	0	-21
Depreciation/amortisation	-18		-17	-15	0	-44	-94
Carrying amount	**60**	**345**	**86**	**35**	**0**	**196**	**722**
As of 31 December 2022							
Cost	97	372	205	176	0	298	1,144
Accumulated amortisation and impairment	-37	-26	-118	-141	0	-102	-420
Carrying amount	**60**	**345**	**86**	**35**	**0**	**196**	**722**
of which carrying amount of right-of-use assets	-	-	*65*	*15*	-	*11*	*92*

For further information on right-of-use assets, see Note 15.

Equipment includes rental equipment of SEK 245 million (131). Most of these assets are located in HAKI. Rentals are usually for 3–24 months. The equipment is normally returned to HAKI Safety after the rental period, but rental customers may also be offered the opportunity to purchase rental equipment on normal commercial terms based on comparable market prices. Rental income from HAKI Safety's rental activities is shown in Note 1. More information on rental equipment can be found in Note 15.

Impairment testing of goodwill and brands

The Group is reported as one operating segment. Intangible assets with indefinite useful lives relate to goodwill and brands. For these brands, there is no predictable limit to the period of time over which the brand is expected to generate net payments. The assumptions used to calculate the value in use are the same for goodwill and brands. In determining the applicable discount rate, the starting point has been a reasonable distribution between interest-bearing liabilities and equity, stability in value in the event of variance in earnings over time and responsiveness to the business cycle. The applied discount rate is 11.0 percent (11.3) after tax. The recoverable amount is based on value in use calculations. The calculations are based on estimated future cash flows, which for 2025 are based on financial budgets prepared by management. For the period from 2025–2028, the average historical outcome has been weighted against the company's budget for 2025 and the company's long-term plans.

Significant assumptions used in the value in use calculations were expected sales growth, gross margins, discount rate and assumptions about growth after the end of the forecast period. The growth rate is set at 2 percent beyond 5 years (2). With the assumptions described above, the value in use exceeds the carrying amount. A number of sensitivity analyses have been performed to evaluate whether reasonable unfavourable changes could lead to impairment. The analyses have focused on a deterioration in the average growth rate or operating margin by one percentage point and an increase in the discount rate by one percentage point.

The analyses have not shown any need for impairment but that the value in use exceeds the carrying amount.

Goodwill

	Goodwill		Brand	
SEK m	2024	2023	2024	2023
HAKI Safety	433	345	16	5

NOTE 14 PROPERTY, PLANT AND EQUIPMENT

ACCOUNTING PRINCIPLES

Property, plant and equipment have been recognised at cost less accumulated depreciation according to plan and any impairment losses. Incremental expenditure is added to the carrying amount of the asset or recognised as a separate asset, depending on which one is appropriate, only when it is probable that the future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. The carrying amount of the replaced part is removed from the balance sheet. All other forms of repairs and maintenance are recognised as expenses in the income statement in the period in which they are incurred.

Depreciation according to plan is based on the acquisition cost with reference to any impairment losses and is accrued on a straight-line basis over the estimated useful life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. Depreciation is not applied to land. All the Group's properties are classified as operating properties as the properties are mainly used for the production of goods and services.

Depreciation

Depreciation according to plan is based on the cost of the assets and their estimated useful life:

Buildings	2–5%
Machinery and other technical installations	10–30%
Equipment and tools	10–30%

The Group

As of 1 January 2024, SEK m	Other intangible assets	Goodwill	Buildings and land	Machinery	Work in progress	Equipment	Total
Opening carrying amount	60	345	86	35	0	196	722
Exchange rate differences	2	22	4	0	0	4	32
Purchasing	6	0	14	2	1	186	209
Sales/disposals/reclassifications	31	66	9	3	0	1	110
Acquisition of companies	-1	0	-3	2	0	-74	-76
Impairment	0	0	0	0	0	-1	-1
Depreciation/amortisation	-17	0	-17	-13	0	-45	-92
Carrying amount	**81**	**433**	**93**	**29**	**1**	**267**	**904**
As of 31 December 2024							
Cost	142	460	193	191	1	390	1377
Accumulated amortisation and impairment	-61	-27	-100	-162	0	-123	-473
Carrying amount	**81**	**433**	**93**	**29**	**1**	**267**	**904**
of which carrying amount of right-of-use assets	-	-	*70*	*9*	-	*9*	*88*

The Group

1 January – 31 December 2023, SEK m	Other intangible assets	Goodwill	Buildings and land	Machinery	Work in progress	Equipment	Total
Opening carrying amount	79	363	104	35	2	224	807
Exchange rate differences	1	4	-2	0		-6	-4
Purchasing	8	0	22	5	6	98	139
Sales/disposals/reclassifications	0	0	-18	11	-7	-76	-90
Assets in the disposal group held for sale and disposals	-10	0	-3	0	0	0	-13
Impairment	0	-21	0	0		0	-21
Depreciation/amortisation	-18		-17	-15		-44	-94
Carrying amount	**60**	**345**	**86**	**35**	**0**	**196**	**722**
As of 31 December 2022							
Cost	97	372	205	176		298	1,144
Accumulated amortisation and impairment	-37	-26	-118	-141		-102	-420
Carrying amount	**60**	**345**	**86**	**35**	**0**	**196**	**722**
of which carrying amount of right-of-use assets	-	-	*66*	*15*	-	*11*	*92*

For further information on right-of-use assets, see Note 15.

Equipment includes rental equipment of SEK 245 million (131). Most of these assets are located in HAKI. Rentals are usually for 3–24 months. The equipment is normally returned to HAKI Safety after the rental period, but rental customers may also be offered the opportunity to purchase rental equipment on normal commercial terms based on comparable market prices. Rental income from HAKI Safety's rental activities is shown in Note 1. More information on rental equipment can be found in Note 15.

NOTE 15 LEASES

ACCOUNTING PRINCIPLES

Leases

Leases where the Group is the lessee

The Group's leases are divided into the asset classes of premises, machinery, equipment and vehicles. The Group assesses whether a contract is or contains a lease at the inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability for all leases in which the Group is the lessee, except for short-term leases (leases with a maximum lease term of 12 months) and for leases where the underlying asset is of low value. For leases that meet the criteria for the short-term or low-value relief rules, the Group recognises lease payments as an operating expense on a straight-line basis over the lease term, unless another systematic method of allocating the lease payment provides a more accurate picture. The lease liability is initially measured at the present value of the future lease payments that have not been paid at the commencement date for the lease, discounted at the implicit rate, or if this cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the interest rate that HAKI Safety would have to pay for financing by borrowing over a similar period, and with equivalent security, for the right to use an asset in a similar economic environment. Lease payments included in the measurement of lease liabilities include the following:

- fixed charges (including substantially fixed charges), after deduction of any benefits associated with the signing of the lease to be received,
- variable lease payments that depend on an index or price, initially valued using the index or price at the commencement date,
- amounts expected to be paid by the lessee under residual value guarantees,
- the exercise price of an option to purchase if the lessee is reasonably certain to exercise such an option; and
- penalties payable on termination of the lease, if the lease term reflects that the lessee will exercise an option to terminate the lease.

Lease liabilities are presented with financial liabilities in the balance sheet with a specification in the notes. Lease liabilities are recognised in subsequent periods by increasing the liability to reflect the effect of interest and reducing it to reflect the effect of lease payments made. Lease liabilities are remeasured with a corresponding adjustment of the right-of-use asset in accordance with the rules contained in the standard.

Right-of-use assets are presented in the balance sheet with property, plant and equipment with a specification in the notes. The right-of-use asset is initially recognised at the value of the lease liability, plus lease payments made on or before the commencement date of the lease and initial direct costs. The right-of-use asset is recognised in subsequent periods at cost less amortisation and impairment. If the Group incurs obligations to dismantle a leased asset, restore land or restore and refurbish an asset to a contractually agreed condition, a provision for such obligations is recognised in accordance with IAS 37. Such provisions are included in the cost of the right-of-use asset unless they are related to the production of inventory.

Right-of-use assets are amortised over their estimated useful life or, if shorter, over the contractual lease term. If a lease transfers ownership at the end of the lease term or if the cost includes a probable exercise of a call option, the right-of-use asset is amortised over its useful life. Amortisation begins at the commencement date of the lease.

The Group applies the principles in IAS 36 for impairment of right-of-use assets and accounts for this in the same way as described in the principles for property, plant and equipment accounted for under IAS 16.

Variable lease payments that do not depend on an index or price are not included in the measurement of lease liabilities and right-of-use assets. Such lease payments are recognised as an expense in operating profit in the period in which they are incurred.

Leases where the Group is the lessor

HAKI Safety rents out scaffolding materials and machinery. Revenue is recognised on a straight-line basis in the income statement, as are the costs associated with the repair and maintenance of rented property.

KEY JUDGEMENTS AND ASSUMPTIONS

Leases where the Group is the lessee

The Group operates buildings, machinery, equipment and vehicles under leases in accordance with IFRS 16. The majority of the Group's leases contain buyout clauses at the end of the lease. Where the Group considers it probable that the asset will be purchased at the end of the contract, the buyout option has been included in the cost.

Amounts recognised in the Balance Sheet
Right-of-use assets, opening/closing balance by lease class

SEK m	Buildings 2024	Buildings 2023	Machinery & Equipment 2024	Machinery & Equipment 2023	Vehicles 2024	Vehicles 2023	Total 2024	Total 2023
Opening balance, 1 January	65	61	15	21	11	12	92	95
Investments	12	7	1	4	3	6	16	17
Acquisition of subsidiaries	9	0	0	0	0	0	9	0
Amortisation	-14	-15	-7	-10	-5	-6	-27	-31
Revaluations	0	13	0	0	0	0	0	13
Currency effects	1	-1	0	0	0	-1	1	-2
Terminated contracts	-3	0	0	0	0	0	-3	0
Total, 31 December	**70**	**65**	**9**	**15**	**9**	**11**	**88**	**92**

Lease liabilities under IFRS 16 recognised in the balance sheet

SEK m	31/12/2024	31/12/2023
Current lease liability	28	24
Non-current lease liability	53	55
Total	**81**	**79**

Lease liabilities are included in the lines liabilities to credit institutions, non-current and current, in the balance sheet and relate to additional contracts under IFRS 16 and lease liabilities relating to contracts previously recognised as finance leases under IAS 17.

Amounts recognised in the Income Statement

SEK m	2024	2023
Amortisation of right-of-use assets	-28	-25
Interest expense on lease liabilities	-4	-4
Expenses related to short-term leases	-1	-1
Expenses related to low-value leases	0	0
Expenses related to variable lease payments	0	0

The total cash flow for leases was SEK 20 million (23) in 2024.

Leases where the Group is the operating lessor

The Group's rental business is mainly related to HAKI where the Group owns scaffolding equipment that is rented to customers. The rental of scaffolding equipment is largely on a rolling contract basis with no end date. Rental contracts usually last 3–24 months. The equipment is returned at the end of the rental period or rental customers are offered the opportunity to buy rental equipment on normal commercial terms based on comparable market prices. The rental agreements are classified as leases with HAKI Safety as the operating lessor. Revenue is recognised in the income statement. Rental income of SEK 128 million (118), which is primarily attributable to scaffolding material in HAKI, is recognised in profit/loss for 2024. Rental equipment is recorded as fixed assets and is depreciated over its expected life. The cash flow effect of rentals, investments and purchase of rental equipment is presented as part of operating activities.

