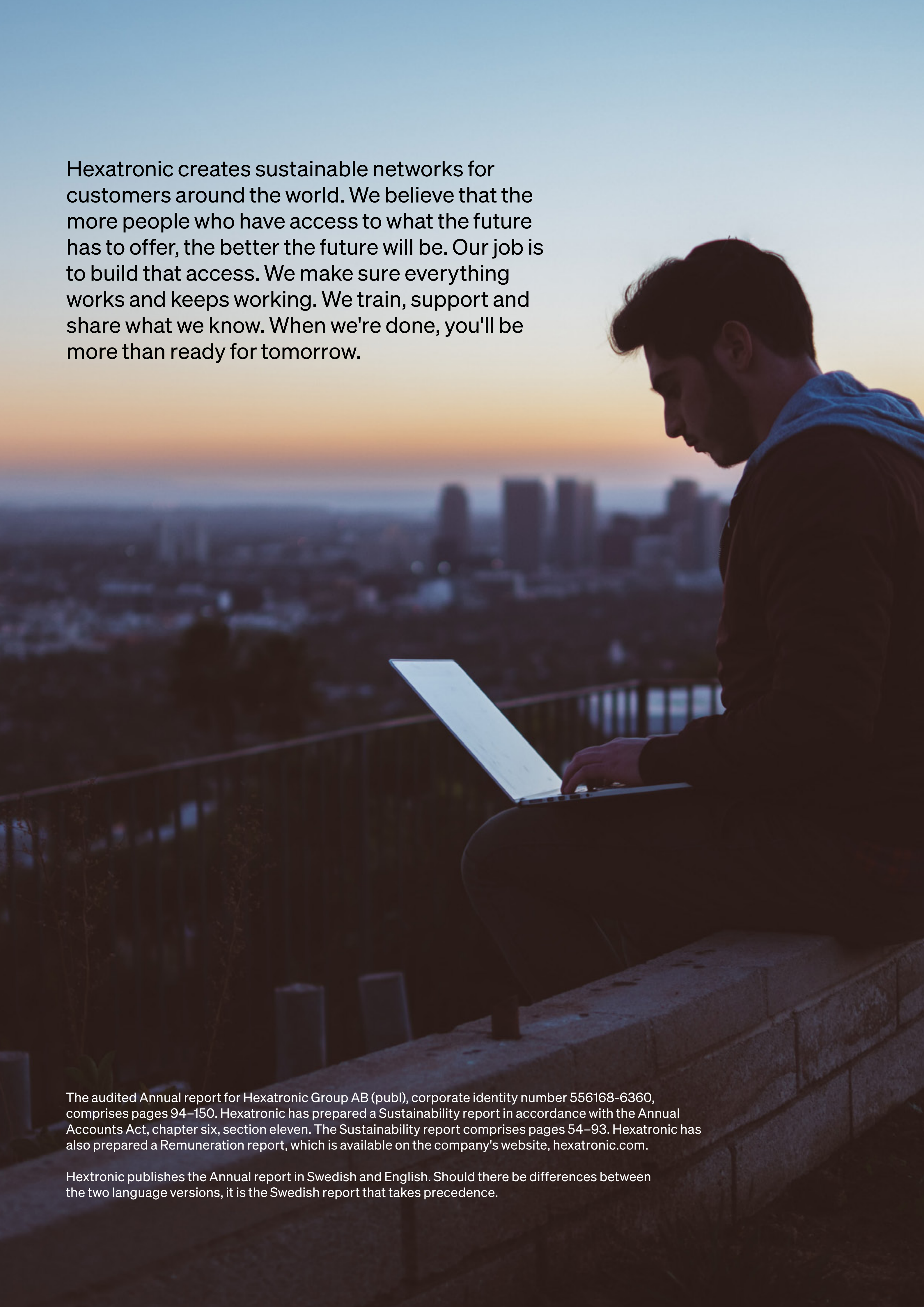
Linked by Fiber



Hexatronic creates sustainable networks for customers around the world. We believe that the more people who have access to what the future has to offer, the better the future will be. Our job is to build that access. We make sure everything works and keeps working. We train, support and share what we know. When we're done, you'll be more than ready for tomorrow.

The audited Annual report for Hexatronic Group AB (publ), corporate identity number 556168-6360, comprises pages 94–150. Hexatronic has prepared a Sustainability report in accordance with the Annual Accounts Act, chapter six, section eleven. The Sustainability report comprises pages 54–93. Hexatronic has also prepared a Remuneration report, which is available on the company's website, hexatronic.com.

Hextronic publishes the Annual report in Swedish and English. Should there be differences between the two language versions, it is the Swedish report that takes precedence.

Content

Global presence, local business

Hexatronic Group is a leading provider of fiber optic cables and solutions to customers around the world. With nearly 2,000 employees, active in 38 operational units and 18 production facilities, the company has achieved a significant position in several markets.

Development during 2024

7,581	10.6%	38	1,967
Net sales SEK million	EBITA margin	Operational units	Number of employees

Global market
Hexatronic's largest geographical markets are Northern Europe and North America. We have a strong position in countries such as the US, Germany and the UK, which are attractive growth markets.

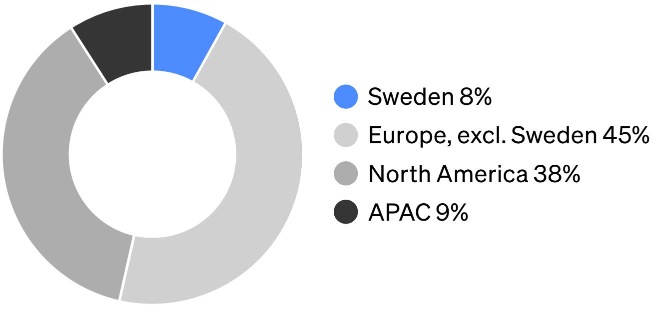
Three focus areas
Hextronic conducts its business in three focus areas: Fiber Solutions, Harsh Environment and Data Center. Common for all our focus areas is a solid competence in fiber optic infrastructure and the ability to deliver sustainable solutions with high quality to customers around the world.

Since 2015, Hexatronic's shares have been listed on the Stockholm Stock Exchange's main list under the ticker HTRO.

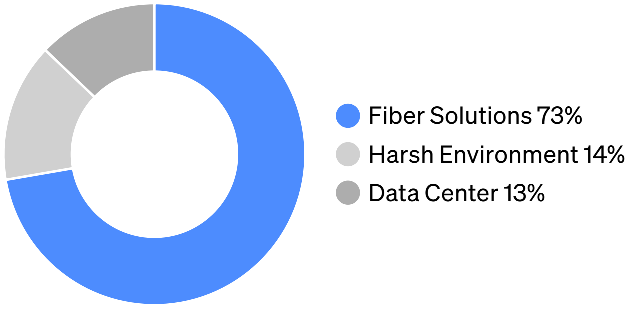
Sustainability
Together, we are shaping a more sustainable world while ensuring long-term value for both people and the planet. Success comes through collaboration, where engagement and shared knowledge drive progress. By inspiring to action, raising awareness and fostering continuous learning, we are creating solutions that enable uninterrupted connectivity and accelerate digital transformation. This is key to addressing today's challenges and building greener, smarter and safer societies.

Core values
Our culture, which is based on being responsible, open and inventive, drives us to make a lasting difference.

Sales in 2024 by geographical area



Sales in 2024 by focus area



A challenging year with growth in Harsh Environment and Data Center

2024 was a challenging year for Hexatronic, characterized by declining demand and price pressure in Fiber Solutions. In Harsh Environment and Data Center, on the other hand, we have seen strong demand, with investments in energy and data centers being particularly prominent.

The first two quarters of 2024 brought a clear decline in sales, but in the second half of the year we saw stabilization. Focused cost reductions and adaptations to market needs contributed to limiting the negative impact on earnings with an EBITA margin of 10.6 percent. At the same time, efficiency improvements in working capital have generated strong cash flows.

We are now taking the step of creating three business areas to give further focus and power to our growth strategy. From 2025, we will report on these businesses separately within the framework of our new segment reporting, which will contribute to increased clarity and transparency.

Fiber Solutions

High interest rates have impacted investments in the Fiber Solutions market. We have also seen that overstock at some competitors and customers has led to price pressure in the market. In a time of increased cost control, we have done a good job adjusting costs while investing in future growth.

In the important North American market, we are seeing increased interest in our solutions. Hexatronic is becoming increasingly known in the market, and we have good reference customers who appreciate our complete FTTH systems. In October 2024, the new duct factory in Ogden, Utah, was completed, and with it, we are now boosting our capacity to deliver to customers across North America. We have also decided to invest in manufacturing of fiber optic cable locally in the US to further grow in this market. Production is expected to be operational in the second quarter of 2026, which reinforces our strategy to provide North American customers with Hexatronic's full range of solutions manufactured locally. One of the year's highlights in Fiber Solutions was the agreement with Novos Fiber in the US, an excellent example of how the customer saw the value in our system offering.

The impact of the BEAD program has been slow to materialize, but investments are expected to start in the second half of 2025.

In other key markets, such as the UK and Germany, the focus has shifted from new fiber infrastructure construction to connecting customers. We have adapted to lower demand and price pressures and believe in improvements in 2025. Both the UK and Germany have low coverage in general, which means that we are optimistic that the expansion will accelerate again.

In the Nordics, we have continued to deliver fiber solutions to rural areas and have seen increased investments in transport networks and fiber networks for data center expansion. In Sweden, we have also seen good development in hybrid cabling for mobile operators' masts. In the Nordic region, Finland stands out with a strong performance in 2024, which is expected to continue for several years to come.

Strong markets for Data Center and Harsh Environment

The Data Center market is strong. The development of AI is driving investments in more data centers, which also has a positive effect on Fiber Solutions. With the new data centers and their capacity needs, the fiber optic networks need to be expanded. We also made a minor acquisition of parts of Icelandic Endor, which adds important expertise and broadens our offering in Data Center.

The market is also strong for Harsh Environment, with good demand, especially in the energy sector. Significant

With only a few weeks in the role as the new CEO, I am excited about the opportunity.

investments are being made offshore, such as the expansion of offshore wind power. The defense industry is another sector that continues to grow.

Intense preparations for CSRD

Sustainability is a strategic priority for Hexatronic. We are convinced that our solutions and products have a significantly lower impact on the environment than traditional technology and are working hard to make this clear to our customers. The year has been characterized by intensive work to prepare for CSRD reporting in 2025. We focus on getting all the companies in the Group on board on the joint journey towards even more sustainable solutions and greater transparency.

Renewal of the Board of Directors

During the past year, Magnus Nicolin took over as Chairman together with three new Board members. Magnus Nicolin is a positive force, with a broad industrial background and solid international experience. In addition, he has made growth journeys before. All new Board members have experience in telecom and fiber and we are now bringing the American perspective to the board, which is very important as it is our single largest market.

A positive outlook on the future

I believe we saw the bottom in terms of demand in Fiber Solutions in 2024, and I have a positive outlook. As interest rates and inflation have turned downward in most countries, investments in fiber infrastructure are expected to increase again.

Our strategy of local manufacturing benefits us and means that we are well-prepared to deal with any trade barriers. Almost all the products we sell in the US are also made in the US, which means that our exposure to tariffs is very limited.

The current geopolitical environment also means that more and more attention is being paid to security issues. Infrastructure in communication is just as important today as, for example, infrastructure in energy, and we believe that we will see more investments from a security perspective in the future.

The trend in Harsh Environment, where we see significant investments in energy and defense, is expected to continue for many years. Likewise, there is a positive development in the AI-driven data center industry.

Although we maintained a modest pace of acquisitions last year, we have worked actively and strengthened our pipeline for the future. We have an ongoing dialogue with several interesting companies that we believe would be a good fit for Hexatronic. The companies are mainly in Harsh Environment and Data Center, which are the areas where we want to continue to invest to grow and strengthen our position.

On taking office

After only a few weeks in the role as the new President and CEO of Hexatronic, I am excited about the opportunity. With a strong global presence and several high-quality product and service offerings, we are well positioned for continued profitable growth. I look forward to working with the Board and all our fantastic employees to ensure we live up to our full potential.

Rikard Fröberg
President and CEO

Strong operating cash flow and lower leverage give us good flexibility for long-term value creation.

Pernilla Lindén, CFO, Hexatronic Group AB

Stable end to the year

Net sales, SEK million

7,581

EBITA margin

10.6%

Key figures

Key figures	2024	2023
Net sales, SEK million	7,581	8,150
Operating profit before amortization of intangible non-current assets (EBITA), SEK million	803	1,234
EBITA margin, %	10.6	15.1
Operating profit (EBIT), SEK million	680	1,122
Profit for the period, SEK million	344	846
Earnings per share after dilution, SEK	1.69	4.17
Cashflow from operating activities, SEK million	921	944
Cash and cash equivalents, SEK million	633	813

Hexatronic continued to strengthen its position in key growth markets in 2024. During the year, the new duct factory opened in Ogden, Utah, and in Data Center two small add-on acquisitions were made that have strengthened our offering in Europe. Sales in Fiber Solutions declined during the year due to weak demand and price pressure in several markets in Europe and continued price pressure in the US duct business. This was partly offset by stable and growing business in our new focus areas, Harsh Environment and Data Center, which now account for 27 percent of the Group's net sales.

The year in brief

Efficiency improvements

- In February 2024, it was announced that the Swedish subsidiaries Hexatronic Cables & Interconnect Systems and Hexatronic Fiberoptic will merge to form Hexatronic Sweden. The merger is in line with the strategy to have a strong local fiber-to-the-home company in selected markets.

Management changes

- In April 2024, changes in the Executive Board were announced. Jakob Skov, Head of focus area Harsh Environment, and Pernilla Grennfelt, Head of Investor Relations, became new members of Group Management.
- At the Annual General Meeting in May 2024, Magnus Nicolin was elected as new Chairman of the Board of Hexatronic in line with the Nomination Committee's proposal. In addition, Diego Anderson, Linda Hernström, and Åsa Sundberg were elected as new Board members, and Helena Holmgren, Jaakko Kivinen, and Erik Selin were re-elected.
- In September 2024, CEO Henrik Larsson Lyon announced that he had decided to end his operational career and leave his role as President and CEO of Hexatronic. Henrik Larsson Lyon has been CEO of Hexatronic since 2014.

Customer agreement

- In June 2024, Hexatronic signed an agreement with Novos Fiber under which Hexatronic will become a strategic supplier for the deployment of complete FTTH systems in the US. The agreement initially runs for three years and is expected to generate sales of approximately SEK 400 million.

Acquisitions

- In July 2024, Hexatronic signed a letter of intent to acquire parts of Icelandic Endor, active in data center services. The acquisition, which involves fewer than five employees, is not expected to have a material impact on Hexatronic's earnings. The acquisition was completed in October.

Investments

- In October 2024, Hexatronic's new duct factory opened in Ogden, Utah. The new plant primarily serves customers in the western United States and is the company's fourth duct plant in the US. The total investment amounts to USD 30 million.

Events after the end of the period

- Following a global recruitment process, Hexatronic's Board of Directors appointed Rikard Fröberg as the new President and CEO of Hexatronic, effective March 1, 2025. Rikard Fröberg joins Hexatronic from his role as Chief Product and Marketing Officer for Ansell Ltd, based in the US. Rikard Fröberg is a well-balanced commercial and operational leader with extensive international experience, and will lead the next phase of Hexatronic's global expansion.
- Hexatronic introduces new segment reporting as of the first quarter of 2025 and is implementing changes in the Executive Management Team. The decision means that the current focus areas will be developed into three business areas, Fiber Solutions, Harsh Environment and Data Center, and puts further focus on the growth strategy that Hexatronic has for the coming years. In connection with this, changes were made to Group Management. Anna Bailey, Sourcing and Supply Director, and Tomas Jendel, CTO, left the Executive Management Team to continue in the corresponding roles in Fiber Solutions. Linn Lundstedt, General Counsel and Company Secretary, joined Group Management at the same time.
- In February, Hexatronic decided to begin manufacturing its industry-leading fiber optic cables in the United States. As a result, investments in equipment, personnel and training will be made at Hexatronic's facility in Clinton, South Carolina. The new production lines are expected to be operational in the second quarter of 2026.
- The Board proposes to the Annual General Meeting that no dividend will be distributed for the financial year 2024.

Targets for sustainable growth

Profitable growth creates long-term value for our owners, customers and society at large.

Financial targets

Hexatronic's financial targets are intended to promote growth, profitability and financial stability during a business cycle. The ambition is to maintain a strong financial position that enables flexibility and long-term value creation. The financial targets are regularly evaluated based on market conditions and developments within the company.

Growth

Hexatronic's goal is to grow by at least 20 percent per year over a business cycle.

In 2024, sales decreased by 7 percent to SEK 7,581 million. Over the past five-year period, 2020–2024, the Group's sales have increased by an average of 33 percent per year.

Profitability

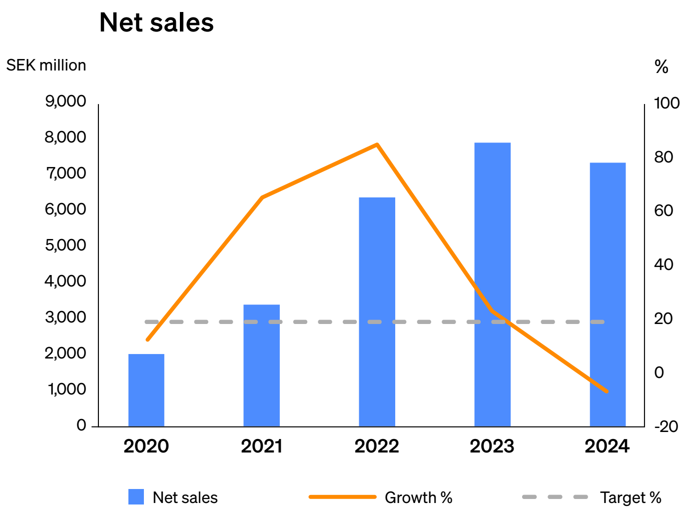
Hexatronic's goal is for profitability, measured as EBITA margin, to amount to 15–17 percent per year over a business cycle.

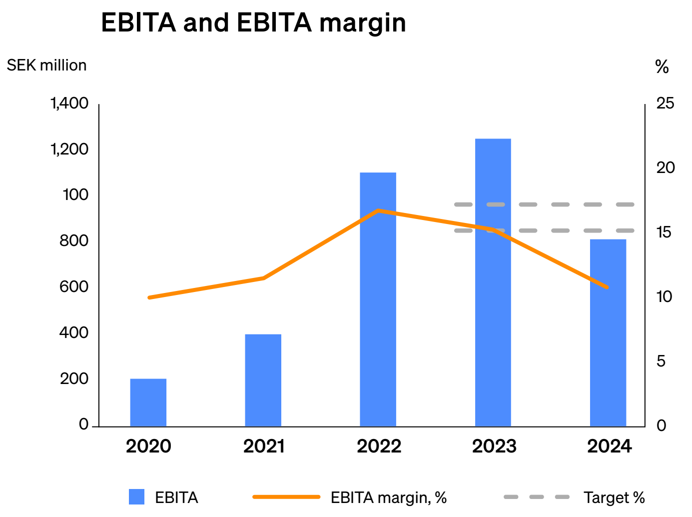
In 2024, the EBITA margin amounted to 10.6 percent. Over the past five-year period, 2020–2024, EBITA has increased by an average of 43 percent per year. During this period, the EBITA margin averaged 13 percent.

Dividend

Hexatronic has not adopted a dividend policy. The profit generated annually is primarily reinvested in the business to promote organic and acquisition-driven growth and ensure efficient use of capital. The Board of Directors examines annually whether a cash dividend should be proposed or whether profits should be reinvested in the business.

For the 2024 financial year, the Board of Directors proposes that no dividend be paid.





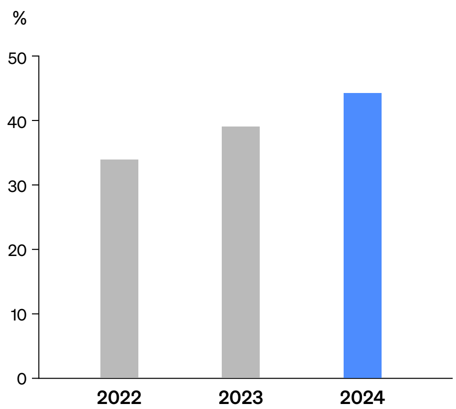
Sustainability goals

Hexatronic's sustainability goals aim to promote sustainable solutions, conduct business in a responsible manner and to be an attractive employer. A well-thought-out and integrated sustainability work contributes to value creation for all our stakeholders.

We conduct our sustainability work based on three priority areas – Planet, People and Ethics. Our sustainability goals are based on our priority areas.

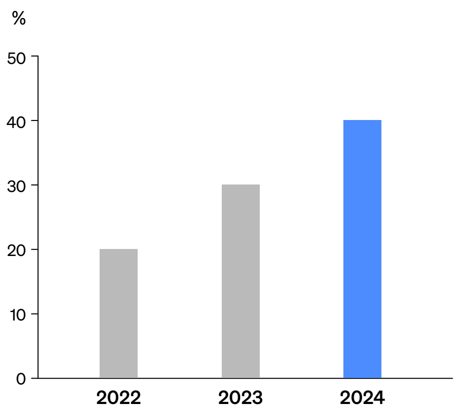
Sustainability goals 2030	Status 2024	Read more on page
Climate-neutral operations, Scope 1 and 2	46% climate neutral energy	88
Maintain a high level of business ethics	97% of all civil servants have been trained in anti-corruption	89
Ensuring a sustainable supply chain	43% of purchase volume from sustainability-approved suppliers	83
Offer an equal and inclusive workplace with a high degree of diversity	40% women in Group Management	88
Be an attractive and safe workplace for our employees	80% of employees are covered by a health and safety management system	78

Climate-neutral operations, %



Share of climate neutral energy

Approved suppliers, %



Share of sustainability-approved suppliers

Strategy for the future

Our vision is to create a sustainable link to the future. The more people who get access to what a digital universe can offer, the better we think tomorrow will be. Our products and solutions offer stable connections that create development opportunities for people and communities around the world.

Our strategy consists of seven pillars that guide us forward.

Strategic markets
We address markets based on their growth potential, considering maturity, competitive situation, and local attitudes to technology and quality. For example, the emerging markets of North America, the UK, and Germany offer great potential for expanding fiber networks. We work customer-centric with a local presence in all key markets.

Strategic acquisitions
To strengthen our position, we are proactively looking for strategic acquisitions. We are looking for profitable companies with market-leading positions and complementary acquisitions to enhance competitiveness and profitability locally and for the Group.

A complete system solution
We offer our customers a complete system solution, including training and support. We know that efficient, high-quality solutions with full compatibility create the lowest possible TCO (Total Cost of Ownership) for our customers.

Strategic focus areas
By developing our business around strategic focus areas, we are ready for growth. This means we can optimize capital allocation and create an attractive risk profile. Based on end-user markets and applications, we have identified three areas based on our expertise in fiber optic infrastructure:

- Fiber Solutions
- Harsh Environment
- Data Center

Operational efficiency
When we make continuous improvements as a part of our corporate culture, we create long-term profitability. Efficiency is at the core of our business, from our day-to-day operations to operational cash flow. We are prepared to add more lines to existing facilities or expand with new facilities to support future growth.

Our vision

A lasting link to the future

Our guiding star

Easy to do business with

Our core values

Responsible
Open
Inventive

By developing our activities around strategic focus areas we are ready for growth.

Martin Åberg, Deputy CEO Hexatronic Group

People and organisation
Talented and responsible people with an entrepreneurial spirit are highly valued. We create a culture where our employees enjoy going to work. We believe in a decentralized organization that supports growth in our focus areas.

Decentralized business model
Flexibility, freedom with responsibility, and an environment of collaboration are the fundamental principles that permeate our decentralized organization. We are convinced that the best business decisions are made close to the customer and the market.

Acquisitions that strengthen presence and contribute to growth

Hexatronic has an acquisition strategy that means that we continuously evaluate profitable companies with market-leading positions that can strengthen competitiveness and profitability both locally and for the Group as a whole.

Our ambition is to strengthen and broaden our offering primarily through acquisitions in Harsh Environment and Data Center, areas where we see great opportunities in the future. Efforts to improve Hexatronic's position in key strategic growth markets such as the US, UK and Germany are ongoing. In these markets, historically large investments in infrastructure have been announced for the coming years. The strategy also includes continuously developing the product range and adding more value-added services such as service, after-sales, support and training.

Acquisition candidates are primarily identified through our local organizations. We have strong entrepreneurs with long industry experience and extensive networks in all strategic markets. As Hexatronic has become a significant player, we are regularly contacted by potential sellers.

A key success factor in Hexatronic's growth journey is the decentralized governance, which creates the conditions for maintaining strong local entrepreneurship. By almost exclusively acquiring owner-managed companies that are still largely run independently, we have also managed to retain key people, which is an important factor for the companies to continue to develop successfully.

Criteria for evaluating companies

- Strong management team
- Proven profitability
- Strong market position
- Limited exposure to technology risk
- Sustainable operations

Our philosophy for successful integration

- We value and work to preserve the entrepreneurial spirit of acquired companies.
- We develop strong brands and a positive corporate culture.
- We maintain acquired companies as independent legal entities with clear profit and loss responsibility.
- We do not prioritize acquisitions where cost synergies are to be exploited to achieve a good return on the acquisition investment.
- We focus on broadening sales with the aim of strengthening the Group's offer.

Acquisitions in 2024

IDS – Add-on acquisitions that strengthen the offering

The data center market is a market undergoing strong growth. In 2024, two add-on acquisitions were made in the UK subsidiary IDS in order to strengthen and broaden the offering.

At the beginning of the year, M Connect Ltd, one of the UK's leading installers of fiber optic cables, systems and equipment, was acquired. During the fall, the acquisition of parts of Icelandic Endor, which focuses on hybrid IT solutions for larger organizations, was also completed. The acquisition gives IDS leading expertise in data centers and a customer base in Iceland, Sweden and Germany.


AC
AB

Hexatronic in the value chain

We take part in building the digital infrastructure, a fundamental prerequisite for communities, businesses and individuals to grow and develop.

With in-house development and manufacturing, we offer high-quality solutions that help our customers and partners be successful in business and projects. To further support our customers, we offer field support and training services. Our offer is based on our customers' main challenge: to run successful and efficient projects that result in robust, future-proof networks. This requires high-quality products and a workforce with the right skills.