Rental equipment leased out under operating leases

As of 31 December 2023, SEK m	
Cost	183
Accumulated depreciation and impairment	-51
	131

Carrying amount 1 January – 31 December 2024, SEK m	
Opening carrying amount	131
Exchange rate differences	-2
Purchasing	163
Sales/disposals/reclassifications	-59
Enterprises bought/sold	0
Impairment	-1
Depreciation	-28
Carrying amount	**204**

As of 31 December 2024, SEK m	
Cost	261
Accumulated depreciation and impairment	-57
Carrying amount	**204**

Lease costs, parent company

The parent company has cars under leases at an estimated cost of SEK 0.9 million (0.9). Lease costs in 2024 amounted to SEK 0.1 million (0.1). Remaining lease costs amount to SEK 0.1 million (0.1).

The parent company's lease costs in 2024 amounted to SEK 0.5 million (0.5). The current leases run until 2027. Costs for 2025 SEK 0.8 million, 2026 SEK 0.8 million.

All leases are recognised as operating leases in the parent company.

NOTE 16 INVENTORIES ETC.

ACCOUNTING PRINCIPLES

The Group's inventories are recognised at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress consists of raw materials, direct salaries, other direct costs and attributable indirect production costs (based on normal production capacity). Borrowing costs are not included. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Inventories, SEK m	Gross value of stocks 31/12/2024	Reserved for obsolescence	Net value of stocks 31/12/2024
Raw materials and supplies	34	-1	33
Goods in progress	52	0	52
Finished goods and goods for resale	275	-12	263
Closing balance	**361**	**-13**	**348**

Inventories SEK m	Gross value of stocks 31/12/2023	Reserved for obsolescence	Net value of stocks 31/12/2023
Raw materials and supplies	35	-3	32
Goods in progress	31	-1	30
Finished goods and goods for resale	284	-8	276
Closing balance	**350**	**-12**	**338**

Development of the obsolescence reserve, SEK m	Obsolescence reserve at the beginning of the year	Change in obsolescence reserve for the year	Obsolescence reserve 31/12/2024
Raw materials and supplies	-3	2	-1
Goods in progress	-1	1	0
Finished goods and goods for resale	-8	-4	-12
Closing balance	**-12**	**-1**	**-13**

NOTE 17 ACCOUNTS RECEIVABLE

SEK m	2024	2023
Accounts receivable, gross	176	120
Less provision for loss allowance	-3	-2
Account receivables, net	**173**	**118**
of which not due	110	77
of which due within 30 days	36	27
of which due between 31 and 60 days	14	13
of which due between 61 and 90 days	4	2
of which due between 91 and 120 days	3	0
of which due between 121 and 150 days	3	0
of which due between 151 and 180 days	-	-
of which due in over 180 days	6	1
	176	**120**
Loss allowance at beginning of year (-)	**-2**	**-6**
Receivables written off during the year (+)	0	0
Provision for loss allowance for the year (-)	-1	0
Reversal of unused provision (+)	0	3
Sold subsidiaries	0	0
Loss allowance at year-end (-)	**-3**	**-2**

As of 31 December 2024, overdue accounts receivable amounted to SEK 66 million (43), of which allowance was made for SEK 3 million (2).
The amount of the allowance is estimated to represent credit losses for the remaining period.

Other non-current receivables amounted to SEK 12 million (10) gross. No allowance was made for expected credit losses for the remaining period. The carrying amount of the remaining non-current receivables, for which no allowance is deemed necessary, amounts to SEK 12 million.

NOTE 18 PREPAID EXPENSES AND ACCRUED INCOME

The Group, SEK m	2024	2023
Prepaid rent	1	2
Prepaid licence fees	3	2
Prepaid insurance	6	2
Others	4	3
Total	**14**	**9**

Parent company, SEK m		
Others	2	1
Total	**2**	**1**

NOTE 19 OTHER CURRENT AND NON-CURRENT LIABILITIES

The Group, SEK m	31/12/2024	31/12/2023
Other non-current liabilities		
Conditional additional purchase price, business combinations	40	53
Other liabilities	0	0
Total	**40**	**53**
Other current liabilities		
Conditional additional purchase price and promissory notes from business combinations	44	0
Other liabilities	37	20
Total	**81**	**20**

Conditional purchase prices in 2024 refers to the acquisitions of Semmco Group and Novakorp Systems. The change in conditional purchase prices for the year is broken down in the following table:

Conditional additional purchase prices, business combinations, SEK m	2024	2023
Opening balance	**53**	**141**
Future conditional additional purchase prices	40	0
Exchange rate change	2	0
Effect of discounting	1	1
Assessment of conditional additional purchase prices	-12	-39
Conditional additional purchase prices paid	0	-50
Closing balance	**84**	**53**

Assessment of conditional additional purchase prices during the financial year resulted in a reversal of SEK 12 million (39), which was recognised as other operating income in the statement of comprehensive income. The remaining conditional additional purchase price relates to the acquisition of Novakorp Systems and Semmco Group. For further information on the measurement and classification of conditional additional purchase price, see Note 24 and Note 29.

NOTE 20 PROVISIONS

ACCOUNTING PRINCIPLES

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. The calculation is made using a pre-tax discount rate that reflects the relevant time and risk.

The Group

Provisions have been made for pensions, guarantee commitments to customers and restructuring of operations.

SEK m	2024	2023
Opening balance	**26**	**24**
Provisions used	-1	0
Other new provisions	1	3
Acquired/divested subsidiaries	1	0
Translation difference	0	-2
Closing balance	**27**	**26**
Change in defined benefit pensions (see Note 25)	0	0
Allocated for other pensions	0	0
Closing balance	**27**	**26**

NOTE 21 ACCRUALS AND DEFERRED INCOME

The Group, SEK m	2024	2023
Accrued holiday pay and social security contributions	27	21
Accrued interest	1	2
Accrued payroll expenses	12	10
Others	14	24
Total	54	58

Parent company, SEK m	2024	2023
Accrued holiday pay and social security contributions	4	1
Accrued interest	1	2
Others	1	1
Total	6	4

NOTE 22 ASSETS AND LIABILITIES IN THE DISPOSAL GROUP HELD FOR SALE AND DIVESTED SUBSIDIARIES

Assets held for sale, SEK m	2024	2023
Intangible assets	-	10
Property, plant and equipment	-	4
Accounts receivable	-	12
Inventories	-	37
Other receivables	-	1
Total assets and liabilities in the disposal group held for sale	-	64

Liabilities directly related to assets held for sale, SEK m	2024	2023
Customer prepayments	-	9
Accounts payable	-	5
Accruals and deferred income	-	6
Other liabilities	-	2
Total liabilities in the disposal group held for sale	-	22

On 24 January 2024, FAS Converting Machinery was divested. The operation was part of the former Industrial Services business area and had annual sales of SEK 90 million in 2023. The buyer was the US company CMD Corporation. The purchase price was USD 3.7 million on a debt-free basis, subject to working capital adjustments. The divestment had a negative impact on operating profit/loss of SEK 5 million, mainly due to a product-related warranty matter that arose after the transaction date and was settled in the final settlement of the purchase price.

In 2023, FAS Converting Machinery's assets and liabilities were recognised as the disposal group held for sale.

Income statement, divested subsidiaries, SEK m	2024	2023
Net sales	-	90
Cost of goods sold	-	-65
GROSS PROFIT	-	25
Selling expenses	-	-6
Administrative expenses	-	-8
Research and development costs		-7
Other operating income		1
Other operating expenses	-	-1
OPERATING PROFIT	-	4
Finance income	-	1
Finance costs	-	-1
PROFIT/LOSS BEFORE TAX	-	4
Income tax	-	-1
PROFIT/LOSS FOR THE YEAR	-	3

Cash flow statement for divested subsidiaries, SEK m	2024	2023
Cash flow from operating activities	-	4
Cash flow from investing activities	-	-1
Cash flow from financing activities	-	-2
Total cash flow from divested subsidiaries	-	1

Consolidated values in connection with the divestment of FAS Converting.

CAPITAL STRUCTURE AND FINANCING

NOTE 23 CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash and bank balances. Bank balances at the balance sheet date are as follows, SEK m:

Bank	Rating (Dec 2024) Standard & Poor's	2024	2023
SEB	AA-	-33	7
Swedbank	A+	6	32
Others	-	62	14
Total		**35**	**53**

The parent company's cash and cash equivalents amount to SEK 6 million (10). The Group's total liquidity is deposited at major banks with high credit ratings. Other banks include Barclays and Clydesdale in the UK. Expected credit losses in the next 12 months are deemed immaterial. For the Group's and parent company's unused overdraft facilities, see Note 26.

NOTE 24 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

ACCOUNTING PRINCIPLES

Financial assets and liabilities

Financial instruments are any form of contract that gives rise to a financial asset in one enterprise and a financial liability or equity instrument in another enterprise. Financial instruments are classified on initial recognition, based in part on the business model when the instrument was acquired and is managed. This classification determines the valuation.

Recognition and derecognition

A financial asset or financial liability is recognised in the balance sheet when the entity becomes a party to the contractual provisions of the instrument. Accounts receivable are recognised in the balance sheet when an invoice has been sent and the company's right to compensation is unconditional. A liability is recognised when the counterparty has performed and there is a contractual obligation to pay, even if an invoice has not yet been received. Accounts payable are recognised when an invoice has been received. A financial asset and a financial liability are offset and netted in the balance sheet only when there is a legally enforceable right to offset the amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. A financial asset is derecognised when the rights in the contract are realised, expire or the company loses control over them. A financial liability is removed from the balance sheet when the contractual obligation is discharged or otherwise extinguished. The same applies to part of a financial asset or financial liability. Gains and losses from derecognition and modification are recognised in profit/loss to the extent that hedge accounting is not applied.

Classification and measurement of financial assets

Financial assets are classified based on the business model in which the asset is managed and the cash flow characteristics of the asset. If the financial asset is held within a business model the objective of which is to collect contractual cash flows (hold to collect) and the contractual terms of the financial asset at specified times give rise to cash flows consisting solely of payments of principal and interest on the principal amount outstanding, the asset is recognised at amortised cost.

If, instead, the objective of the business model is achieved by both collecting contractual cash flows and selling financial assets (hold to collect and sell), and the contractual terms of the financial asset give rise, at specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding, the asset is recognised at fair value through other comprehensive income. All other business models (other) where the purpose is speculative, held for trading or where the cash flow characteristics preclude other business models involve fair value recognition through profit or loss.

The Group applies the hold to collect business model for all financial assets. The Group's financial assets are initially recognised at fair value and subsequently at amortised cost using the effective interest method, less provision for impairment.

As of 31 December 2024, the Group has no assets classified at fair value through profit or loss or fair value through other comprehensive income.