Sustainable solutions with low TCO

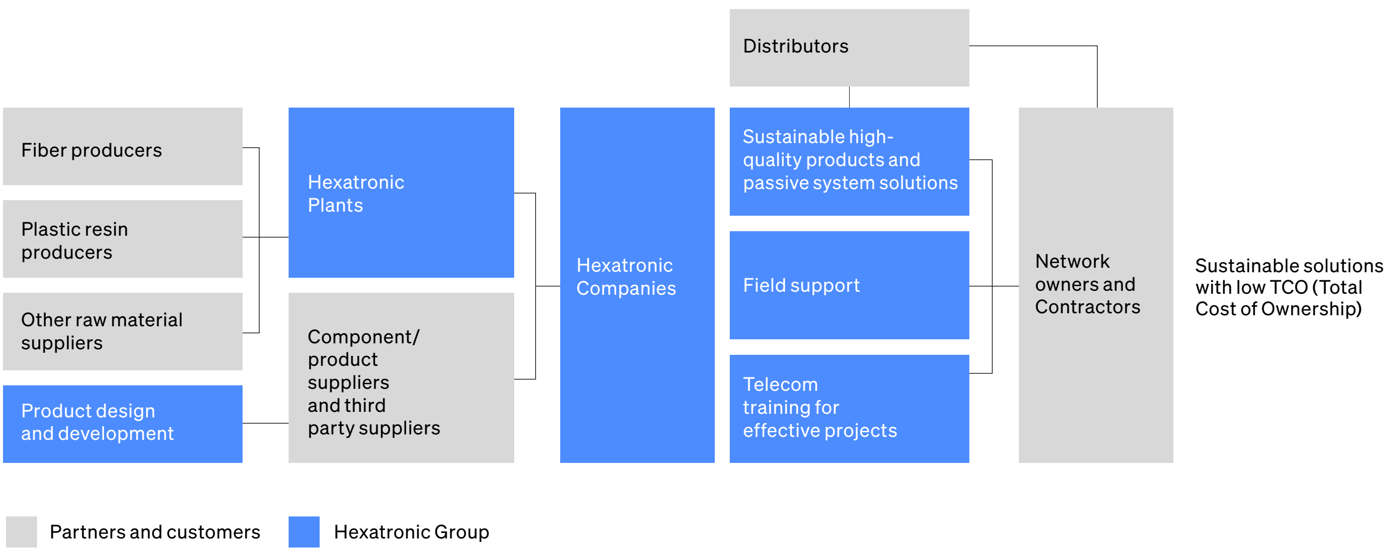
The ultimate value for our customers is a network with a long lifespan and the best possible TCO (Total Cost of Ownership). Labor costs account for more than 80 percent of the deployment cost, which means that a faster installation increases the efficiency of a project and reduces TCO. Creating efficient solutions is therefore a key focus across our value chain. We strive to achieve a sustainable supply chain, not only by developing more sustainable solutions, but also by taking into account human rights, fair working conditions, a good working environment and anti-corruption.

Product design and development

Design and product development are central to our business. Our strong presence in customer projects, where our field support plays an important role, provides valuable and relevant input to the development process. In-house development also allows us to put extra emphasis on creating products with low environmental impact. We design products and assemble them into high-quality, long-lasting systems. Our ambition is to always offer products that are easy and efficient to install.

Manufacturing and logistics

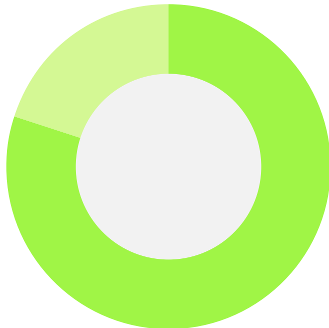
Manufacturing takes place in our own factories and with our subcontractors. We strive to monitor the entire process – from concept through development and manufacturing



Efforts are being made throughout the value chain to create sustainable solutions with low TCO.

to the packaged and delivered product – to ensure high quality and traceability. We create important synergies and system benefits when designing products to ensure optimal compatibility. In addition to in-house manufacturing, Hexatronic also has agencies for third-party products, such as fiber welds and measuring instruments from well-known brands. These products broaden our product range and make it easier for our customers to buy everything from one supplier.

Through our companies and logistics centers, products and systems are delivered to customers. In some cases, business is conducted through distribution partners. The ongoing establishment of warehouses and manufacturing units in more countries is an important step to increase availability for our customers.



Total cost of fiber deployment projects

- 20% material cost
- 80% labor cost

Field support

Hexatronic also offers field support, which means practical support on site in the projects. This can be, for example, guidance, support in challenging situations, problem solving or concrete tips on solutions.

Training and education

With various types of training for the people who build the networks and manage the projects, we can help customers streamline their projects. Hexatronic offers training – from project management to installation and quality assurance. The right knowledge and a greater understanding of the entire project process reduces installation time and improves network quality.

Global trends

- Digital transformation
- Energy transformation
- Sustainability
- Security

Focus areas

Hextronic conducts its business based on three focus areas; Fiber Solutions, Harsh Environment and Data Center. Common to our focus areas is a solid competence in fiber optic infrastructure and the ability to deliver sustainable high-quality solutions to customers worldwide.

Fiber Solutions

The Group's operations include fiber optic cables, ducts and network products for FTTH connectivity, 5G, transport networks, local city networks and submarine cables. Fiber Solutions provides a wide range of products and services, including training and support. Hexatronic's systems enable cost-effective solutions that provide customers with the lowest possible TCO (total cost of ownership).

Read more on page 20.

Harsh Environment

Advanced cables and solutions designed to ensure secure and reliable connectivity in the most challenging environments. Among other things, we manufacture dynamic cables that can transport various combinations of electricity, air, gas, liquid chemicals and data. This also includes our advanced fiber optic sensor systems.

Read more on page 26.

Data Center

Tailor-made products and services for the data center market, such as cabling and networking products as well as design, installation and project management. Customers include large global cloud companies, colocation operators and large enterprises such as banks, automotive manu-facturers and industrial companies.

Read more on page 29.

High quality fiber solutions

The focus area Fiber Solutions has established a strong position in selected strategic growth markets worldwide. We offer end-to-end solutions to build cost-effective and robust fiber networks that help connect more people and communities.

Our new digital landscape requires increased data volumes and fiber networks have become the backbone of the world. We see growth ahead driven by a rollout of Fiber To The Home (FTTH) connections and expansion of wireless solutions, which also require robust fiber networks. Our customers are mainly installation companies and network owners, and our goal is to reduce the total cost of ownership for network owners and increase the competitiveness of installation companies.

Developing and producing products in-house is an important advantage that creates value for the customer and high customer satisfaction.

A complete system solution

Hexatronic offers complete solutions for different types of fiber networks, ranging from transport networks with a large number of fibers, to access networks that connect individual households. Our focus is on so-called passive products, which are those network products that do not contain electronics. The portfolio includes ducts, fiber cables with varying numbers of fibers, distribution hubs, cabinet solutions, instruments and measurement tools.

Hexatronic's products are easy to install, leading to significantly shorter installation times and higher project efficiency compared to traditional solutions. Through our end-to-end offering, we deliver compatible products and can thus offer an extended system warranty. Our high-quality products extend the life of the network and reduce the need for future maintenance.

Innovation

We continuously invest in product development and are at the forefront of innovation in our field. Our signature product, Stingray blown fiber, is faster to install than comparable products on the market and reduces both environmental impact and installation costs for our customers.

Blown fiber consists of extremely thin 1–1.6 mm diameter cables containing between 2 and 24 fibers. The super slim blown fiber requires less material in production and can be combined with smaller diameter ducts, saving additional material and reducing transport volume. The need for solutions differs among customers. With in-house development and production, we can develop products that are tailored to specific markets and customers.

Submarine cables

Our submarine fiber optic systems create high-performance connectivity and are designed to meet the highest industry standards. Through unrepeatered FIMT (Fiber In Metallic Tube) technology, a single submarine cable can be up to 400 kilometers without signal amplification. FIMT technology eliminates the need for intermediate signal amplification, simplifying deployment and contributing to cost efficiency.

Field support

Fiber deployment is an extensive job that includes everything from excavation, duct laying and cable installation, to precision work such as welding and fiber connection. This places great demands on the experience and knowledge of the installers. Hexatronic Field Support offers practical guidance and on-site support in the field, helping customers use and combine Hexatronic products in the best way.

Training and education

With many countries planning large-scale deployments of fiber networks in the global market, there is a great need for skilled personnel. There is a shortage of qualified people who know how to design, project manage and install fiber networks. That's why we offer tailor-made training programs for individual companies and higher vocational education in fiber optics, 5G and wireless, programming and security technologies.

Development in 2024

In 2024, the markets for fiber optic infrastructure were characterized by weak demand and lower prices due to geopolitical uncertainty, higher financing costs, and corrections of previous inventory build-up in the value chain.

Sales in Fiber Solutions decreased by 17 percent percent to SEK 5,510 million in 2024. Towards the end of the year some stabilization was noted in the markets and during the final quarter of the year, Fiber Solutions was able to show growth.

During the year, we continued to strengthen our position in key growth markets. In October, the new duct factory opened in Ogden, Utah, for the production of HDPE pipes for telecom and energy cables. Ogden is Hexatronic's fourth conduit factory in the US and complements the other units through proximity to customers primarily in the western United States. Production has started on a small scale and is planned to be expanded as demand picks up.

During the year, Hexatronic was chosen as a strategic partner to Novos Fiber in the US for the rollout of complete FTTH systems. The agreement, which also includes training and support, runs for three years and is expected to generate sales of approximately SEK 400 million.

To adapt our operations, we have focused on internal efficiency improvements and coordination throughout the year, including in purchasing and logistics. In the spring of 2024, the Swedish subsidiaries Hexatronic Cable & Interconnect Systems and Hextronic Fiberoptic merged to form Hexatronic Sweden, in line with the strategy of having a strong local fiber-to-the-home company in our selected markets.

During the year, there has been a return to pre-pandemic seasonality, with lower activity in the first and fourth quarters of the year due to winter conditions.

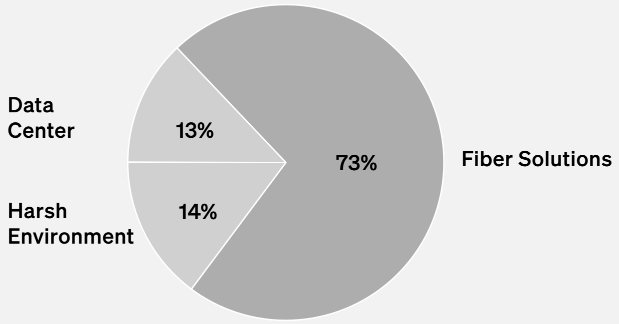
Strategic priorities and outlook

The market for fiber optic infrastructure is expected to grow in coming years. The increasing digitalization of society is driving the need for stable and secure connectivity and the management of an ever-growing amount of data.

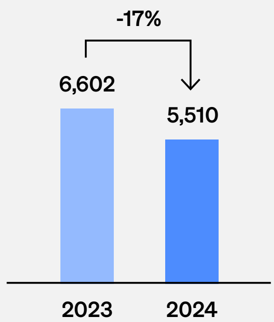
Most indications are that the inventory problems that characterized the previous year have been corrected, with sales and expansion rates more closely aligned.

Following the investments of recent years, Hexatronic has well-invested facilities in Fiber Solutions and capacity to meet higher demand.

Share of the Group's net sales 2024



Net sales, SEK m



The sales relate to the focus area Fiber Solutions. As of the first quarter 2025 new segment reporting will be introduced and Fiber Solutions will become a business area.

Growth markets in focus

We are increasing our presence in key emerging markets such as North America, the UK and Germany.

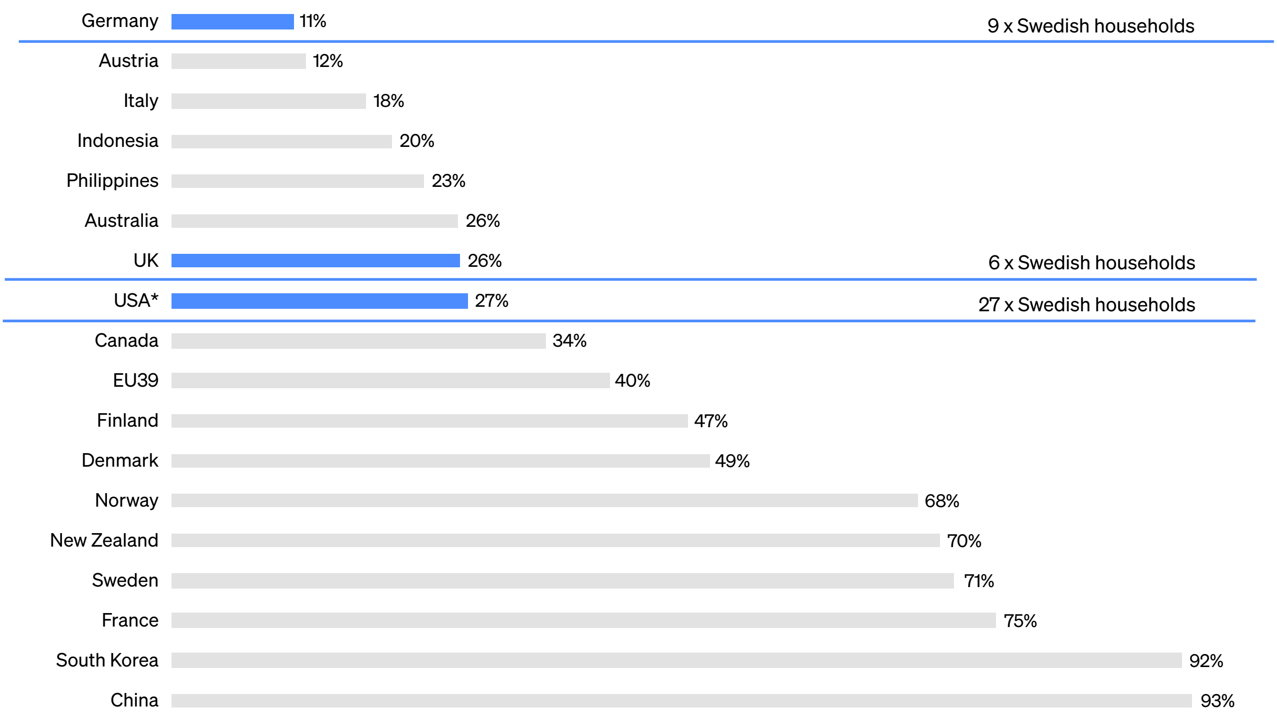
Our strategic growth markets are selected based on maturity, competitive situation and local attitudes to technology and quality. A common denominator is the need for continued large investments in fiber optic infrastructure. The increased digitalization of society, more connected households, the rollout of 5G, smart cities of the future and more focus on sustainable solutions are driving demand.

Governments around the world are working to create the right conditions for digitalization to flourish. The specific plans and objectives may differ from country to country, but all aim to support societal development. A key objective is reducing the digital divide in society by ensuring that more people have access to broadband at sufficient speeds. Another is to ensure critical infrastructure, as societal functions are increasingly dependent on stable and secure networks.

A key objective is to reduce the digital divide in society by increasing access to broadband.

While Sweden, for example, are well advanced in the deployment of fiber networks to the home, the penetration rate is still relatively low in countries like Germany, the UK and the US.

Share of households subscribing to a service through FTTH/B



Penetration rate

FTTH Council FTTH/B Market Panorama and Global ranking data on penetration rate from September 2024.
Fiber penetration rate is defined as the number of FTTH/B subscribers in relation to the number of households. OECD report 2024.
* Data rom Fiber Broadband Association, January 2025.

More connected households

Europe

Europe is rolling out fiber networks to bring broadband access to more households and businesses. The EU's digital infrastructure target is for all households in the EU to be connected to a gigabit network by 2030.

In Germany, the target is still a long way off. At the end of September 2024, 42 percent of Germany's 41 million households had a fiber network in their vicinity (homes passed), of which only 11 percent were connected to a fiber service. This means that Germany is one of the countries in Europe with the lowest fiber coverage. One reason for the slow rollout in Germany so far is the time-consuming permit process, but also a lack of installers and qualified staff in the planning of the projects. The permitting process has now been simplified, in part by digitizing it. Deutsche Telekom, which has historically been a major investor in copper networks, announced plans in 2024 to increase the rollout rate to 1 million households per year from 2027, including through cooperation agreements with local fiber operators. Many city networks are also expected to build FTTH networks in the coming years, and in rural areas, government subsidies are also driving the rollout.

In the UK, the rollout of fiber networks has so far focused on increasing coverage, and as of September 2024, 71 percent of UK households had fiber homes passed, compared to 57 percent in September 2023. At the same time, the proportion of households connected to a fiber broadband service has increased from 28 percent to 38 percent between the years. Including copper broadband, 83 percent of households in the UK have access to gigabit internet, meaning that the government target of 85 percent coverage by the end of 2025 is likely to be met, according to Ofcom. In early 2025, Ofcom announced that Amazon's satellite service Kuiper has been approved as an internet operator to provide connectivity in low-population areas in rural Britain.

In Sweden, broadband coverage (homes passed) was around 87 percent as of September 2024 and the proportion of households connected was 71 percent. Discussions are underway on how to connect the remaining households and businesses, which currently do not have internet access in their immediate vicinity. Today, satellite coverage from Starlink is available throughout Sweden, but the capacity is probably not enough to reach the government's goal of 100 percent coverage by the end of 2025, according to PTS.

In parallel, a phase-out of the old copper networks in Europe is also underway. The EU has set a deadline of 2030 when all copper networks in Europe must be shut down and replaced by fiber optic networks. The aim is to reduce energy consumption and operating costs and to ensure broadband with higher speeds and better performance. The EU describes the transition to fiber networks as fundamental to Europe's digital transformation.

The United States

The deployment of fiber networks in the United States has made significant progress in recent years. In 2024, an additional 10.3 million US homes were passed, a 13 percent increase from the previous year, indicating that 56.5 percent of US households now have fiber networks passing. The growth is driven mainly by private investment but also by government programs aimed at closing the digital divide and ensuring high-speed broadband for all Americans.

The share of US households connected to the fiber network increased to 35.1 percent last year. The deployment of fiber networks in the United States is expected to continue at a high pace. Between 2025 and 2029, the number of homes passed by fiber networks is expected to increase by 50 percent, and the number of fiber kilometers will more than double. Several government programs are in place to support the continued deployment, including the large BEAD program that targets areas with small rural populations.

5G

The United States, Korea, Japan and China were early adopters of 5G and are relatively advanced, while most countries in Europe are lagging behind. The expansion of 5G is expected to accelerate in the coming years, in line with the EU's goal of connecting all households to 5G by 2030.

Antennas for 5G will need to be installed and densified, creating an increased need for fiber networks. Most networks currently being built for FTTH are also being prepared for 5G, often by installing additional ducts that can be used to increase the number of fiber cables for 5G.

Growing data volumes

More connected devices, the expansion of online platforms, AI applications, the increased use of sensors and IoT are all contributing to increased data volumes. Increasing data volumes are driving investments in fiber networks, and the growing need for data centers is a clear indicator.

Smart cities

Digitalization is taking place in all parts of society and major shifts are expected in the coming years. One example is self-driving vehicles, which are both connected to the environment and able to communicate in real time with other vehicles, requiring a completely new type of traffic environment with opportunities for increased safety and control. Real-time energy monitoring and connected cameras are also areas that are growing rapidly in several countries. Common to the development of smart cities is the need for stable and secure connections, which in turn drives the need for a well-developed fiber infrastructure.

Security and safety

Security has become an increasingly clear driver. For critical societal functions such as healthcare, defense and transportation, secure and reliable fiber networks with sufficient capacity and redundancy are essential. More and more processes and applications require real-time monitoring.

Sustainability

A strong driver of change towards the digital society is sustainability. In many cases, digitization provides opportunities for efficiency improvements and new services, such as self-driving cars, buses and trucks, which can save energy with increased collaboration and communication with each other.

Goals and initiatives

Most countries have digitalization goals that directly or indirectly promote the deployment of fiber networks. There is a political will to reduce digital divides in society and ensure access to critical infrastructure.

In the EU, the goal is for all households to have access to broadband via fiber and 5G by 2030 to improve citizens' digital skills, increase the use of new technologies, and enable public services and administration to take place online. These goals clearly demonstrate the importance of a robust communications infrastructure, which will drive investment in the deployment of fiber optic infrastructure.

In the United States, there are a number of programmes aimed at stimulating the deployment of broadband networks, including the BEAD programme, which targets the deployment of fiber networks in low-population rural areas.

Robust solutions for challenging environments

The Harsh Environment focus area offers advanced, customized technology solutions designed to ensure reliable connectivity in the most challenging environments. We design and manufacture dynamic cables for complex projects, often in underwater environments, and sensor systems for industry.

In today's digital world, connectivity is crucial, even in the most demanding environments. Fiber solutions have many advantages such as low weight, high data transmission capacity and robustness for operation in extreme conditions. Industrial companies are increasingly using fiber connections to monitor and optimize their data transmission, and companies in a wide range of industries are discovering the possibilities of optical sensor systems.

Our customers work in sectors such as defense, marine, aerospace, power generation, offshore, industrial and broadcast, and are often technology leaders in their respective markets.

Tailor-made products

Extreme temperatures, pressure, humidity, sand and dust, shocks, and vibrations are some of the challenges encountered in extreme conditions. Customized solutions are necessary to ensure effective connections even in harsh climatic conditions or in various industrial processes.

Our offering includes advanced sensor systems for control and monitoring, robust industrial cables and connectors for secure information transfer, armored cables, and electro-optical cables for energy and data transfer for the offshore industry. In almost all of our cables, we have embedded fiber that allows diving bells and remotely operated underwater vehicles to send high-quality images in real time, even when they are deep below the surface of the sea.

Technical expertise at the forefront

Several Hexatronic Group companies work on optical solutions for harsh environments. The combined Harsh Environment expertise and specialized products from Hexatronic Norway, Rochester Cable, Fibron Cable, Proximion and TechOptics give us a solid foundation to serve customers with tailored solutions for their specific needs. We are at the forefront of technology, working closely with customers on their development projects to provide innovative and reliable solutions.

Advanced sensor systems for control and monitoring

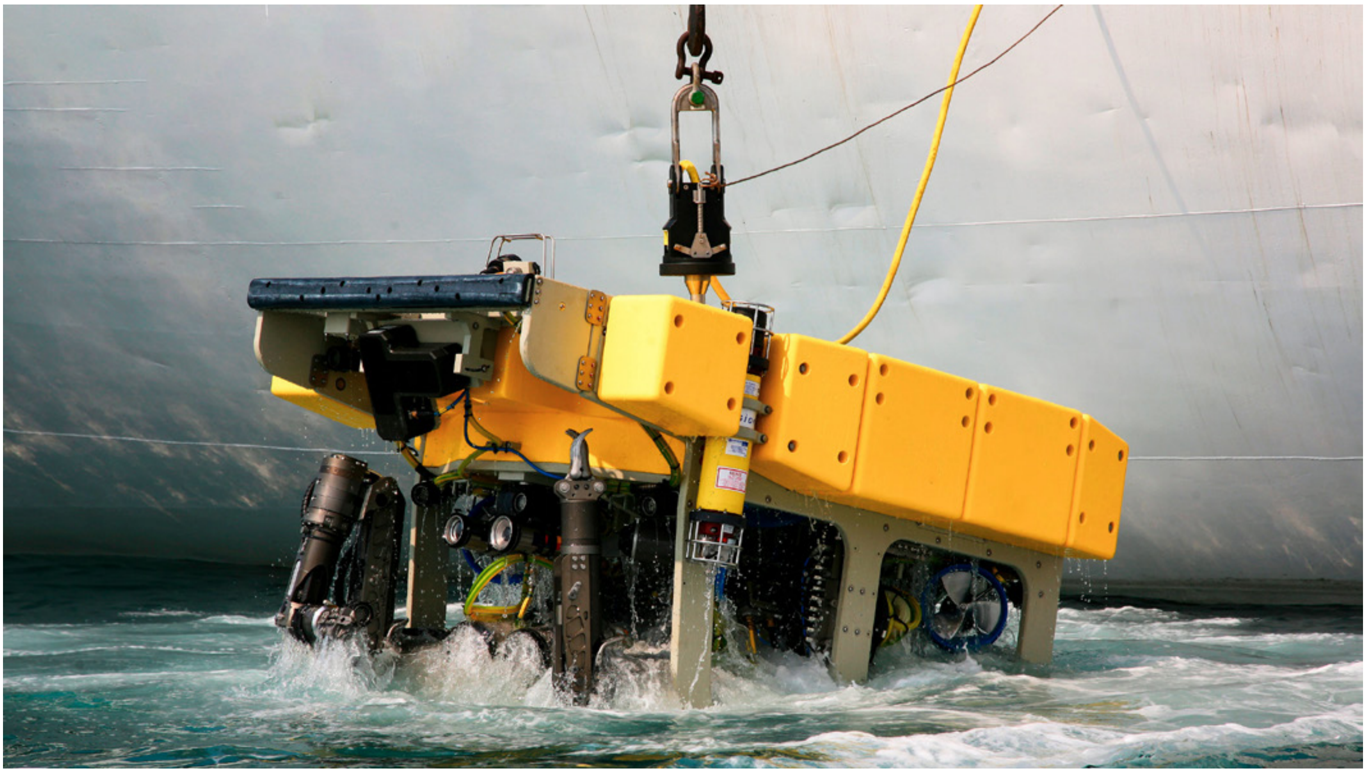
Hexatronic designs and manufactures fiber optic sensor systems for real-time control of processes and monitoring of critical infrastructure. Our advanced fiber optic sensor system has several advantages over conventional sensor systems. It is often more resistant to external environmental factors, has a much higher resolution, a smaller footprint, and lower weight. Our fiber optic sensor systems for monitoring, analyzing, and optimizing processes offer our customers great possibilities for improved efficiency and control.

Solutions that last

Whether it's a maneuvering cable hundreds of meters below sea level, temperature fiber sensors in a steel mill, or cabling in harsh environments, our solutions are built to last and secure critical data or power transmission.

The market

Harsh Environment operates in the global market for advanced subsea cables and connectivity solutions, primarily used in the energy, defense, and industrial sectors. These markets are fragmented and characterized by a high degree of specialization and customer relationships that extend over many years. Significant energy, defense, and industry investments in the coming years are expected to contribute to continued market growth.