Classification and measurement of financial liabilities

Financial liabilities are measured at fair value through profit or loss if they are a conditional purchase price to which IFRS 3 applies, if they are held for trading or if they are initially designated as liabilities at fair value through profit or loss. The Group's financial liabilities, excluding conditional purchase prices, consist of accounts payable, loans and other current liabilities and are measured at amortised cost.

Fair value of financial instruments

The fair value of financial assets and liabilities that are traded in an active market is determined by reference to quoted market prices. The fair value of other financial assets and liabilities is determined using generally accepted valuation models such as discounting future cash flows and using information derived from current market transactions.

For all financial assets and liabilities, the carrying amount is considered to be a good approximation of its fair value, unless specifically stated otherwise.

Amortised cost and effective interest method

The amortised cost of a financial asset is the amount at which the financial asset is measured on initial recognition less the principal amount, plus the cumulative amortisation using the effective interest method of any difference between that principal amount and the outstanding principal amount, adjusted for any impairment losses. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjustments for any loss allowance. Financial liabilities are measured at amortised cost using the effective interest method or at fair value through profit or loss.

The effective interest rate is the rate that, by discounting all future expected cash flows over the expected term, results in the initial value recognised for the financial asset or financial liability.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets measured at amortised cost. At each balance sheet date, the Group recognises the change in expected credit losses since initial recognition in profit/loss.

For all financial assets, the Group measures the loss allowance at an amount equal to 12 months of expected credit losses. For financial instruments for which there have been significant increases in credit risk since initial recognition, an allowance based on credit losses is recognised for the full term of the asset (the general model). The Group's accounts receivable are subject to the simplified impairment model.

Cash and cash equivalents are subject to the general impairment model. For cash and cash equivalents, the low credit risk exemption is applied. Non-current receivables and accrued income are also subject to the general model.

The Group defines default as when it is deemed unlikely that the counterparty will meet its obligations due to indicators such as financial difficulties and missed payments. Regardless, default is considered to occur when the payment is 90 days late. The Group writes off a receivable when no possibility of further cash flows is deemed to exist.

Financial risk management

HAKI Safety operates internationally and is therefore exposed to interest rate, financing and currency risks. The starting point for the Group's financial activities is to minimise the financial risks to which the company is exposed as a result of its business activities.

Financial policy and organisation

HAKI Safety's financial policy provides a framework for how different types of financial risk should be managed and with what risk exposure the business should be conducted. The main responsibility for all financial risks is centralised in Group management. To achieve economies of scale and synergies and to minimise management risks, HAKI Safety's financial activities are mainly concentrated in the parent company.

The main approach is to aim for a low risk profile. In order to maximise the availability of and return on capital, flows in the Group have been concentrated in Group accounts at a large Swedish bank. The parent company acts as the Group's internal bank and is responsible, among other things, for borrowing the working capital of the subsidiaries.

Interest rate risk

Interest rate risk refers to the risk that changes in interest rates will have an upward or downward impact on the Group's financing costs. As of 31 December 2024, the Group's net cash and cash equivalents, current investments and interest-bearing liabilities, but excluding pension provisions, amounted to SEK 452 million (366).

A change in the average interest rate of 1 percentage point based on current net borrowing affects net financial items by around SEK 4 million (4). The Group's interest rate policy is to use a floating rate as far as possible, and the majority of the Group's liabilities are at a floating rate. A higher interest rate level would have a negative impact on the Group's net financial position in particular. In view of possible changes in outstanding credits, changes in interest rates are considered to be part of the assessment.

Currency risk

Changes in exchange rates affect the Group's earnings, equity and competitive position in various ways.

Transaction exposure

The impact on earnings arises when purchases and sales are made in different currencies. Individual entities may also have monetary assets and liabilities denominated in currencies other than the functional currency, which are translated into the local currency at the closing rate. The translation of monetary assets and liabilities gives rise to exchange rate effects, which are recognised in the statement of comprehensive income. HAKI Safety's sales are essentially in SEK, NOK, DKK, EUR and GBP. Some currency risk on sales in foreign currency is offset by purchases in the same currency. The Group's transaction exposure is managed through a multicurrency cash pool linked to a credit facility in SEK. The Group ensures monitoring of foreign cash flows and then undertakes regular purchase or sale transactions in the relevant currency to ensure sufficient balances in the respective currency. As of 31 December 2024, the Group had no outstanding interest rate or currency derivative contracts.

Translation exposure

Translation exposure arises from the impact on earnings of translating the earnings of foreign subsidiaries into Swedish kronor. The translation effect also affects equity when translating the net assets of foreign subsidiaries into Swedish kronor. When translating the income statements of foreign subsidiaries, changes in exchange rates during 2024 affected HAKI Safety's operating profit by SEK 0 million (2).

As of 31 December 2024, the net assets of the Group's foreign subsidiaries, translated at the closing rate, amounted to SEK 293 million (202). Translation differences for the year, which are recognised in other comprehensive income, amounted to SEK 26 million (-2).

The most significant currencies in the group are NOK, DKK, EUR, GBP, CAD and USD. Indirect exposure occurs mainly through the impact on the competitive situation between different companies because they have different currency bases for their costs and because the price of certain raw materials is determined on the basis of exchange rates other than with SEK. A company's competitiveness is largely determined by production costs, which are strongly influenced by where in the world production takes place. Within the HAKI Safety Group, production is located in Sweden, except for a small proportion in Hungary.

Liquidity risk

Liquidity risk is managed by ensuring that the Group holds sufficient cash and short-term investments with a liquid market, available funding through committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the business, Group Finance maintains flexibility in funding by maintaining drawdown agreements. Management also monitors rolling forecasts of the Group's liquidity reserve based on expected cash flows. The Group's credit agreements contain two covenants, net debt to EBITDA and net debt to equity. In 2024, there were no breaches of the Group's loan covenants. The current main financing consists of a revolving facility agreement valid until June 2027. The company's financial liabilities recognised in the balance sheet at amortised cost are presented in the table below at undiscounted amounts. The liabilities fall due as follows:

31/12/2024, SEK m	< 1 year	Between 1–2 years	Between 2–5 years	> 5 years
Liabilities to credit institutions	45	362	-	-
Lease liabilities under IFRS 16	27	20	27	6
Other non-current liabilities	-	40	-	-
Customer prepayments	1	-	-	-
Accounts payable	88	-	-	-
Other current liabilities	149	-	-	-
Total	**310**	**422**	**27**	**6**

31/12/2023, SEK m	< 1 year	Between 1–2 years	Between 2–5 years	> 5 years
Liabilities to credit institutions	20	318	-	-
Lease liabilities under IFRS 16	22	29	18	10
Other non-current liabilities	-	53	-	-
Customer prepayments	1	-	-	-
Accounts payable	60	-	-	-
Other current liabilities	89	-	-	-
Total	**192**	**400**	**18**	**10**

Capital risk

The Group's goal regarding the capital structure is to secure the Group's ability to continue its operations and to have a certain amount of over-consolidation in the short term in order to have financial flexibility when the conditions for acquisitions are deemed favourable. In the current Group structure, an equity/assets ratio above 40 percent is considered to be over-consolidation. The equity/assets ratio is calculated as equity including minority interests in relation to total assets and amounted to 48 percent (42) on the balance sheet date. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce liabilities.

Credit risk

Credit risk can be divided into commercial and financial risk. Commercial risk includes customers' ability to pay and is managed by each subsidiary by monitoring the ability to pay. The Group's policy is to perform ongoing credit checks on its customers. There is no commercial risk beyond the provisions made. Financial risks for the Group include the investment of surplus funds. The Group's maximum exposure to credit risk on the balance sheet date was SEK 234 million, which mainly consisted of accounts receivable, non-current receivables and cash and cash equivalents. The accounting principles for financial instruments have been applied to the following items:

31/12/2024, SEK m	Financial assets measured at amortised cost (Hold to collect)	Financial assets measured at fair value through profit or loss (Other)	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Carrying amount
Financial assets					
Other non-current holdings of securities	-	-	-	-	-
Other non-current receivables	12	-	-	-	12
Accounts receivable	173	-	-	-	173
Other receivables	14	-	-	-	14
Cash and cash equivalents	35	-	-	-	35
Total financial assets	**234**	**0**	**0**	**0**	**234**
Financial liabilities, SEK m					
Liabilities to credit institutions, non-current	-	-	415	-	415
Liabilities to credit institutions, current	-	-	72	-	72
Conditional additional purchase prices	-	-	-	84	84
Accounts payable	-	-	88	-	88
Customer prepayments	-	-	1	-	1
Other current liabilities	-	-	37	-	37
Total financial liabilities	**0**	**0**	**613**	**84**	**697**

Disclosures on financial instruments measured at fair value through profit/loss for the year

The Group recognises conditional additional purchase prices as other liabilities in the consolidated balance sheet and they are measured at fair value through profit/loss for the year. Measurement is in accordance with Level 3 of IFRS 13 Fair Value Measurement. HAKI Safety determines the fair value of conditional additional purchase prices by calculating a present value of expected future cash flows where future cash flows are discounted to the value at the end of the reporting period. The Group estimates expected future cash flows by assessing the probability of different outcomes for the gross profit of acquired businesses. At the end of each reporting period, an assessment of the most likely outcome is made, which means that changed assumptions about future outcomes may result in material changes in the recognised amounts for conditional additional purchase prices.

2024, SEK m	Financial assets measured at amortised cost (Hold to collect)	Financial assets measured at fair value through profit or loss (Other)	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Total
Net financial items					
Interest income and exchange rate effects	24	-	-	-	24
Interest expense and exchange rate effects	-	-	-44	-	-44
Unrealised value changes	-	-	-	-	-
Total	**24**	**0**	**-44**	**0**	**-20**

31/12/2023, SEK m	Financial assets measured at amortised cost (Hold to collect)	Financial assets measured at fair value through profit or loss (Other)	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Carrying amount
Financial assets	-	-	-	-	-
Other non-current holdings of securities	-	-	-	-	0
Other non-current receivables	10	-	-	-	10
Accounts receivable	118	-	-	-	118
Other receivables	15	-	-	-	15
Cash and cash equivalents	53	-	-	-	53
Total financial assets	**196**	**0**	**0**	**0**	**196**
Financial liabilities	-	-	-	-	-
Liabilities to credit institutions non-current	-	-	375	-	375
Liabilities to credit institutions, current	-	-	42	-	42
Conditional additional purchase prices	-	-	-	53	53
Accounts payable	-	-	60	-	60
Customer prepayments	-	-	1	-	1
Other current liabilities	-	-	89	-	89
Total financial liabilities	**0**	**0**	**567**	**53**	**620**

2023, SEK m	Financial assets measured at amortised cost (Hold to collect)	Financial assets measured at fair value through profit or loss (Other)	Financial liabilities measured at amortised cost	Financial liabilities measured at fair value through profit or loss	Total
Net financial items					
Interest income and exchange rate effects	32	-	-	-	32
Interest expense and exchange rate effects	-	-	-53	-	-53
Unrealised value changes	-	-	-	-	-
Total	**32**	**0**	**-53**	**0**	**-21**

NOTE 25 CHANGE IN LIABILITIES IN FINANCING ACTIVITIES

The Group, SEK m	Opening balance 01/01/2024	Cash flow	Non-cash changes: Others changes	Non-cash changes: Acquired liabilities	Closing balance 31/12/2024
Non-current liabilities to credit institutions	375	-40	80	0	415
of which lease liabilities	55	-2	0	0	53
Current liabilities to credit institutions	42	86	-65	9	72
of which lease liabilities	24	4	0	9	28
Total liabilities in financing activities	**417**	**46**	**15**	**9**	**487**

Parent company, SEK m	Opening balance 01/01/2024	Cash flow	Non-cash changes: Others changes	Non-cash changes: Acquired liabilities	Closing balance 31/12/2024
Non-current liabilities to credit institutions	310	46	0	0	356
Current liabilities to credit institutions	0	57	0	0	57
Total liabilities in financing activities	**310**	**103**	**0**	**0**	**413**

For further information on lease liabilities, see Note 6.