Development in 2024

Sales in Harsh Environment increased by 51 percent to SEK 1,100 million in 2024. The sales growth is mainly explained by the acquisitions of Rochester Cable and Fibron Cable, which were acquired in 2023.

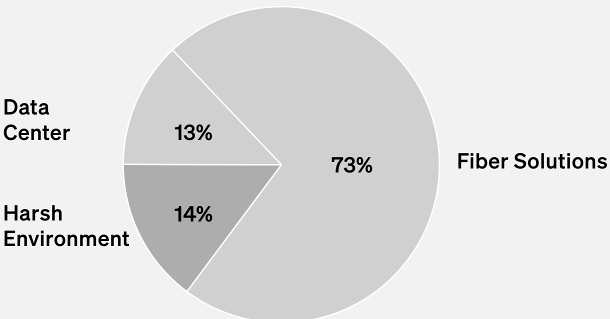
In addition, Rochester Cable had a record quarter in the fourth quarter of 2023 due to a large order from the defense industry, while the fourth quarter of 2024 was stable and in line with the previous quarter.

Strategic priorities and outlook

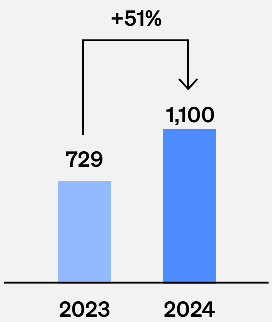
Dynamic cable and connectivity market demands are mainly driven by energy infrastructure buildout and increased purchasing from the navy and army. Both markets are characterized by a stable growth cycle and are expected to continue in the years to come.

During the fall, we started preparing for upgrades and capacity expansion in the dynamic cable factories. However, with the rapid increase in defense budgets in Nato countries and continued expansion in energy infrastructure, we see signs of supply chain constraints expected to influence large specialty projects.

Share of the Group's net sales 2024



Net sales, SEK m



The sales relate to the focus area Harsh Environment. As of the first quarter 2025 new segment reporting will be introduced and Harsh Environment will become a business area.

Customer case

Fibron Cable's advanced cables help customers with challenging missions at sea

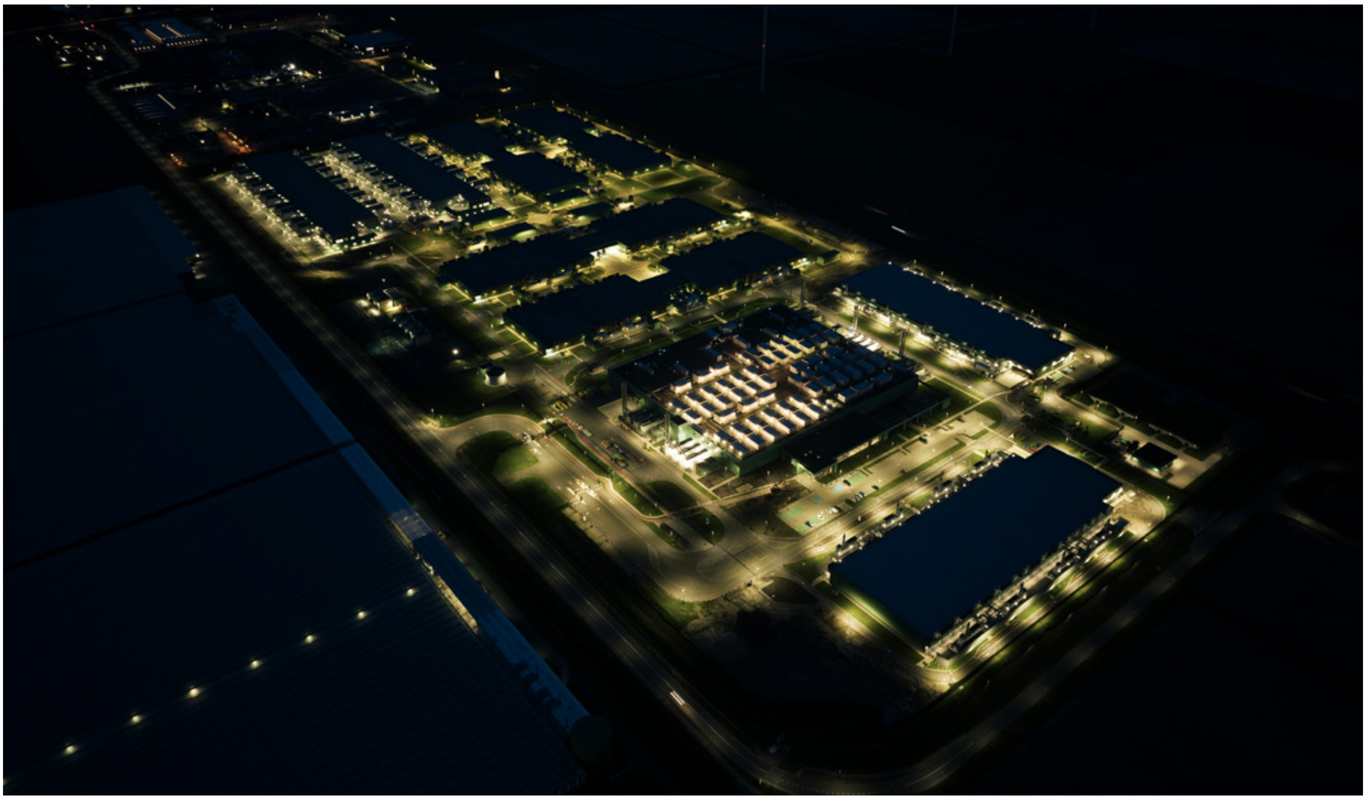
Customer case: Ocean Infinity A/S

Our customer, Ocean Infinity A/S, contacted us when they needed a reliable supplier of cables to equip their Armada vessels serving the offshore energy industry. The vessels are highly advanced and enable Ocean Infinity to carry out technically advanced missions with a small crew. The cables required needed to be both strong enough to handle high stresses in deep water and as thin as possible to minimize the space needed to store the cables on the vessel. Fibron Cable, part of Hexatronic since June 2023, has been able to adapt its ultra-thin insulated power cable technology from the ROV industry and provide Ocean Infinity with cable in record time. The Armada vessels work on a wide range of services for the offshore environment, including seabed coring (CPT) to assess ground conditions for planning infrastructure such as offshore wind farms.

Customer case: DMT

Our customer, DMT in Germany, is a major construction partner in the large Fehmarnbelt Fixed Link project, which will connect Denmark and Germany with an 18 km underwater tunnel. Fibron Cable was approached by DMT to supply armored submarine cables that combine power and communication cables together with high pressure hydraulics. These umbilical cables provide technical support to the equipment used to install the subsea concrete sections on the seabed, which requires great precision.

Our umbilical cables, which are armored and equipped with bending limiters, were delivered to exacting standards and are a critical part of the installation tools. We continue to support the project through our expert aftermarket team. Hexatronic's ongoing involvement in Denmark's largest construction project is a testament to our deep expertise and manufacturing and design capabilities.



We provide products and services for data centers

The Data Center focus area provides a wide range of specialist services for the data center market. We design infrastructure and cabling solutions, plan installations, and provide support and operational services to ensure that installations are carried out safely and efficiently.

The shift to the cloud and the demand for Software as a Service (SaaS) solutions, Artificial Intelligence (AI) and digitization are driving the expansion of data centers worldwide. Everything we do online starts and ends in data centers, and their functionality is crucial for businesses, organizations and governments.

In the future, we can expect more edge computing, as data storage and computation move closer to the edge of the network, where data is generated and consumed. Edge computing reduces the amount of data that needs to be transferred over long distances, improving the speed and reliability of data-intensive applications locally.

Development of design

The need for increased energy efficiency is driving major changes in data center design and construction. Data centers typically include energy and cooling infrastructure, but also data storage, security and high-speed networks, all designed with redundancy to ensure continuous access to data and computing resources. Handling ever-increasing amounts of data requires advanced and high-quality communication solutions. Fiber counts are high, as is cable density, and the environment is strictly controlled.

Products that ensure operational quality

The tailored data center offering includes high-capacity fiber optic cables and cabling, cable management solutions, hot and cold zone enclosures, data center design, planning and installation. On-site services ensure that our customers can maintain operational quality and uptime.

Data Center Systems (DCS), based in the United States, and IDS (Impact Data Solutions) in the United Kingdom, broaden our offering in this business area. DCS develops and produces innovative product solutions for data centers and IDS provides design, installation and project management services. Our extensive expertise in fiber solutions, combined with our companies specializing in the Data Center focus area, provides customers with a comprehensive system solution. Customers range from hyperscale, cloud services and colocation providers to large enterprises such as banks, car manufacturers and industrial companies.

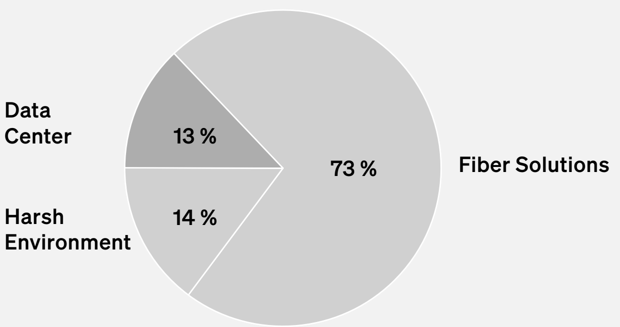
Development in 2024

In 2024, Data Center had sales growth of 19 percent to a total of SEK 971 million. The growth is mainly attributable to the acquisitions of USNet in the US, M Connect in the UK and parts of Icelandic Endor.

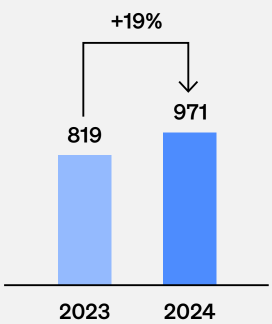
Strategic priorities and outlook

The ambition is to continue to strengthen the Data Center offering to drive growth and profitability. Primarily, we want to increase our presence in the service business, both through organic growth and through acquisitions. Service is an attractive part of the business that means we create long-term relationships with our customers. We have a strong pipeline of potential acquisition candidates in Data Center that is continuously evaluated.

Share of the Group's net sales 2024



Net sales, SEK m



The sales relate to the focus area Data Center. As of the first quarter 2025 new segment reporting will be introduced and Data Center will become a business area.

Customer case

Customer focus and skill attract hyperscaler and global communications giant

Customer case: US Net

A large Fortune 20 US technology company was looking for a trusted partner to equip its next-generation hyperscale data center to handle massive amounts of data. After years of trying, US Net was given the opportunity to prove its prowess in the field.

The customer needed a highly efficient, scalable and high-quality installation to support rapid infrastructure growth. The project required precise execution under tight timeframes while ensuring superior quality and efficiency.

US Net completed the installation with about half the staff compared to competitors - and delivered the highest quality work ahead of schedule. By adhering to our core values of customer focus, integrity, and collaboration, we are setting a new industry standard for low-voltage services for hyperscale data centers.

Our ability to complete work efficiently without compromising quality has made us a trusted partner for future projects, and we have even replaced competitors mid-project because of our track record.

Customer case: DCS

A major Fortune 50 global communications leader needed to modernize its primary data center to improve efficiency, scalability, and long-term adaptability.

The customer required optimized space, increased capacity, improved documentation, and a future-proof infrastructure.

DCS implemented a structured connectivity solution that doubled manageable rack capacity, improved deployment speed and significantly reduced engineering hours. The customer stated that this was the first upgrade that was not already obsolete when the installation was completed.

International growth journey

In the course of ten years, Hexatronic has gone from being a small, local Swedish player to becoming a reputable global actor with a diversified business in the market for fiber optic systems.

Hexatronic's growth journey began with the transformative acquisition of Ericsson's cable business in Hudiksvall in 2014. The acquisition gave Hexatronic a leading system offering that could be taken out into the world.

Sweden and Ericsson were pioneers in systems for broadband deployment, primarily FTTH. The Swedish government was an early adopter and had high ambitions to roll out fiber networks and connect individuals and businesses across Sweden. Ericsson had also developed a system that enabled the rollout to take place efficiently and at low cost.

Since then, Hexatronic has further developed its offering and gradually established the company in strategic growth markets where the rollout of fiber-to-the-home is still far behind Sweden. Today, Hexatronic is an established player in countries such as the UK, Germany and the US, where major investments in fiber optic infrastructure are planned in the coming years.

The business has also expanded to include more growth areas that also benefit from increased digitization, the technology shift from copper to fiber optics and the need for more and better connections. Today, the business is conducted in three focus areas: Fiber Solutions, which includes the traditional FTTH business, Harsh Environment and Data Center.

2014

Hexatronic acquires the cable factory in Hudiksvall and establishes itself as a system supplier within FTTH. Turnover goes from SEK 71 million to SEK 497 million.

2015

Hexatronic is listed on Nasdaq Stockholm Main Market after previously being traded on First North Growth Market.

2015/ 2016

Hexatronic begins internationalization through the acquisition of OpticReach in the UK and the establishment of local companies in Germany and the US. Sweden accounts for 60 percent of sales.

2017

Hexatronic acquires duct company Blue Diamond Industries in the US, establishing local production in the country.

2019

Hexatronic gets an international breakthrough with the system order to the challenger CityFibre in the UK worth the equivalent of SEK 500 million.

2021

The US has grown to be by far our largest market and now accounts for over 25 percent of sales.