The Group, SEK m	Opening balance 01/01/2023	Cash flow	Non-cash changes: Others changes	Non-cash changes: Acquired liabilities	Closing balance 31/12/2023
Non-current liabilities to credit institutions	371	-15	19	0	375
of which lease liabilities	53	-11	13	0	55
Current liabilities to credit institutions	52	-18	9	0	42
of which lease liabilities	22	-12	13	0	24
Total liabilities in financing activities	**424**	**-33**	**28**	**0**	**417**

Parent company, SEK m	Opening balance 01/01/2023	Cash flow	Non-cash changes: Others changes	Non-cash changes: Acquired liabilities	Closing balance 31/12/2023
Non-current liabilities to credit institutions	310	0	0	0	310
Current liabilities to credit institutions	10	-10	0	0	0
Total liabilities in financing activities	**320**	**-10**	**0**	**0**	**310**

NOTE 26 LIABILITIES TO CREDIT INSTITUTIONS

The Group, SEK m	2024	2023
Liabilities to credit institutions	362	320
Financial lease liabilities	53	55
Total long-term borrowings	**415**	**375**
Overdraft facility utilised	0	0
Financial lease liabilities	27	22
Other short-term credit	0	0
Liabilities to credit institutions	45	20
Total current borrowings	**72**	**42**
Total borrowings	**487**	**417**

Parent company, SEK m	2024	2023
Overdraft facility utilised	-33	0
Liabilities to credit institutions	379	310
Total borrowings	**346**	**310**

Of the non-current liabilities of SEK 415 million (375), SEK 43 million (347) falls due for payment between 1 and 2 years, SEK 366 million (18) falls due for payment between 2 and 5 years and SEK 6 million (10) falls due for payment more than 5 years after the balance sheet date.

The Group's loans are essentially denominated in SEK and at variable interest rates. The fair value is therefore deemed to correspond to the carrying amount.

The Group's approved overdraft facilities amount to SEK 80.0 million (40.0), of which SEK 33 million (0.0) has been utilised.

Other credits amount to SEK 420 million (380.0), with an option for a further SEK 200 million, of which SEK 379.0 million (310) has been utilised.

The parent company's approved overdraft facilities amount to SEK 80.0 million (40.0), of which SEK 33.0 million (0.0) has been utilised. Other credits amount to SEK 420.0 million (380.0), of which SEK 379.0 million (310) has been utilised.

Reconciliation of net debt

The Group, SEK m	2024	2023
Cash and cash equivalents	35	53
Provision for pensions	-10	-11
Liabilities to credit institutions	-407	-340
Financial net debt	**-382**	**-298**
Lease liabilities	-80	-78
Net debt	**-462**	**-376**

Liabilities directly associated with assets held for sale include liabilities related to finance leases of SEK 2 million in 2023.

SEK m	Cash and cash equivalents	Current investments	Provisions for pensions	Liabilities to credit institutions < 1 year	Liabilities to credit institutions > 1 year	Total
Net debt as of 1 January 2024	53	0	-11	-44	-375	-376
Cash flow	-18	-	0	-28	-40	-86
Exchange rate differences	-	-	1	-	-	-
Other items not affecting cash flow	-	-	-	-	-	-
Net debt as of 31 December 2024	35	0	-10	-72	-415	-462

SEK m	Cash and cash equivalents	Current investments	Provisions for pensions	Liabilities to credit institutions < 1 year	Liabilities to credit institutions > 1 year	Total
Net debt as of 1 January 2023	32	0	-15	-52	-371	-406
Cash flow	24	-	0	10	-2	29
Exchange rate differences	-3	-	1	0	0	1
Other items not affecting cash flow	-	-	3	-2	-2	0
Net debt as of 31 December 2023	53	0	-11	-44	-375	-376

Net debt is defined as interest-bearing liabilities including pension provisions less cash and cash equivalents and interest-bearing assets.

Collateral provided for liabilities to credit institutions

The Group, SEK m	2024	2023
Property mortgages	-	-
Business mortgages	64	64
Other pledges	0	0
Total	64	64

Parent company, SEK m		
Other pledges	0	0
Total	0	0

NOTE 27 SHARE CAPITAL

Distribution of shares	Number of shares	Number of votes
Class A shares, with a quota value of SEK 10 per share	9,584,697	95,846,970
Class B shares, with a quota value of SEK 10 per share	17,744,439	17,744,439
Total	27,329,136	113,591,409

Proposed appropriation of profits

The following funds in the parent company are at the disposal of the Annual General Meeting (SEK):	
Retained earnings	99,914,500
Profit/loss for the year	-19,923,601
Total	79,990,899

The Board of Directors proposes that profits be appropriated as follows:	
Dividend to shareholders (SEK 0.50 per share)	13,664,568
Carried forward	66,326,331
Total	79,990,899

GROUP STRUCTURE

NOTE 28 SHARES IN GROUP COMPANIES

ACCOUNTING PRINCIPLES

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its influence over the entity. Subsidiaries are fully consolidated from the date on which influence is transferred to the Group. They are excluded from the consolidated accounts from the date on which influence ceases.

	Corporate identity number	Registered office	Share of capital	Voting rights	Number of shares	Carrying amount, SEK m
Haki AB	556075-5067	Ö Göinge	100%	100%	1,550,000	114
Haki Rental AB	559080-7490	Ö Göinge	100%	100%		
Haki Ltd	1203497	England	100%	100%		
Turnbrock Ltd	551743	Scotland	100%	100%		
Span Access Solutions Ltd	402211	Scotland	100%	100%		
ODA Systems Ltd	476157	Scotland	100%	100%		
Haki A/S	89391814	Denmark	100%	100%		
Haki AS	982,736,765	Norway	100%	100%		
Haki SAS	329088731	France	100%	100%		
Haki Hungary Kft	10-09-026591	Hungary	100%	100%		
Haki Australia Pty Ltd	43 159 720 635	Australia	100%	100%		
Vertemax Group Ltd	7799556	England	100%	100%		
Vertemax Ltd	7254120	England	100%	100%		
Vertemax Inc	712561323BC0001	Canada	100%	100%		
Vertemax S.r.o.	52805581	Slovakia	100%	100%		
Elebia Ltd	9889325	England	100%	100%		
Semmco Group Ltd	11214095	England	100%	100%		
Semmco DWC LLC	5551	United Arab Emirates	100%	100%		
Semmco Ltd	2763956	England	100%	100%		
Semmco Inc	6752845	USA	100%	100%		
Novakorp Systems SARL	528,104,078	France	100%	100%		
EKRO Bausystem GmbH	562496a	Austria	100%	100%		
MÅTIM-Gruppen AB	556728-6561	Malmö	100%	100%	1,000	0
Landqvist Mekaniska Verkstad AB	556087-7168	Essunga	100%	100%		
NOM Holding AS	899249852	Norway	100%	100%	2,474,940	17
Normann Olsen Maskin AS	921502958	Norway	100%	100%		
Norgeodesi AS	971052201	Norway	100%	100%		
Optiol Holding AB	556652-1117	Malmö	100%	100%	1,000	0
AB Prosparitas	556239-7850	Malmö	100%	100%	17,433,333	54
Total						185

The parent company's acquisitions amount to SEK 0.0 million (0.0). The carrying amount of the year's sales amounts to SEK 0.0 million (0.0). The capital contribution for the year amounts to SEK 0.0 million (0.0). Impairment for the year amounts to SEK 0.0 million (0.0). The number of legal entities in the Group amounts to 29 (28).

NOTE 29 ACQUISITIONS

ACCOUNTING PRINCIPLES

The acquisition method is used to account for the Group's acquisitions of subsidiaries. The cost of an acquisition is the fair value of assets given as consideration, equity instruments issued and liabilities incurred or assumed at the date of transfer. The purchase price also includes the fair value of any assets or liabilities resulting from a conditional purchase price agreement. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The surplus consisting of the difference between the cost and the fair value of the Group's share of identifiable net assets acquired is recognised as goodwill. If the cost is less than the fair value of the net assets of the acquired subsidiary, the difference is recognised directly in the profit/loss for the year.

On 29 October 2024, HAKI Safety signed an agreement for and finalised the acquisition of Semmco Group, a privately owned UK-based leading manufacturer and supplier of aircraft and train maintenance access platforms and steps.

Preliminary acquisition analysis, SEK M	Semmco
Intangible assets	30
Other fixed assets, including IFRS 16	4
Current assets, excl. cash and cash equivalents	35
Cash and cash equivalents	17
Non interest-bearing liabilities	-24
Interest-bearing liabilities, incl. IFRS 16	-9
Total	**53**
Goodwill	66
Total	**119**

Purchase price	
Cash and cash equivalents on acquisition	79
Conditional additional purchase price	40
Total	**119**

With the acquisition of Semmco, HAKI Safety obtained an expanded product range in the growing market for work zone safety and also broadened the Group's exposure to more sectors and geographical areas. Semmco designs and manufactures products that enable safe and efficient maintenance of aircraft, helicopters and trains. In addition to specially developed access platforms and steps, Semmco offers training and service contracts for maintenance controls and spare parts. The customer base primarily consists of international aviation and train companies. Semmco's headquarters and main manufacturing operation are in

Woking, Surrey, England, with a manufacturing and sales operation also in Arlington, Texas, USA. Semmco has shown healthy growth in recent years, and its sales over the last twelve months amounted to approximately SEK 100 M (GBP 7 M). The company was founded in 1993 and currently has around 60 employees.

Since the date of the acquisition and until 31 December 2024, Semmco contributed sales of approximately SEK 22 million and an operating profit of approximately SEK 5 million, including amortisation of acquired intangible assets (customer relations). If Semmco had been part of the group since January 1, 2024, HAKI Safety's sales would have been approximately SEK 78 million higher and operating profit approximately SEK 10 million higher for the 2024 financial year.

The purchase price amounts to a maximum of GBP 8.5 million on a debt-free basis, including working capital adjustments, of which GBP 5.6 million is a fixed purchase price and a maximum of GBP 2.9 million is an additional purchase price. The additional purchase price will be based on Semmco's performance during 2025. Transaction costs amounted to SEK 4 million, charged to the 2024 financial year.