2021

Hexatronic enters the North American data center market with the acquisition of Data Center Systems in Texas, USA.

2022

The growth journey continues and the company reaches sales of SEK 6.5 billion.

2023

Hexatronic's Harsh Environment focus area is making great strides with the acquisitions of Rochester Cable in the US and Fibron Cable in the UK.

2024

Hexatronic is a well-diversified player with over 90 percent of sales outside Sweden. The Harsh Environment and Data Center focus areas account for almost 30 percent.

Higher share price but still volatile trading

Hexatronic shares rose 32 percent in 2024. There continues to be good liquidity in the stock but with high volatility on individual days.

Share price development

Hexatronic's share price rose 32 percent to SEK 36.18 in 2024, while the broad OMXPI index increased 6 percent. The share price peaked at SEK 69.46 on July 17 and bottomed out at SEK 20.45 on February 2. Over the past five years, Hexatronic shares have risen by 197 percent compared to the OMXPI, which increased by 38 percent.

Trading

Hexatronic's ordinary shares are listed on Nasdaq Stockholm's main market and are included in the Mid Cap segment. In 2024, trading on Nasdaq accounted for 58.7 percent of total share trading. Other trading took place mainly on Cboe Europe, a Multilateral Trading Facility (MTF), which accounted for 35.0 percent of trading, and a number of smaller platforms.

There continued to be good liquidity in Hexatronic shares, with an average of 2,411,464 shares traded per day in 2024, representing 1.2 percent of the number of shares outstanding, including trading on all platforms. This compares to an average of 0.25 percent for Mid Cap companies.

As of December 31, 2024, Hexatronic's market capitalization was 7,434 SEK million, compared to 5,609 SEK million at the end of the previous year.

Number of shares

The total number of shares on December 31, 2024 was 208,334,746, of which 205,472,710 were ordinary shares and 2,862,036 were C shares. Each share has a quota value of SEK 0.01.

The ordinary shares entitle the holder to one vote per share at the Annual General Meeting and to a cash dividend. The C shares, whose purpose is to secure the allocation and costs of the company's annual long-term incentive program, entitle the holder to 1/10th of a vote at the Annual General Meeting, but do not entitle the holder to dividends.

Total share capital amounted to SEK 2,083,347.46 as of December 31, 2024, an increase from SEK 2,053,236.50 as of December 31, 2023.

Dividend

The Board of Directors proposes to the 2025 Annual General Meeting that no dividend be paid for the financial year 2024. The Board of Directors considers annually whether to propose a dividend or to reinvest profits in the business.

Investor relations

Hexatronic's IR work is characterized by open, relevant and accurate information and aims to increase knowledge and interest in the Group's operations. Hexatronic regularly publishes financial reports and press releases and provides in-depth information about the Group on the company's website, such as shareholder data. Shareholders and other stakeholders can subscribe to financial reports and press releases.

Facts about the share

Ticker	HTRO
ISIN code	SE0018040677
Ordinary shares	205,472,710
Quota value	0.01 SEK
Stock exchange	Nasdaq Stockholm

Since October 2024, Hexatronic also provides a compilation of consensus estimates on the company's website. The compilation is done by Modular Finance and is independent of Hexatronic.

Analysts

Adrian Gilian	AGB Sundal Collier
Jacob Edlar	Danske Bank
Anders Jåfs	Kepler Cheuvreux
Stefan Wård	Pareto Securities
Fredrik Nilsson	Redeye
Max Bocco	SEB

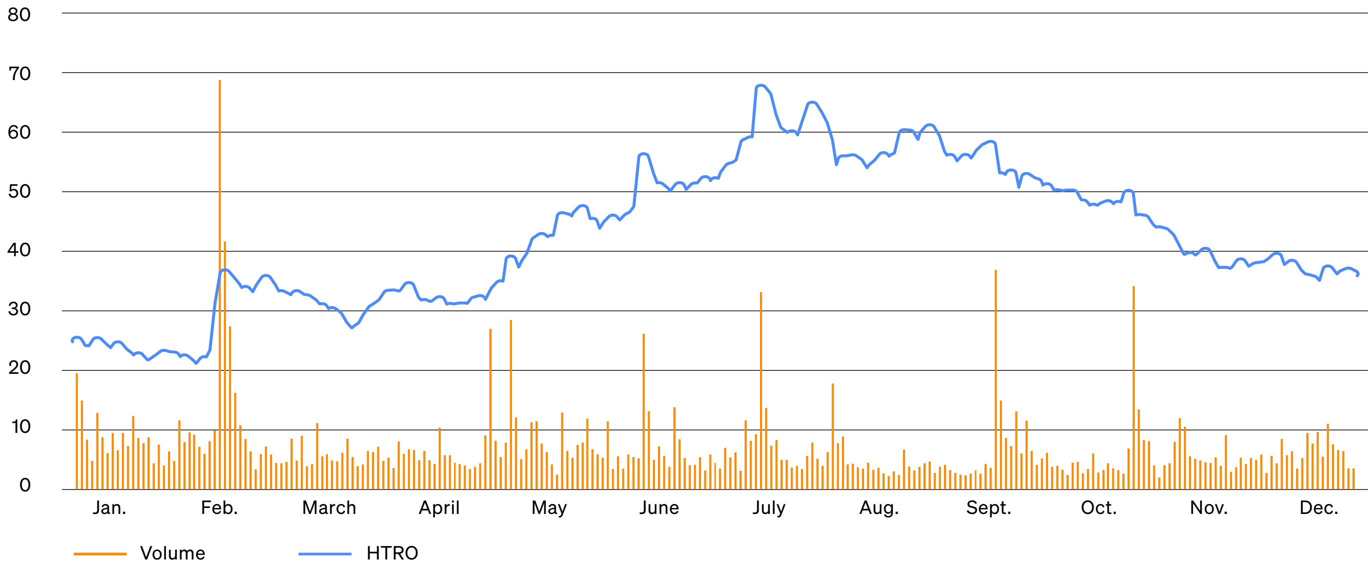
During the year, the number of shares changed as follows:

	C shares	Ordinary shares	Total number of shares
December 31, 2023	2 ,297,04	203,026,610	205,323,650
Issue of C shares	+1,343,596	-	206,667 ,246
Conversion of C shares	-778,600	+778,600	-
Exercise of option program	-	+1,667,500	-
December 31, 2024	2,862,036	205,472,710	208,334,746

Key figures per share

	2024	2023
Market cap at year-end, SEK million	7,434	5,547
Earnings per share before dilution, SEK	1.69	4.18
Earnings per share after dilution, SEK	1.69	4.17
Operating cash flow per share, SEK	4.48	4.65
Equity per share, SEK	19.75	16.93
Share price at year-end, SEK	36.18	27.32
PE ratio at year-end	21.4	6.6

Share price development in 2024

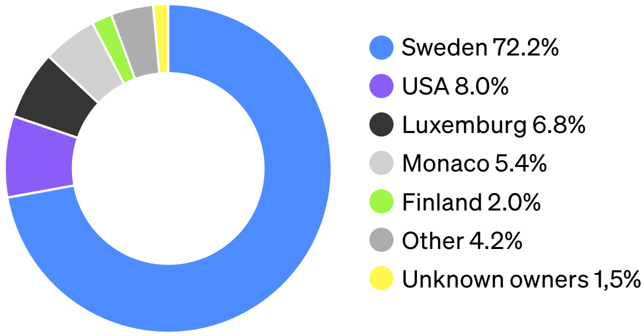


Ownership structure

As of December 31, 2024, the number of registered shareholders in Hexatronic was 57,753, down from 65,699 shareholders the previous year. The ten largest shareholders held 41.1 percent of the capital and 41.7 percent of the votes. Swedish investors accounted for 72.5 percent of the capital and 72.1 percent of the votes.

As of December 31, Hexatronic's holding of treasury shares amounted to 556,300 ordinary shares and 2,862,036 C shares, corresponding to a total of 1.6 percent of the capital and 0.4 percent of the votes.

Geographical distribution of owners



The ten largest shareholders at December 31, 2024

Owner	Number of shares	% of votes
Handelsbanken Funds	16,326,455	8.0%
Accendo Capital	12,207,134	6.0%
Jonas Nordlund	11,052,162	5.4%
AMF Pension & Funds	10,912,265	5.3%
Third Swedish National Pension Fund	8,236,450	4.0%
Chirp AB	7,138,503	3.5%
Vanguard	6,810,775	3.3%
Avanza Pension	5,016,375	2.5%
Henrik Larsson Lyon	4,139,592	2.0%
Future Pension	3,442,636	1.7%
Total ten largest owners	**85,528,847**	**41.7%**
Other shareholders	122,805,899	58.3%
Total shares outstanding	**208,334,746**	**100.0%**

Number of shareholders and size classes December 31, 2024

Holding	Number of shares	Capital	Votes	Number of known shareholders	Number of known shareholders, share
1 - 1,000	9,499,518	4.6%	4.6%	48,717	84.4%
1,001 - 5,000	15,831,189	7.6%	7.7%	6,826	11.8%
5,001 - 10,000	8,158,843	3.9%	4.0%	1,116	1.9%
10,001 - 20,000	8,532,389	4.1%	4.1%	598	1.0%
20,000 -	163,046,871	78.4%	78.1%	496	0.9%
Anonymous owners	3,265,936	1.4%	1.5%	-	0.0%
Total	**208,334,746**	**100.00%**	**100.00%**	**57,753**	**100.00%**

Source: Modular Finance

Hexatronic as an investment

With a strong system offering, Hexatronic has positioned itself in key growth markets for fiber optic infrastructure. A decentralized governance model and local presence are success factors.

Exposure to attractive emerging markets

The increasing digitalization of society is driving demand for fiber optic infrastructure. Low connectivity levels in countries such as Germany, the UK and the US, the rollout of 5G networks and the ongoing phasing out of the old copper networks mean a structural increase in demand in the coming years. There is also a growing demand for more advanced cables for challenging environments, such as offshore. To handle the increasing amount of data, more and more data centers are required, with capacity expected to multiply in the coming years.

A history of profitable growth

Hexatronic has successfully expanded and broadened its business through a combination of organic growth and strategic acquisitions. Over the past five years, Hexatronic has increased net sales by an average of 33 percent per year and EBITA by 43 percent per year.

Strong system offering in Fiber Solutions

Hexatronic offers end-to-end solutions - systems - that contribute to the rapid and cost-effective deployment of fiber networks, supporting customers throughout the process, from design to installation. Training, certification and field support are key parameters. Customers can thus ensure the lowest possible total cost of ownership (TCO).

Operational and sustainable efficiency

Hexatronic's decentralized governance model, with a strong local presence and coordination in areas such as purchasing, production and marketing, forms the basis for both operational and sustainable efficiency. As a starting point, the company's operating units are included under the Hexatronic brand, but can also operate under local brands if strategically relevant. All operating units follow the Group's sustainability agenda, in line with the targets set according to the Science Based Target (SBTi).

Successful acquisition strategy

Hexatronics has successfully pursued an acquisition strategy aimed at expanding its geographic footprint, expanding into new adjacent markets, improving its product offering and increasing local production capacity. Over the past five years, more than 20 acquisitions have been completed, expanding into nine geographic markets and generating revenues from new business lines that now account for almost a third of turnover. Through these acquisitions, the company has also significantly strengthened its production capacity, created economies of scale and expanded the group's product range, thereby promoting long-term competitiveness.

Corporate governance report

We have succeeded in naviga-ting the market and changed conditions in a very good way.

Comments from the Chairman of the Board

Dear shareholders

During the spring, the AGM appointed a largely new Board of Directors, which I was entrusted to lead as the new Chairman. The new Board has been more directly involved in the company than before, for example, through frequent meetings with many managers in the organization and through two Board trips to operational units; to Fibron Cables in the UK, which is part of Harsh Environment, and to the cable and duct factory in Hudiksvall. Individual Board members have also visited Harsh Environment's production facility in Virginia, Fiber Solutions' facility in South Carolina, and Data Center's operations in the UK.

2024 was a challenging year in our industry, and for Hexatronic, we responded by putting more focus on internal efficiency and costs to adapt operations. The Board has raised questions regarding issues in logistics, purchasing, and system support, but also worked to strengthen competence and governance in the company. This included strengthening certain key positions in the business and establishing a Group function for Investor Relations. In total, I think we have succeeded in navigating the market and the changed conditions in a very good way. When we ended 2024, we did so as a stronger and more diversified company than a year ago.

During the year, the Board also decided to focus more on Harsh Environment and Data Center, which have become essential parts of the Group. Reporting and follow-up are important parts of this work. As of 2025, a transition to three business areas and new segment reporting will thus take place.

Following major investments in recent years, Hexatronic is today very well invested with the capacity to increase sales as demand picks up. The Fiber Solutions business is volume-sensitive, meaning higher sales can quickly translate into profitability. The Harsh Environment and Data Center units are also well prepared for growth and have been integrated and strengthened during the year. For example, we recently approved an investment in the US to produce fiber optic cables, giving us local production for nearly 100 percent of our US sales. We are thus well prepared for any import tariffs that may be imposed. With a debt of a reassuring 1.9 times EBITA at the end of 2024, we have the flexibility to continue investing in growth, including acquisitions.