According to the preliminary acquisition analysis, the acquisition of Semmco resulted in goodwill. It is based on HAKI Safety strengthening its presence in the UK and establishing a presence in the US and the UAE, as well as obtaining and gaining a wider product range in work zone safety for the aviation and rail market segments.

NOTE 30 DIVESTMENTS

On 24 January 2024, FAS Converting Machinery was divested. The business was part of the former Industrial Services business area and had annual sales of SEK 90 million in 2023. See Note 22.

OTHER

NOTE 31 CONTINGENT LIABILITIES

ACCOUNTING PRINCIPLES

Contingent liabilities are recognised when there is a possible obligation confirmed by one or more uncertain future events and it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient accuracy.

The Group, SEK m	2024	2023
Guarantees	0	0
Other contingent liabilities*	4	4
Total	**4**	**4**

* Refers to performance guarantees and advance payment guarantees.

Parent company, SEK m		
Guarantee commitments for pensions	4	3
Total	**4**	**3**

On a property formerly owned by the now divested subsidiary Sporrong, measurements of the presence of hydrocarbons in the ground are continuing on the advice of the County Administrative Board. The measurements will last until the end of 2024. If the County Administrative Board subsequently assesses that there is a need for measures, the scope and responsibility can only be determined after the end of the measurement period.

NOTE 32 INFORMATION ON RELATED PARTIES

The parent company HAKI Safety AB conducts ongoing transactions with its subsidiaries in the form of invoicing of central costs and transactions concerning intra-Group interest and currency exchange. In 2023, the parent company's income from subsidiaries amounted to SEK 3.4 million.

For information on the parent company's internal interest income and expense, see Note 11.

The parent company's outstanding receivables from subsidiaries on the balance sheet date amount to SEK 600 million and outstanding liabilities to subsidiaries amount to SEK 86 million. For the company's other transactions with related parties, please refer to Note 5 regarding remuneration of senior executives. No transactions between HAKI Safety and its related parties which had a material impact on the company's position and earnings were carried out during the period.

In November 2022, Group Management acquired call options in accordance with the long-term incentive program resolved by the 2022 Annual General Meeting. The call options were acquired at market value in accordance with a valuation by an independent third party. The CEO acquired 150,000 call options and other senior executives 300,000 call options, of which 100,000 were synthetic call options, in accordance with the principles established by the Annual General Meeting. Karin Larsson, who joined Group Management in September 2023, acquired 50,000 call options in September 2023, which were the remaining call options in the programme. Consequently, the call options programme from the 2022 Annual General Meeting is fully subscribed by Group Management. An updated market valuation by a third party was obtained in connection with the acquisition of the call options. The call options entitle the holder to subscribe for new Class B shares in the company during the period 1 May 2025 up to and including 30 June 2025 at a subscription price of SEK 35.80, corresponding to 135 percent of the volume-weighted average price according to Nasdaq Stockholm's official price list for the share during the five trading days immediately following the 2022 Annual General Meeting, adjusted for share dividends during the period.

NOTE 33 EVENTS AFTER THE BALANCE SHEET DATE

At the end of January 2025, HAKI Safety signed an agreement to acquire Trimtec, a Swedish distributor of high-tech precision equipment to the private and public sectors, the activities of which are focused in part on infrastructure and spatial planning. The acquisition is in line with HAKI Safety's strategy to expand its digital and technical offering, which ultimately aims to create safe conditions for everyone working in challenging environments. The acquisition broadens the Group's geodesy offering to more geographical areas and enables a complete offering in the Swedish market, from project planning to delivery of safety products.

The transaction is expected to be finalised in March 2025, subject to regulatory approval of relevant authorities. The purchase price amounts to SEK 50 million on a debt-free basis. Subject to certain financial performance goals within Trimtec being fulfilled during the period 2025 and 2026, an additional maximum of SEK 50 M in contingent cash consideration (earn-out) may also be paid. The initial purchase price is intended to be paid in cash and financed within the framework of existing credit facilities, which may be refinanced through a new issue of shares. In such a case, the new issue will be resolved based on an authorisation of the general meeting or subject to the subsequent approval by a general meeting. HAKI Safety intends to explore the options of carrying out a new share issue, either as a directed share issue or as a rights issue. The share issue may be carried out during the first half of 2025, but no decision has yet been made and the timing and type of share issue will depend on, among other things, the prevailing market conditions at the time of the share issue. Should the share issue be carried out as a rights issue, the existing shareholders, Tibia Konsult AB and Marknadspotential AB, have declared their intention to in relation to such rights issue enter into binding subscription and guarantee commitments on customary terms and conditions to an amount corresponding to the entire proceeds from the issue.

A strategic review of the remaining portfolio company, Landqvist Mekaniska Verkstad, was initiated in January 2025, and divestment is one of the options that is being considered. Landqvist Mekaniska Verkstad is recognised as Other business branches in the Annual Report.

ADOPTION OF THE STATEMENTS OF COMPREHENSIVE INCOME AND BALANCE SHEETS

The statements of comprehensive income and balance sheets will be submitted to the Annual General Meeting for adoption on April 29, 2025.

The Board of Directors and the Chief Executive Officer certify that the consolidated financial statements have been prepared in accordance with the international accounting standards referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of July 19, 2002 on the application of international accounting standards and give a true and fair view of the Group's financial position and performance. The Annual Report has been prepared in accordance with generally accepted accounting principles and gives a true and fair view of the parent company's position and results.

The Directors' Report for the Group and the Parent Company provides a true and fair view of the development of the Group's and the Parent Company's operations, financial position and results, and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

Malmö, 20 March 2025

Signature on Swedish original

Lennart Pihl
Chairman of the Board

Svante Nilo Bengtsson
Board member

Anders Bergstrand
Board member

Susanne Persson
Board member

Anna Söderblom
Board member

Sverker Lindberg
CEO

Our audit report was issued on 20 March 2025.

Signature on Swedish original

Deloitte AB

Richard Peters
Authorised public accountant
Auditor-in-Charge

AUDITOR'S REPORT

To the general meeting of the shareholders of HAKI Safety AB (publ), corporate identity number 556323-2536

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of HAKI Safety AB (publ) for the financial year January 1 – December 31, 2024. The annual accounts and consolidated accounts of the company are included on pages 22-60 and part of page 73 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

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

Basis for Opinions

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

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

Key audit matters

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

Valuation of goodwill

Risk description

As of December 31, 2024, HAKI Safety AB (publ) accounts for goodwill in the consolidated balance sheet amounting to SEK 433 m. The value of the goodwill is dependent on future income and profitability in the cash-generating units, to which the goodwill refers, and is assessed for impairment at least once a year. Management bases its impairment test on several judgments and estimates, such as growth, EBIT development and cost of capital (WACC) as well as other complex circumstances.

Incorrect judgments and estimates may have a significant impact on the group's result and financial position.

For further information, please see note 13, where it is described how management has performed the impairment test together with important judgments and estimates.

Our audit procedures

Our audit included the following procedures, but was not limited to these:

- Review and assessment of HAKI Safety AB s' (publ) procedures and model for impairment tests of goodwill and evaluation of the reasonability of judgments and estimates made, that the procedures are consistently applied and that there is integrity in computations;
- Verification of input data in calculations including information from business plans for the forecast period approved by the Board of Directors;
- Test of head room for each cash generating unit by performing sensitivity analyses; and
- Review of the completeness in relevant disclosures to the financial reports.

Other information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and can be found on the pages 1-21, 65, 71-72 and 74-75. The remuneration report also constitutes as other information, and this have been obtained before the date of this auditor´s report. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing

Auditor's Report, continued

Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's responsibility

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

An additional description of our responsibility for the audit of the annual report and consolidated accounts is available on the Swedish Inspectorate of Auditors website, www.revisorsinspektionen.se/revisorsansvar. This description forms a part of the Auditor's Report.

REPORT ON OTHER STATUTORY AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of HAKI Safety AB (publ) for the financial year January 1 – December 31, 2024, and the proposed appropriations of the company's profit or loss.

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the group's financial situation and ensuring that the company's organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfil the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

An additional description of our responsibility for the audit of the administration is available on the Swedish Inspectorate of Auditors website, www.revisorsinspektionen.se/revisorsansvar. This description forms a part of the Auditor's Report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528) for HAKI Safety AB (publ) for the financial year January 1 – December 31, 2024.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the ESEF report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Auditor's Report, continued

Basis for opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the ESEF report. Our responsibility under this recommendation is described in more detail in the Auditor's responsibility section. We are independent of HAKI Safety AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

RESPONSIBILITIES OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

The Board of Directors and the Managing Director are responsible for the preparation of the ESEF report in accordance with the Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors determine is necessary to prepare the ESEF report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the ESEF report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4a of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the ESEF report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the ESEF report.

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

The examination involves obtaining evidence, through various procedures, that the ESEF report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the ESEF report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

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

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the ESEF report have been marked with iXBRL in accordance with what follows from the ESEF regulation.

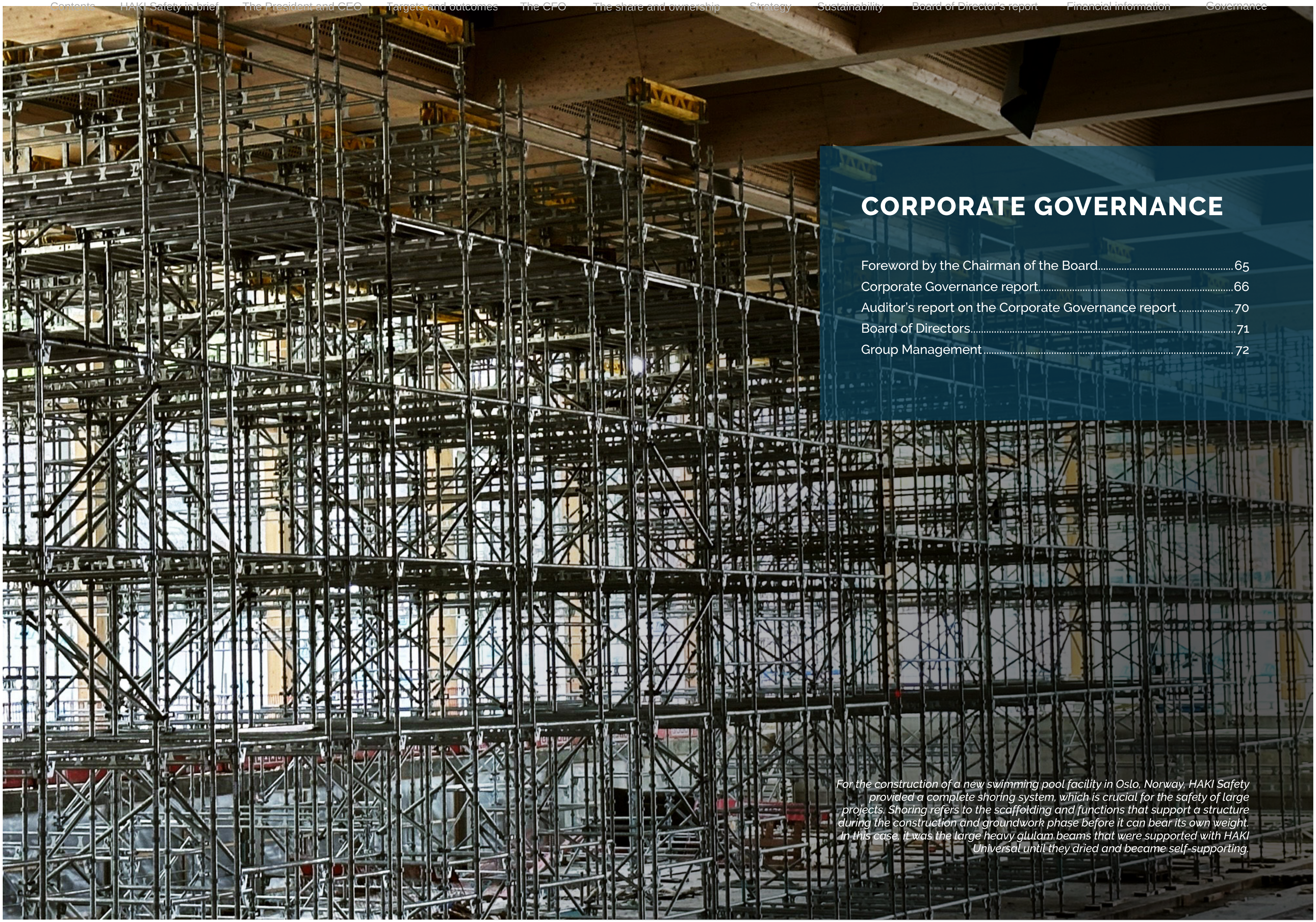
Deloitte AB was appointed auditor of HAKI Safety AB (publ) by the annual general meeting of shareholders on the April 22, 2024, and has been the auditor of the company since April 24, 2018.

Malmö, March 20, 2025
Deloitte AB

Signature on Swedish original

Richard Peters
Authorized public accountant

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.



CORPORATE GOVERNANCE

For the construction of a new swimming pool facility in Oslo, Norway, HAKI Safety provided a complete shoring system, which is crucial for the safety of large projects. Shoring refers to the scaffolding and functions that support a structure during the construction and groundwork phase before it can bear its own weight. In this case, it was the large heavy glulam beams that were supported with HAKI Universal until they dried and became self-supporting.

FOREWORD BY THE CHAIRMAN OF THE BOARD

DEAR SHAREHOLDERS,

Over the past year, the Board of Directors has made a number of decisions that contribute to HAKI Safety's continued development. One such was the acquisition of Semmco. The acquisition demonstrates the direction that we are pursuing for the Group: In addition to organic growth, HAKI Safety will grow through acquisitions, in geographical markets and in market segments with complex needs. Semmco manufactures and sells access platforms and steps that enable safe, efficient maintenance of aircraft, helicopters and trains, primarily in Europe and North America. In other words, the acquisition is fully in line with the defined growth strategy.

The same applies to the acquisition of Trimtec, for which the Group signed an agreement at the end of January 2025 and which is expected to have been finalised by the time this Annual Report is published in March. Trimtec is a distributor of precision equipment for, among other things, cadastral surveying and mapping. The acquisition strengthens the Group's digital and technical offering in the Swedish market.

The two acquisitions entail both increased risk diversification and reduced cyclical sensitivity at HAKI Safety, which the Board views very favourably.

Larger focus on sustainability

The responsibilities of the Board of Directors are expanding and growing as the disclosure of information about its sustainability increases. In 2024, the Group performed a double materiality assessment in accordance with the EU Corporate Sustainability Reporting Directive. The Audit Committee and the Board were regularly informed about the process and also attended sustainability training organised by an external provider during the year. I believe that the Board of Directors thus has a good understanding of the requirements and expectations placed on both the Board and HAKI Safety as a company regarding future sustainability work. Based on the assessment, HAKI Safety will continue to develop its sustainability work and report according to the requirements.

Corporate governance that supports operational activities

Corporate governance in the Group is based on a structure with clear rules and processes. As a result of the acquisitions and transformation in recent years, a number of key governance processes and policies have been reviewed and developed so that the new subsidiaries can live up to the requirements and levels that apply. This also provides a good platform for future acquisitions and simplifies acquisition processes and integration of the acquired companies.

The Board worked well on its own and in cooperation with Group Management in 2024. The Board and I would like to thank all employees, the management and the CEO for the past year. Thank you also to our shareholders for your continued trust and support.

New Chairman

After eight years as Chairman of the Board of Directors, I have informed the Nomination Committee that I will not be available for re-election at the 2025 Annual General Meeting for reasons of age. It has been intense but very interesting years, with a major shift in the company's strategy to transform it from a conglomerate into an industrial Group.

Finally, I would like to thank the owners for the confidence they have shown in me and wish my fellow Board members continued success in their important work.

Malmö, 10 March 2025

"The acquisitions of Semmco and Trimtec entail both increased risk diversification and reduced cyclical sensitivity at HAKI Safety, which the Board views very favourably."

Lennart Pihl
Chairman of the Board

CORPORATE GOVERNANCE REPORT 2024

HAKI Safety, formerly Midway Holding, is a Swedish public limited liability company listed on Nasdaq Stockholm, which complies with Nasdaq Stockholm's rules for issuers.

HAKI Safety also applies the Swedish Corporate Governance Code (the Code), which is available at www.bolagsstyrning.se, where the Swedish model for corporate governance is also described.

The auditor's examination has been conducted in accordance with FAR's auditing standard RevR 16 *The auditor's examination of the corporate governance statement*.

Compliance with the Swedish Corporate Governance Code
HAKI Safety deviates on one point from the Code, in the section on the composition of the Nomination Committee. The explanation for this deviation is given in the text.

Compliance with applicable exchange trading rules
There were no breaches of applicable stock exchange rules in 2024. HAKI Safety's operations were conducted in accordance with good stock market practice.

Shares and shareholders
As of 31 December 2024, the share capital amounted to SEK 273,291,360 divided into 27,329,136 shares, of which 9,584,697 Class A shares and 17,744,439 Class B shares, each with a quota value of SEK 10. Class A shares carry ten votes each and Class B shares carry one vote each.

At the end of 2024, HAKI Safety had 4,171 shareholders (4,015). The two largest shareholders were Tibia Konsult AB and Marknadspotential AB with 53.5 and 29.1 percent of the votes respectively. Tibia Konsult AB is represented by Anders Bergstrand and Marknadspotential AB is represented by Svante Nilo Bengtsson on the HAKI Safety Board.

For more information about the HAKI Safety share and the largest shareholders, see pages 8–9.

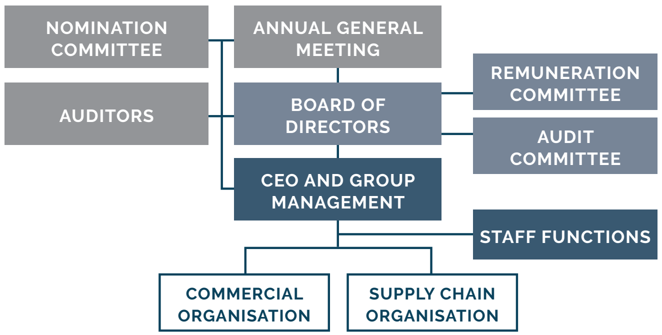
Articles of Association
The current Articles of Association can be found at www.hakisafety.com.

The Articles of Association were last amended in 2023 with the Extraordinary General Meeting's decision to change the name of the Group when the provision on company name (§ 1) became: 'The company name shall be HAKI Safety AB. The company is public (publ)'.

Annual General Meeting in 2024
Shareholders' influence is exercised at the Annual General Meeting, which is HAKI Safety's highest decision-making body. At the Annual General Meeting, shareholders exercise their voting rights on key issues such as adoption of the income statement and balance sheet, appropriation of the company's profit or loss, discharge from liability of the members of the Board of Directors and the CEO, election of the Board of Directors and the auditor, and remuneration of the Board of Directors and the auditor.

HAKI Safety's 2024 Annual General Meeting took place on April 22 in Malmö, Sweden. According to the voting list, approximately 85 percent of the votes in HAKI Safety were represented at the Meeting.

CORPORATE GOVERNANCE



Among other things, the Meeting passed resolutions on the following matters:

- Dividend of SEK 0.90 per share in accordance with the Board of Director's proposal
- Re-election of all Board members: Lennart Pihl, Anders Bergstrand, Svante Nilo Bengtsson, Susanne Persson samt Anna Söderblom
- Re-election of Lennart Pihl as Chairman of the Board
- Re-election of Deloitte AB as auditor
- Composition of the Nomination Committee
- Remuneration of the Board of Directors and auditor
- The Board's remuneration report for the 2023 financial year
- Authorisation of the Board of Directors to decide on the issue of new shares

Full minutes and information on the meeting are available at www.hakisafety.com.

Annual General Meeting in 2025
HAKI Safety's 2025 Annual General Meeting will take place on 29 April 2025 in Malmö, Sweden. Notice will be published in an announcement in Post- och Inrikes Tidningar, in a press release and on www.hakisafety.com. The notice will also be announced in Svenska Dagbladet.

Corporate Governance report, continued

Nomination Committee for the 2025 Annual General Meeting
The Nomination Committee represents the company's shareholders and nominates the members of the Board of Directors, the Chairman of the Board and the auditor, and proposes their remuneration.

As decided by the 2024 Annual General Meeting, HAKI Safety has a Nomination Committee consisting of Jan Bengtsson, Anders Bergstrand and Johnas Lindblom. The Nomination Committee has the tasks set out in the Code. The Nomination Committee's proposal to the 2025 Annual General Meeting will be published in the notice of the Annual General Meeting and on HAKI Safety's website.

With regard to the composition of the Board of Directors, the former and current Nomination Committees have applied point 4.1 of the Code as a diversity policy and its objectives, which resulted in the Nomination Committee's proposal to the 2024 Annual General Meeting for the election of the Board of Directors. The Nomination Committee considered that the proposed Board had an appropriate composition in terms of competence, experience and background, given the company's current situation and its strategic development going forward.

The composition of the Nomination Committee deviates from the Code's requirement that a majority of the members of the Nomination Committee should be independent in relation to the company and Group Management.

Anders Bergstrand is considered dependent in relation to the company because he is a member of the Board of Directors of the company. Jan Bengtsson is also considered to have such a position of dependence in light of the fact that he was previously a Board member of the company, and that his son, Svante Nilo Bengtsson, is a member of the Board of HAKI Safety.

The reason for the deviation is that it is natural for the company's two largest shareholders to be represented on the Nomination Committee as they nevertheless have a decisive influence on the composition of the Nomination Committee through their majority of votes at the Annual General Meeting.

Auditor 2024
The Annual General Meeting appoints an auditor who examines the Annual Report, accounts and consolidated accounts, the management by the Board of Directors and the CEO, and the Annual Report and accounts of subsidiaries, and issues an auditor's report.