In September, Henrik Larsson Lyon announced his intention to step down as CEO after ten years in the position. Shortly thereafter, the Board of Directors initiated a global recruitment process, and in January 2025, the Board appointed Rikard Fröberg as the new President and CEO of Hexatronic. Rikard Fröberg is an experienced commercial and operational leader with extensive international experience, not least from the important US market. Based in the US, Rikard is the right leader for the next phase of Hexatronic's global expansion.

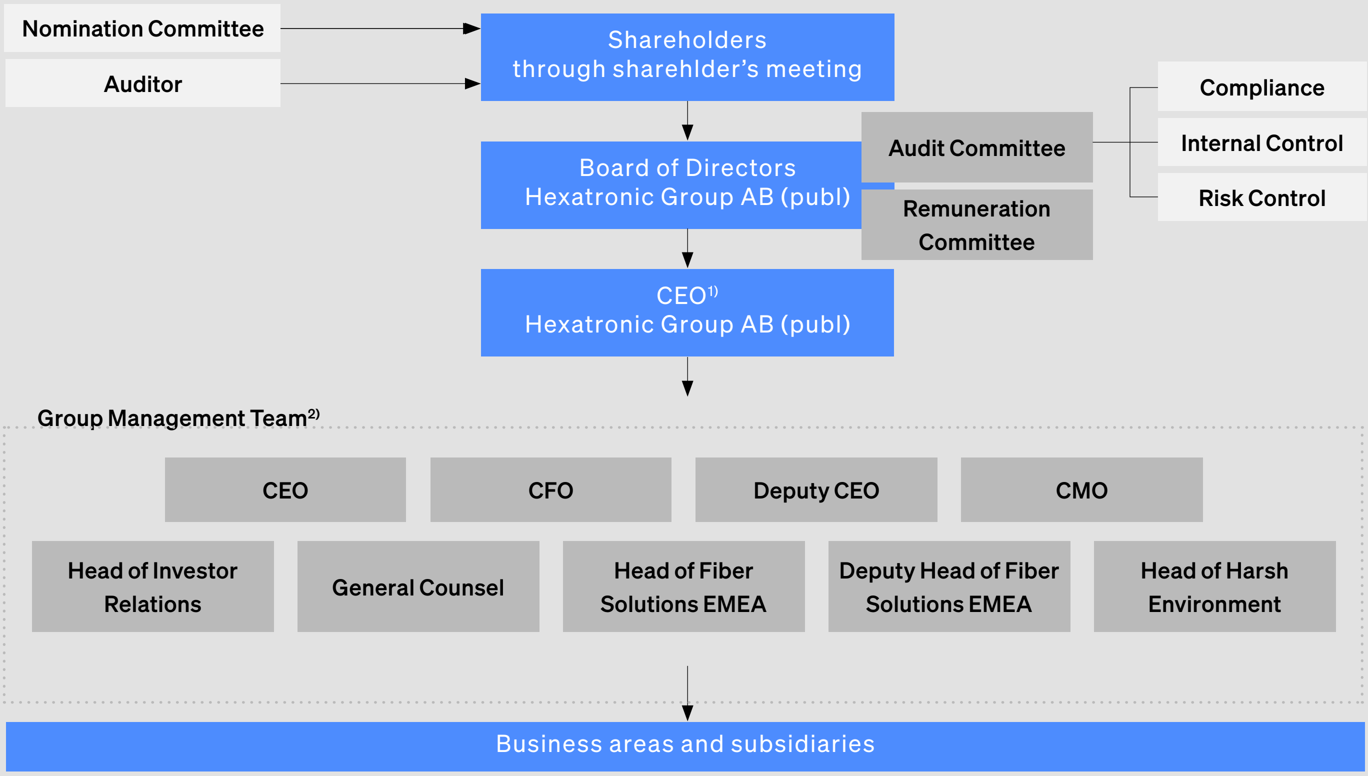
On behalf of the Board, I would like to thank Henrik for his good leadership and his great accomplishment in building the strong entrepreneurial culture we have in Hexatronic today.

I would also like to extend a big thank you to Hexatronic's management and dedicated employees for their efforts during a challenging year. Finally, I would like to thank the other members of the Board for their good cooperation during the year. I am convinced that the best times for Hexatronic are ahead of us – to my fellow shareholders, welcome to the next phase of our journey.

Magnus Nicolin, Charirman of the board

Corporate governance in Hexatronic Group

Hexatronic Group's corporate governance structure



1) The CEO of Hexatronic Group AB (publ) has the overall responsibility for the whole Hexatronic Group
2) Composition of the Group Management Team as of March 1, 2025.

General Meeting

Shareholders exercise their voting rights at the general meetings of shareholders, which are the Company's highest decision-making body. Each shareholder registered in the share register on the record date and registered to attend the general meeting by the deadline stated in the notice to attend is entitled to participate in the meeting, either in person or through a representative. Decisions at general meetings of shareholders are usually made by a simple majority.

Nomination Committee

The Nomination Committee is tasked with preparing and proposing for the election of the Chairman of the annual general meeting, the election of the Chairman of the Board and Board members, the election of auditors, and remuneration for the auditors and the Board. Additionally, the Nomination Committee also assesses the Board members' independence in relation to the company and the company's management, and major shareholders. The Company's Audit Committee assists the nomination committee in the work of proposing the election of auditors, and the Nomination Committee's proposal to the general meeting regarding the election of auditors must include the Audit Committee's recommendation.

In accordance with the instructions adopted by Hexatronic Group's annual general meeting, the Nomination Committee shall consist of four members appointed by the four largest shareholders in terms of voting power as of the end of August who wish to appoint a member.

Board of Directors

The Board of Directors, which is the highest decision-making body after the general meeting, has the ultimate responsibility for Hexatronic Group's organization, management, and control of the Company's financial conditions. According to the Articles of Association, Hexatronic Group's Board should consist of at least three and at most nine members elected by the Annual General Meeting for a term of office up to the end of the next Annual General Meeting.

The Board's duties are primarily regulated by the Swedish Companies Act (Sw. aktiebolagslagen) and the Code. The Board's work is also regulated by the Board's Rules of Procedure and the annual plan that is adopted annually by the Board. The Chairman of the Board leads and directs the work of the Board in close dialogue with the CEO. The Chairman of the Board is also responsible for ensuring that the Board's work is evaluated annually.

Board Committees

The Board has currently formed two committees: an Audit Committee and a Remuneration Committee. The committee members are appointed from among the Board members for one year at a time. Reports to the Board on matters dealt with at committee meetings are made either in writing or verbally. The work of each committee is carried out in accordance with the instructions established by the Board. Minutes from committee meetings must be provided to all Board members.

Audit Committee

The main task of the Audit Committee is to ensure the fulfillment of the Board's supervisory responsibility regarding financial and sustainability reporting, internal control, auditing, and handling of financial risks, as well as preparing certain accounting and auditing issues. The Audit Committee also reviews the processes and procedures for accounting and financial control.

Remuneration Committee

The Remuneration Committee prepares the Board's decisions on proposals for guidelines for remuneration to senior executives. The committee represents the Board in management and succession planning as well as leadership development.

CEO and Group Management Team

The Board appoints the CEO. The CEO is responsible for the day-to-day management of the Company according to the Board's instructions. The CEO is also responsible for taking all necessary measures to ensure that the organization and control of the Company's financial reporting is in accordance with applicable rules and regulations. The CEO also prepares all necessary information and supporting documents for Board meetings and, if requested by the Chairman of the Board, convenes the Board. The CEO reports at Board meetings and presents motivated proposals for decisions to the Board. The CEO is assisted by a group management team ("GMT") consisting of heads of business areas and heads of certain group functions.

Auditor

The Annual General Meeting appoints an auditor who reviews the annual report, accounting, and consolidated accounts, the Board and CEO's administration, as well as the annual report and accounting for subsidiaries, and submits an audit report.

Corporate Governance Report

Hexatronic Group AB (publ) is a Swedish public limited liability company, publicly traded on Nasdaq Stockholm. This corporate governance report has been prepared in accordance with the Swedish Annual Accounts Act (Sw. årsredovisningslagen) and the Swedish Corporate Governance Code (the "Code"). The Company has not deviated from the Code in any respect during 2024. The auditor has reviewed the corporate governance report, and the review report can be found on page 155.

Annual General Meeting 2024

Hexatronic Group's Annual General Meeting for 2024 took place on May 7, 2024, at the Elite Park Avenue Hotel in Gothenburg. The meeting was held in Swedish. Complete information about the 2024 Annual General Meeting and the minutes can be found on Hexatronic Group's website, www.hexatronic.com.

The following decisions were made at the Annual General Meeting on May 7, 2024:

- The annual accounts, appropriation of profits, and discharge from liability for the Board and CEO.
- Re-election of the Board members Erik Selin, Jaakko Kivinen, and Helena Holmgren.
- New election of Magnus Nicolin, Åsa Sundberg, Diego Anderson, and Linda Hernström as Board members.
- New election of Magnus Nicolin as Chairman of the Board.
- Re-election of the registered accounting firm Öhrlings PricewaterhouseCoopers AB as the Company's auditing firm with authorized auditor Johan Malmqvist as the main responsible auditor.
- New principles for the appointment of the members of the Nomination Committee in accordance with the Nomination Committee's proposal were adopted.
- To establish a long-term performance-based share-saving program (LTIP 2024) for senior executives and other key individuals within the group who are domiciled in Sweden and to issue a maximum of 1,343,596 series C shares for delivery of any performance shares under LTIP 2024 and to secure any social costs that may arise under LTIP 2024.
- To establish a long-term incentive program (Warrant Program 2024) to be offered to senior executives and certain key individuals within the group domiciled both in and outside Sweden through a directed issue of a maximum of 442,500 subscription warrants.
- The Board was authorized to decide on the acquisition and transfer of a maximum of one-tenth of the Company's own shares in accordance with the Board's proposal.

- The Board was authorized to decide, on one or more occasions, and with or without shareholders' preferential rights, on new issues of shares, warrants, and/or convertibles amounting to up to 10 per cent of the Company's registered share capital.
- The remuneration report for financial year 2023 prepared by the Board was approved.
- The complete minutes from the 2024 Annual General Meeting can be found at group.hexatronic.com.

Annual General Meeting 2025

The Annual General Meeting 2025 will take place on Monday, May 5, 2025, at 3:00 PM, at Gothia Towers, Mässans Gatan 24 in Gothenburg. For further information about the Annual General Meeting 2025, please refer to Hexatronic Group's website (group.hexatronic.com) and page 158 of this annual report.

Nomination Committee for the Annual General Meeting 2025

The Nomination Committee for the Annual General Meeting 2025 consists, in accordance with the instruction adopted by Hexatronic Group's Annual General Meeting, of members appointed by the four largest shareholders in terms of voting rights by the end of August 2024. The Chairman of the Board is adjunct to the Nomination Committee and is responsible for convening its first meeting. The Chairman of the Nomination Committee has been appointed by the largest shareholder in terms of voting rights at the time the Committee was appointed. The Chairman of the Nomination Committee shall have a casting vote in the event of an equal number of votes. The composition of the Nomination Committee shall be announced no later than six months before the annual general meeting. The Nomination Committee for the Annual General Meeting 2025 was announced in a press release on September 20, 2024.

The members of the Nomination Committee for the Annual General Meeting 2025 are:

- Staffan Ringvall, appointed by Handelsbanken Fonder, Chairman
- Sophie Larsén, appointed by AMF Pension & Fonder
- Mark Shay, appointed by Accendo Capital
- Jonas Nordlund, appointed by himself
- Magnus Nicolin, Chairman of the Board of Hexatronic Group, adjunct member

The Nomination Committee, since its formation and until the submission of the annual report, has held four minuted meetings (excluding interviews with Board members and the CEO). As a basis for its proposals for the Annual General Meeting 2025, the Nomination Committee has assessed whether the current composition of the Board is appropriate and meets the requirements placed on the Board as a result of the Company's operations, position and other circumstances. The Nomination Committee has reviewed the external board evaluation, interviewed the company's Board members, and discussed the main requirements that should be set for Board members, including the requirement for independent members, taking into account the number of board assignments each member has in other companies. Regarding the composition of the Board, the Nomination Committee has also considered diversity in accordance with section 4.1 of the Code. The Nomination Committee's assessment has resulted in its proposal to the Annual General Meeting regarding the election of Board members.

Shareholders with comments and proposals for the Nomination Committee have had the opportunity to submit them by January 31, 2025.

Board of Directors 2024

According to the Articles of Association, Hexatronic Group's Board shall comprise of a minimum of three and a maximum of nine members elected by the Annual General Meeting for a term that extends until the end of the next Annual General Meeting. For the complete Articles of Association, please refer to Hexatronic's website. At the Annual General Meeting 2024, seven members were elected, of whom four are men and three are women. The Company meets the requirements of the Code by ensuring that a majority of the Board members elected at the Annual General Meeting are independent in relation to the Company and the Company management and that at least two of them are independent in relation to the Company's major shareholders. There are no representatives of the Company's executive management on the Board.

Hexatronic Group's CEO, deputy CEO, and CFO usually participate as presenters at Board meetings. Other employees of the Company participate in Board meetings as presenters on specific issues. Hexatronic Group's General Counsel is the secretary of the Board.

The Board's work

The Board's duties are primarily regulated by the Swedish Companies Act (Sw. Aktiebolagslagen) and the Code. In addition, the Board's work is regulated by the Board's Rules of Procedure and the annual plan that is adopted annually by the Board. The Board's Rules of Procedure sets out the division of responsibilities between the Board, the Board's committees, the Chairman of the Board, and the CEO. The instructions for the CEO also include instructions for financial reporting.