At the Annual General Meeting in 2024, the registered auditing firm Deloitte AB was re-elected as auditors for a period of one year. Richard Peters, an Authorised Public Accountant, is auditor in charge. For specification of remuneration of the auditor, see Note 4 on page 39.

The Board of Directors and its work in 2024
The Board of Directors is ultimately responsible for the organisation and management of the company. According to the Articles of Association, the Board of Directors of HAKI Safety shall consist of at least three and no more than seven members with the number of deputies, but no more than three, decided by the Annual General Meeting.

Since the 2024 Annual General Meeting, the Board has consisted of five members, with no deputies. The composition of the Board meets the Code's requirements for independent members. None of the Board members is employed by HAKI Safety. The proportion of women on the Board is 40 percent. The members of the Board have long and varied experience from several different businesses, both Swedish and international. Members represent both technical and commercial expertise. For a presentation of the Board, see page 71.

The Board monitors activities through its work, monthly reporting and informal contacts between meetings. The Chairman of the Board represents the Board both externally and internally. The Chairman leads the work of the Board and ensures that the Board performs its duties. The CEO is responsible for day-to-day management in accordance with the guidelines and instructions issued by the Board of Directors.

Evaluation of the Board of Directors and the CEO
The Chairman of the Board initiates an annual evaluation of the Board's work. The purpose of the evaluation is to understand the views of Board members on how Board work is carried out and what measures can be taken to make Board work more effective. The aim is also to get an idea of what kind of issues the Board considers should be given more time and in which areas additional expertise may be needed on the Board.

The evaluation for 2024 was carried out by having each Board member answer a questionnaire. The results of the evaluation have been discussed by the Board and reported by the Chairman of the Board to the Nomination Committee. The Board of Directors continuously evaluates the performance of the CEO by monitoring the progress of operations towards the targets set.

The work of the Board of Directors in 2024
The Board shall hold at least five ordinary meetings per financial year and work according to established rules of procedure. Before Board meetings, members receive written material on the items to be discussed at the meeting. In 2024, the Board held ten minuted meetings. All members attended all Board meetings.

Much of the Board's time in 2024 was devoted to the Group's strategic direction and to the financial reports presented at each ordinary Board meeting. The company's auditor reported his observations in connection with the audit at a Board meeting. The Board also met the company's auditors on one occasion without the presence of members of Group Management.

Management Committee
Audit Committee
The Board has appointed an Audit Committee consisting of Anna Söderblom, who chairs the committee, and Lennart Pihl. The Group's CFO attends the meetings, as well as other employees and the company's auditor, if necessary. The Committee held five minuted meetings during the year, in addition to regular contact by telephone and e-mail. Both Anna Söderblom and Lennart Pihl attended all meetings. The Group's auditors attended two meetings.

The Audit Committee has both an advisory and a preparatory

Corporate Governance report, continued

function for matters requiring a decision before they are discussed and a decision made by HAKI Safety's Board of Directors.

The overall tasks of the Audit Committee include being responsible for the preparation of the financial reporting, finding out the focus and scope of the audit, establishing guidelines for which services other than auditing the company may procure from the company's auditor and assisting the Nomination Committee with proposals for the election of the auditor. It also deals with issues related to internal control, risks and sustainability.

Remuneration Committee

The Board has appointed a Remuneration Committee consisting of Lennart Pihl, who chairs the committee, and Anders Bergstrand. The Committee held two minuted meetings during the year. Both Lennart Pihl and Anders Bergstrand attended all meetings.

The Remuneration Committee has both an advisory and a preparatory function for matters requiring a decision before they are discussed and a decision made by HAKI Safety's Board of Directors.

The main tasks of the Remuneration Committee are to prepare items regarding remuneration principles, remuneration and other terms of employment for Group management and to monitor and evaluate the application of the guidelines and remuneration of senior executives decided by the Annual General Meeting.

CEO and management

The Board appoints the CEO and establishes instructions for his/her work. The CEO is responsible for the day-to-day operations of the company. The CEO, with the Chairman of the Board, ensures that the Board receives the information necessary to make informed decisions.

Sverker Lindberg has been CEO since 1 September 2016. He is assisted by a Group Management team of four people. The proportion of women in Group Management is 40 percent. For a presentation of Group Management, see page 72.

Group Management meet every month. The meetings focus on the Group's strategic and operational development and performance monitoring. In addition, several reviews and regular reconciliations with the operating activities are carried out according to an established meeting schedule.

The operational organisation consists of a commercial operation supported by an organisation with functions related to the supply chain. In addition to sales, commercial activities include innovation, technical support, customer support and marketing. The supply chain includes functions such as manufacturing, logistics, procurement, development and quality, health, safety and environment (QHSE).

Remuneration

Remuneration of the Board of Directors

The 2024 Annual General Meeting set the Board's remuneration at SEK 1,195,000: SEK 400,000 to the Chairman of the Board and SEK 190,000 to each of the other Board members. In addition, it was decided to pay a fee of SEK 35,000 to the Chair of the Audit Committee.

Remuneration of management

Remuneration of management is based on the guidelines for remuneration and other terms of employment for Group Management adopted by the Annual General Meeting. The CEO's remuneration is decided within this framework by the Board of Directors. The remuneration of other members of Group Management is decided by the CEO and reported to the Board. The Board's guidelines for remuneration and other terms of employment for Group Management were adopted at the 2021 Annual General Meeting.

The Board of Directors presents a separate Remuneration Report to the Annual General Meeting that provides a comprehensive picture of the remuneration, including benefits, paid or due to the CEO. Variable remuneration must be linked to predetermined, measurable criteria, designed to promote the company's long-term value creation.

Internal control over financial reporting

The main objectives of HAKI Safety's internal control are that it is appropriate and effective, provides reliable reports and complies with laws and regulations.

The Board has assessed that the current internal control process is sufficient from a corporate governance perspective and that there is no need for an internal audit function.

Control environment

A good control environment is based on an organisation with clear decision-making channels and a corporate culture with shared values and individual awareness of everyone's role in maintaining good internal control. Effective governance is the basis for good internal control. The Board of Directors is ultimately responsible for internal control over financial reporting and annually approves a number of governance documents to support the Board and Group management in acting in a manner that promotes proper and thorough internal control and risk management.

The Board of Directors' rules of procedure and instructions for the CEO ensure a clear division of roles and responsibilities to ensure effective management of business risks.

The Board has also adopted authorisation instructions and a financial policy. The company also has a financial manual, which contains principles, guidelines and processes for accounting and financial reporting. In addition, the Board of Directors has established an Audit Committee, the main task of which is to monitor the company's financial reporting, evaluate the effectiveness of internal control and annually evaluate the need for an internal audit function as well as risk management and the impartiality of the auditors. The Board has also established a number of basic guidelines for investments and the Group's financing.

Risk assessment

Risk is defined as the uncertainty of whether an event will occur and its effect on an entity's ability to achieve its business objectives over a given period of time. Risk assessment and risk management are key components of internal control for which the Board of Directors has ultimate responsibility. Risk assessment is regularly performed by management for discussion by the Audit Committee and the Board of Directors in accordance with established principles. The focus is on material income statement and balance sheet items which are relatively

Corporate Governance report, continued

higher risk due to their complexity or where the impact of any errors is likely to be significant, as the values of the transactions are substantial. In addition, external risks that could have a significant impact on the company's operations are evaluated.

The risk matrix and action plans for managing the key risks have been adopted by the Board of Directors. Control activities aimed at continuously preventing, detecting and correcting errors and deviations have been implemented and reported to the Audit Committee and the Board of Directors. Suggestions for improvements are identified and implemented on an ongoing basis. For a description of risks and other risk management, see pages 25-26 and Note 24 on page 52.

Control activities

Financial controls in the companies' business processes include approval of business transactions, reconciliation with external counterparties, monitoring of risk exposure, account reconciliation, monthly performance monitoring and analytical monitoring of decisions. HAKI Safety's financial reports are analysed and validated within the company's finance function and regular analyses are made of the subsidiaries' financial reporting.

Information and communication

Significant guidelines, manuals, etc. governing financial reporting are updated and communicated regularly to the relevant personnel in the Group. There are both formal and informal information channels to the Group management and the Board of Directors for essential information from employees.

To ensure that external information is correct and complete and communicated to the market in a timely manner, HAKI Safety has an information policy adopted by the Board of Directors. HAKI Safety has an established whistleblower system which is available to all employees in the Group and guarantees anonymity. The whistleblower system is also available on the company's website and can thus also be used by external persons.

Monitoring

HAKI Safety's Board and management continuously monitor the quality of the financial reporting. HAKI Safety's financial position is discussed at each Board meeting, at which the Board receives reports on the development of the business. The Board reviews and approves all interim reports before publication.

The external auditors report their review of internal control to the Board of Directors once a year, in connection with the reporting of the financial statements audit. Group management is responsible for informing all employees that control responsibilities are to be taken very seriously and that financial reporting is done on a group-wide system for all entities and according to common formats.

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE REPORT

To the Annual General Meeting of HAKI Safety AB (publ)
corporate identity number 556323-2536

Engagement and responsibilities
It is the Board of Directors who is responsible for the Corporate Governance report for the financial year 2024-01-01—2024-12-31 on pages 66-69 and that it has been prepared in accordance with the Annual Accounts Act.

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

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

Malmö, March 20, 2025
Deloitte AB

Signature on Swedish original

Richard Peters
Authorised public accountant

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.

BOARD OF DIRECTORS [1]

Lennart Pihl [2]
Chairman of the Board

Year of birth: 1950
Education: Graduate in Business Administration, Lund University
Other assignments: Chairman of Ellpeco AB, Myloc Holding AB, Bertex Mail AB, Joakim Lagergren Golf AB and Liljeholmens Group AB. Board member of Mildef Group AB
Work experience: Former CEO of Bong AB and CEO of Acrimo AB
Elected to the Board: 2017
Shareholding: 18,000 Class B Shares

Independent of the company and its management. Independent of the company's major shareholders.

Svante Nilo Bengtsson
Board member

Year of birth: 1976
Education: Graduate in Business Administration, European Business School, London
Other assignments: Board member of Marknadspotential AB, Liljeholmens Group AB and Zaplox AB.
Work experience: CEO of Marknadspotential AB
Elected to the Board: 2017
Shareholding: 50,000 Class B Shares

Independent of the company and its management. Not independent in relation to the company's major shareholders through his involvement in Marknadspotential AB, which owns 3,303,883 Class A shares and 1,160,433 Class B shares.

Anders Bergstrand
Board member

Year of birth: 1978
Education: MSc Eng., Lund University Faculty of Engineering, M.Sc. in Business Administration, Lund University
Other assignments: Chairman of the Board of Tibia Konsult AB, Liljeholmens Stearinfabriks AB, Sten K Johnsons Stiftelse and others. Board member of Liljeholmens Group AB and others.
Work experience: Former Consultant, Accenture
Elected to the Board: 2008
Shareholding: 7,000 Class B shares

Independent of the company and its management. Not independent in relation to the company's major shareholders through his interest in Tibia Konsult AB, which owns 12,335,209 shares, of which 5,374,920 Class B shares.

Susanne Persson
Board member

Year of birth: 1969
Education: M.Sc. Eng., Lund University Faculty of Engineering
Other assignments: Chairman of the Board of JM Norge AB. Board member of Seniorgården AB, Borätt AB and Byggföretagen
Work experience: Business unit manager, Riks JM AB. Former Regional Manager, JM AB, Peab Bygg AB and Skanska AB.
Elected to the Board: 2020
Shareholding: 4,449 Class B shares

Independent of the company and its management. Independent of the company's major shareholders.

Anna Söderblom
Board member

Year of birth: 1963
Education: University degree in mathematics, Lund University. PhD in Business Administration and associate professor, Stockholm School of Economics
Other assignments: Chairman of the Board of Proact IT Group AB and Net Insight AB. Board member of BTS Group AB, Länsförsäkringar Liv Försäkringsaktiebolag, Dedicare AB and Webstep ASA.
Work experience: Teacher and researcher at the Stockholm School of Economics. Previously Support Manager and Marketing Director, Microsoft Nordic, Marketing Director, Posten Brev and Investment Manager, Industrifonden.
Elected to the Board: 2018
Shareholding: 10,000 Class B shares

Independent of the company and its management. Independent of the company's major shareholders.

[1] Other assignments and holdings in HAKI Safety listed reflect the situation as of 31 December 2024. Current shareholdings can be found at www.hakisafety.com/governance/board-of-directors-auditor.

[2] After eight years as Chairman of the Board, Lennart Pihl has declined re-election at the 2025 Annual General Meeting. The Nomination Committee has proposed Thomas Widstrand as new Chairman of the Board.

GROUP MANAGEMENT [1]

Sverker Lindberg
President and CEO

Employed: 2016
Year of birth: 1963
Education: Graduate in Business Administration, Lund University
Other assignments: Chairman of the Board of Lagafors AB and Kulturen i Lund
Work experience: Business Unit President, Trelleborg AB, global management positions, Tetra Pak
Shareholding: 31,242 Class B shares and 150,000 B series call options (HAKI)

Tomas Hilmarsson
Chief Financial Officer

Employed: 2022
Year of birth: 1981
Education: M.Sc. in Business Administration, School of Business, Economics and Law at the University of Gothenburg and Lund University
Work experience: Authorised Public Accountant, Risk Management Consultant and senior positions, PwC
Shareholding: 13,000 Class B shares and 100,000 B series call options (HAKI)

Fia Lindgren
Chief Supply Chain Officer

Employed: 2022
Year of birth: 1969
Education: M.Sc. Eng., Institute of Technology at Linköping University
Other assignments: Board member of Bertegruppen AB
Work experience: Head of Operations Development & HSE, E.ON Energy Solutions Sweden, COO, Oatly AB, senior supply chain and business development positions, Orkla Sverige AB, purchaser, Alfa Laval
Shareholding: 4,000 Class B shares and 100,000 B series call options (HAKI)

Thomas Schuller
Chief Commercial Officer

Employed: 2015
Year of birth: 1961
Education: Graduate in Business Administration, Lund University
Work experience: CEO of Norgips, part of Knauf Group, senior commercial positions at Carlsberg Norway, Rieber & Son Czech Republic, SC Johnson Wax, Holmen Bruk
Shareholding: 11,006 Class B shares and 100,000 synthetic call options (HAKI)

Karin Larsson
Chief Communications and Sustainability Officer

Employed: 2023
Year of birth: 1971
Education: M.Sc. in Economics, School of Business, Economics and Law at the University of Gothenburg
Work experience: Vice President Communications, Trelleborg AB, PR consultant, KREAB, civil servant, Swedish Government Offices
Shareholding: 2,500 Class B shares and 50,000 B series call options (HAKI)

AUDITOR

Deloitte AB
Auditor in charge: Richard Peters,
Authorised public accountant

[1] Other assignments and holdings in HAKI Safety listed reflect the situation as of 31 December 2024. Current shareholdings can be found at www.hakisafety.com/about-us/organization.

SUSTAINABILITY REPORTING ACCORDING TO THE ANNUAL ACCOUNTS ACT

The Annual Accounts Act requires companies of a certain size to prepare a sustainability report. The following index is intended to show where the disclosures related to the sustainability areas in the Annual Accounts Act can be found in HAKI Safety's Annual Report.

Area according to the Annual Accounts Act	Page
Description of the business model	2, 11
Environment	18
Staff and social conditions	19
Human rights	20
Combating corruption	20
Identifying and managing risks	25–26

THE AUDITOR'S REPORT ON THE STATUTORY SUSTAINABILITY REPORT

To the Annual General Meeting of HAKI Safety AB (publ)
corporate identity number 556323-2536

Engagement and responsibilities
It is the Board of Directors who is responsible for the statutory sustainability report for 2024, on the pages 2, 11, 18-20 and 25-26, and that it has been prepared in accordance with the Annual Accounts Act according to the previous version applied before July 1, 2024.

The scope of the audit
Our examination has been conducted in accordance with FAR's standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with a sufficient basis for our opinion.

Opinion
A sustainability report has been prepared.

Malmö, March 20, 2025
Deloitte AB

Signature on Swedish original

Richard Peters
Authorised public accountant

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.

10-YEAR SUMMARY

KEY FINANCIAL FIGURES – 10 YEARS [1]

SEK m, unless otherwise stated	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Net sales	1,050	1,188	1,168	863	588	796	768	1,316	1,670	1,534
Of which abroad, %	86	86	80	74	71	76	75	53	47	56
Profit/loss before tax	50	78	92	78	-1	74	56	-28	-7	57
Income tax	-9	-16	-22	-20	1	-12	-9	-3	3	-15
Profit/loss for the year	41	62	71	58	0	61	47	-31	-4	42
Share of non-controlling interests	0	0	0	0	0	0	0	0	0	1
Equity, including holdings without controlling interests	684	643	608	540	471	481	390	390	412	463
Interest-bearing liabilities	545	430	424	117	49	167	230	398	411	607
Interest-bearing net debt	462	376	406	91	30	144	89	286	356	573
Equity/assets ratio, %	46	48	42	55	70	60	44	36	35	32
Equity/assets ratio, incl. convertible bonds, %	46	48	42	55	70	60	55	45	42	38
Debt/equity ratio, times	0.8	0.7	0.7	0.2	0.1	0.3	0.6	1.0	1.0	1.3
Interest coverage ratio, times	3.4	4.8	12.4	39.0	29.2	28.8	0.7	neg.	0.8	2.1
Return on equity, %	6	10	12	11	0	14	12	neg.	neg.	4
Return on capital employed, %	6.6	9.3	10.4	12.6	0.3	12	9	neg.	0	6
Cash flow, total operations [2]	-19	24	-8	7	-6	-60	21	35	9	65
Net investments, total operations	132	49	129	33	45	12	66	69	92	49
Number of employees	352	311	310	245	225	227	221	342	613	850
Of which abroad	247	186	186	128	101	93	94	122	254	258

[1] Refers to continuing operations as defined in 2020 for the years 2018-2020 unless otherwise stated. For the years 2015–2017, the remaining activities are as defined in previous years' Annual Reports. Comparative figures for other years refer to total operations. The divested companies have been restated and are recognised according to IFRS as discontinued operations in an item after profit/loss for the period for continuing operations.

[2] For 2016–2021, cash flow is presented instead of gross cash flow. 2015 and previous years have not been restated but refer to gross cash flow.

Definitions

Return on capital employed: Profit/loss before tax plus interest expenses in relation to average capital employed.

Dividend yield: Dividend as a percentage of the listed price of the Class B share at year-end.

Net investments: The year's investments less divestments for the year.

P/E ratio: Year-end listed price of Class B shares in relation to earnings per share.

Earnings per share: Profit/loss for the year in relation to average number of shares. Reported for continuing and total operations.

Earnings per share after full dilution: Profit/loss for the year in relation to the average number of shares, adjusted for the dilution effect of outstanding convertible instruments. The dilution effect for convertible instruments is the number of shares that may be added upon full conversion. Reported for continuing and total operations.

Interest-bearing net debt: Interest-bearing liabilities, including provisions for pensions, less cash and cash equivalents and current investments. The net debt does not include promisssory notes or additional purchase prices for acquisitions.

Interest coverage ratio: Profit/loss before tax plus interest expenses in relation to financial expenses.

Debt/equity ratio: Interest-bearing liabilities in relation to equity.

Equity/assets ratio: Equity including minority interests in relation to total assets.

Capital employed: Equity plus interest-bearing liabilities, including provisions for pensions and lease liabilities.

2025 ANNUAL GENERAL MEETING

HAKI Safety's 2025 Annual General Meeting will be held on 29 April 2025 at 16:00 at High Court, Gamla Hovrätten, Malmöhusvägen 1 in Malmö, Sweden.

The Board will propose a dividend of SEK 0.50 per share (0.90) to the Annual General Meeting. The dividend is in line with the Group's dividend policy, albeit in the lower end of the range, taking ongoing acquisition activities into account.

After eight years as HAKI Safety's Chairman of the Board of Directors, Lennart Pihl has stated that he will not be available for re-election at the 2025 Annual General Meeting. The Nomination Committee of HAKI Safety has therefore decided to propose to the 2025 Annual General Meeting that it elect Thomas Widstrand as new Chairman of the Board of the company. Furthermore, the Nomination Committee has decided to propose to the Annual General Meeting that Björn Lenander join as a new Board member. Otherwise, the Nomination Committee will propose the re-election of the current members.

Notice of the Meeting, with the complete proposals, will be distributed via a press release and announced no later than four weeks before the Meeting.

FINANCIAL CALENDAR

Quarterly report January–March	29 April
Annual General Meeting	29 April
Quarterly report April–June	15 July
Quarterly report July–September	22 October
Year-end report 2025	5 February 2026

Haki Safety AB is a public company. Corporate identity no. 556323-2536. Registered office in Malmö, Sweden. This Annual Report is also available in English. The previous Annual Report for 2023 was published in March 2024. For questions about Haki Safety's Annual Report, please contact karin.larsson@hakisafety.com.

All values are expressed in Swedish kronor. Kronor is abbreviated to SEK and million kronor SEK m. Figures in brackets refer to the previous year 2023 unless otherwise stated.

This Annual Report was produced in cooperation with RHR Corporate Communication in Malmö.

HAKI Safety (formerly Midway Holding) is an international industrial Group, focusing on safety products and solutions that create safe working conditions for everyone working in challenging environments.

The Group has annual sales of just over SEK 1 billion and has been listed on Nasdaq Stockholm Small Cap since 1989.

HAKI Safety offers a wide range of products and solutions within work zone safety, system scaffolds, and digital and technical solutions that help customers achieve safety and efficiency in their various environments.

HAKI Safety AB (publ)

Norra Vallgatan 70
SE-211 22 MALMÖ

Tel: +46 40-30 12 10
info@hakisafety.com
www.hakisafety.com
linkedin.com/company/haki-safety-ab