The Board's duties include establishing strategies, business plans, budgets, issuing interim reports, financial statements, and adopting policies and guidelines. The Board shall also monitor financial developments, ensure the quality of financial reporting and control functions, and evaluate the Company's operations based on the established goals and guidelines adopted by the Board. Finally, the Board also decides on major investments as well as organizational and operational changes in the Company.

The Chairman of the Board leads and directs the work of the Board and ensures that activities are conducted efficiently. The Chairman of the Board monitors the business in close dialogue with the CEO, conveys opinions from shareholders to the other Board members, and serves as a spokesperson for the Board. Furthermore, the Chairman of the Board is responsible for providing other Board members with information and decision-making materials and ensuring that the Board's decisions are implemented. The Chairman is also responsible for ensuring that the Board evaluates its work annually. The CEO presents the business development at regular Board meetings. The Board has reviews with the auditor when the auditor's reports are addressed. The auditor also has meetings with the Board without the management's presence.

All Board meetings follow a predetermined agenda. The attendance of Board members at the Board meetings is reported in the table below. During 2024, the Board mainly addressed issues related to operations, acquisitions, financing, investments, and other ongoing legal matters.

The Board has held sixteen (16) meetings in 2024, five (5) of which were per capsulam.

Evaluation of the Board's Work in 2024

The Board, through an external evaluations provider, conducts an annual evaluation to ensure the quality of its work and to identify any need for additional competence or experience. The Chairman of the Board is responsible for arranging such evaluation and for providing it to the Nomination Committee. Upon request by the Nomination Committee, Board members participate in interviews to facilitate the evaluation. The results of the evaluation have been presented and discussed, in both the Board and the Nomination Committee.

The Board’s Committees

The Board has two committees, the Remuneration Committee and the Audit Committee. The topics discussed in the committee meetings are reported to the Board either in writing or verbally. The work within each committee is carried out in accordance with written instructions and an annual plan established by the Board.

Audit Committee

The Board has appointed an Audit Committee to oversee the fulfillment of the Board's supervisory duties regarding financial and sustainability reporting, internal control, auditing, risk management, and preparing certain accounting and auditing matters. The Audit Committee is also tasked with reviewing the processes and procedures for reporting and financial control. Additionally, the Audit Committee shall monitor the auditor's impartiality and independence, evaluate the audit work, and discuss the coordination between external audit and the internal work on internal control matters with the auditor. The Audit Committee also assists the Company's Nomination Committee in preparing proposals for the auditor and recommendations regarding remuneration to the auditor.

The Audit Committee has held four (4) meetings in 2024. The Audit Committee's meetings and attendance are shown in the table with Board meetings. The Audit Committee of Hexatronic Group consists of three members: Helena Holmgren (chair), Jaakko Kivinen, and Linda Hernström (member since May 2024). The Audit Committee meets the requirements of the Companies Act (Sw. aktiebolagslagen) and the Code’s requirements for independence as well as accounting and audit competence.

Remuneration Committee

The Board has appointed a Remuneration Committee which is responsible for preparing matters regarding remuneration and other employment terms for the CEO and the Company's senior executives. The work includes preparing proposals for guidelines on, among other things, the distribution between fixed and variable remuneration and the relationship between performance and compensation, main terms for short-term incentive and long-term incentive programs, conditions for other benefits, pensions, termination, and severance pay, as well as preparing proposals for individual compensation packages for

Attendance at Board and committee meetings during 2024

Name	Board of Directors	Audit Committee	Remuneration Committee (3)
Magnus Nicolin, Chairman (1)	11/11	-	1/1
Erik Selin	16/16	-	-
Jaakko Kivinen	16/16	4/4	-
Helena Holmgren	16/16	4/4	-
Åsa Sundberg (1)	11/11	-	1/1
Diego Anderson (1)	10/11	-	1/1
Linda Hernström (1)	11/11	2/2	-
Anders Persson (2)	5/5	-	-
Per Wassén (2)	5/5	-	-
Charlotta Sund (2)	5/5	-	-

(1) Elected at the Annual General Meeting in May 2024.

(2) Resigned at the Annual General Meeting in May 2024.

(3) Until the Annual General Meeting in May 2024, the entire Board functioned as Remuneration Committee. A total of two Remuneration Committee meetings were held in 2024, and the table above only shows attendance since a specific Remuneration Committee was established in May 2024.

the CEO and other senior executives. The Remuneration Committee is also tasked with monitoring and evaluating the outcome of variable remuneration and how the Company follows the guidelines for remuneration adopted by the Annual General Meeting.

The Remuneration Committee has held two (2) meetings in 2024. The meetings and attendance are shown in the table with Board meetings. The Remuneration Committee of Hexatronic Group consists of three members: Magnus Nicolin (Chair), Diego Anderson, and Åsa Sundberg.

Board Compensation

According to the decision of the Annual General Meeting in 2024, the Chairman of the Board received a fee of 1,000,000 SEK and each of the other Board members elected by the General Meeting received 365,000 SEK. Additionally, the Chairman of the Audit Committee received 140,000 SEK, and each of the other members of the Audit Committee received 80,000 SEK. The Chairman of the Remuneration Committee received 80,000 SEK, and each of the other members of the Remuneration Committee received 40,000 SEK.

Auditor

The auditor is appointed at the Annual General Meeting. The auditor reviews the financial reports and accounts of the Company and its subsidiaries, as well as the the Board and the CEO’s administration. The auditor participates in the Board meeting where the year-end report is discussed. At this Board meeting, the auditor runs through the financial information and discusses the audit with the Board members without the CEO and other senior executives being present.

The auditor maintains ongoing contact with the Chairman of the Board, the Audit Committee, and the group management team. Hexatronic Group's auditor is responsible for auditing all Swedish subsidiaries within the group and oversees the audit of other companies as part of the group's audit. The auditor reviews the Annual Report and consolidated financial statements for Hexatronic Group AB, as well as the administration of the Board and the CEO. The auditor follows an audit plan discussed with the Audit Committee. Reporting to the Audit Committee occurs during the audit process and upon finalizing the year-end report to the entire board. The auditor also participates in the Annual General Meeting and describes the audit work and observations in an audit report.

Öhrlings PricewaterhouseCoopers AB has been Hexatronic Group's auditor since 2015/16, and Johan Malmqvist, authorized public accountant, has been the principal auditor since 2021.

CEO and Group Management Team

The CEO is subordinate to the Board and is responsible for the Company's day-to-day management and daily operations. The division of responsibilities between the Board and the CEO is stated in the Board's Rules of Procedure and the CEO's Instructions and follows the Swedish Companies Act (Sw. aktiebolagslagen. The CEO is also responsible for preparing reports and compiling information from management for Board meetings and acts as a presenter at Board meetings. According to the financial reporting instructions, the CEO is responsible for financial reporting in Hexatronic Group and thus ensures that the Board receives sufficient information to continuously evaluate the Company's and the group's financial position. The CEO keeps the Board continuously informed of the development of Hexatronic Group's operations, sales development, Hexatronic Group's results and financial position, liquidity and credit status, significant business events, and any other events, circumstances, or conditions that could be assumed to be of material significance to the Company's shareholders. Information on remuneration, share-based incentive programs, and employment conditions for the CEO and other senior executives is available on the Company's website.

The CEO leads the work in the Group Management Team, which is responsible for the operational and strategic development and operations of Hexatronic Group. The Group Management Team has monthly meetings primarily focusing on the group's strategic and operational development and performance follow-up.

Internal control over financial reporting

The Board's responsibility for internal control is regulated by the Swedish Companies Act (Sw. aktiebolagslagen), the Swedish Annual Accounts Act (Sw. årsredovisningslagen) , and the Code. The procedures for internal control, risk assessment, control activities, and monitoring with respect to financial reporting have been designed to ensure reliable, comprehensive financial reporting and external financial reporting in accordance with IFRS, applicable laws and regulations, and other requirements on companies listed on Nasdaq Stockholm. This work involves the Board, the Audit Committee, the Group Management Team, and other personnel.

Control Environment

Hexatronic Group has established instructions and steering documents to regulate the division of roles and responsibilities between the CEO and the Board. The way in which the Board monitors and ensures the quality of

Remuneration to auditors in 2024

Name	MSEK
PWC	
Audit engagement	6
Audit business in addition to audit engagement	1
Tax consultancy	-
Other services	0
Total	**6**

internal control is set out in the Board's Rules of Procedure, the CEO's instruction, and Hexatronic Group's financial policy. The control environment also includes the Board evaluating the operations' performance and results via monthly and quarterly report packages, which contain outcomes, budget comparisons, forecasts, operational objectives, strategic plans, investments, assessments, and evaluation of financial risks, as well as analyses of key financial and operational metrics.

Responsibility for presenting the report package to the Board, and maintaining an effective control environment and ongoing work on risk assessment and internal control with regard to financial reporting, is delegated to the CEO. However, the Board remains ultimately responsible.

Information and communication

The Company's steering documents for financial reporting chiefly consist of policies, guidelines and manuals which are continuously updated and communicated to relevant employees through appropriate information channels. The Group uses a common system for reporting and consolidation of financial information.

As regards external communications, there is an information policy with guidelines on how to publish information externally. The information is communicated on Hexatronic Group's website along with other news and press releases. Quarterly reports are published and supplemented with presentations and investor meetings. The annual report is provided to shareholders and other stakeholders through publication on Hexatronic Group's website and in printed version upon request.

Monitoring, evaluation and reporting

The Board continuously evaluates the information provided by the executive management. It also receives regular updates about Hexatronic Group's development between Board meetings. Hexatronic Group's financial position, strategies and investments are discussed at each Board meeting.

The Board is also responsible for monitoring internal control and assessing the Group's risk management. This work includes, for example, ensuring that measures are taken to manage any shortcomings and monitoring proposed measures brought up in connection with the external audit.

Internal Audit

Hexatronic Group does not maintain an internal audit function. The Board has determined there is no need to establish a separate internal audit function due to the current procedures in place for internal control.

Auditor's report on the Corporate Governance Statement

To the general meeting of the shareholders in Hexatronic Group Ab (publ), corporate identity number 556168-6360

Engagement and responsibility

It is the board of directors who is responsible for the corporate governance statement for the year 2024 on pages 38–49 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 Rev 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

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

Gothenburg, 1 April 2025
Öhrlings PricewaterhouseCoopers AB

Johan Malmqvist
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.

Board of Directors

	 Magnus Nicolin	 Diego Anderson	 Linda Hernström
Position	Chairman of the Board, Board Member and Chair of the Remuneration Committee.	Board Member and Member of the Remuneration Committee.	Board Member and a member of the Audit Committee.
Member since	2024	2024	2024
Year of birth	1956	1968	1982
Work experience	Magnus Nicolin has extensive international experience, having lived and worked in the US, Canada, France, Belgium, and the UK for over 40 years. He served as CEO of Australian listed Ansell Limited, a global leader in personal protective equipment (PPE), from 2010-2021, President of Newell Brands - Europe, Middle East, Africa, and Asia Pacific (USA) from 2006-2010, and before that CEO of Esselte Business Systems Inc (Sweden). Mr. Nicolin has also held senior positions at Bayer AG, Pitney Bowes Inc., and McKinsey & Company.	Diego Anderson has over 30 years of experience in senior management positions in the US fiber network industry, including CEO of Lumos Fiber, Senior Vice President & General Manager at Segra, and other senior positions at nTelos and Sprint. Since January 2024, Mr. Anderson has been Executive Vice President of the Broadband Division of Schurz Communications Inc (USA).	During the period 2008-2022, Linda Hernström held various senior positions within Telia, mainly related to the roll-out of fiber optic networks in Sweden. The roles include Strategic Director for Skanova and Head of Telia Fiber Business. During 2022-2024, Linda Hernström was COO of AxSol, which is part of the Axel Johnson Group.
Education	B.Sc. degree, Stockholm School of Economics, MBA, The Wharton School of the University of Pennsylvania.	B.Sc. in electrical engineering technology from South Carolina State University, M.Sc. in Administration from Central Michigan University, M.Sc. in Management of Information Technology from the University of Virginia, McIntire School of Commerce.	M.Sc. degree in Industrial Engineering and Management, Chalmers University of Technology.
Other assignments	Chairman of the Board of Munters AB (publ), Board Member of FAM AB and Billerud AB (publ).	Executive Vice President at Schurz Communications (USA).	Board member of Volati Communication Holding AB.
Shares	100,000 shares and 200,000 warrants issued by Accendo Capital SICAV RAIF.	15,000 shares.	12,000 shares.
Independent/ dependent	Independent of the company, the company management and major shareholders.	Independent of the company, the company management and major shareholders.	Independent of the company, the company management and major shareholders.

The above holdings of shares for each member refer to holdings as of March 7, 2025.

	 **Helena Holmgren**	 **Jaakko Kivinen**	 **Per Erik Selin**	 **Åsa Sundberg**
Position	Board Member and Chair of the Audit Committee.	Board Member and a member of the Audit Committee.	Board Member.	Board Member and a member of the Remuneration Committee.
Member since	2020	2018	2014	2024
Year of birth	1976	1970	1967	1959
Work experience	Helena Holmgren is since 2025 Finance Lead at Monterro. She was CEO of Pricer AB (publ) during the years 2018-2022, after having held the role of CFO for the company during 2015-2017. In addition, Helena Holmgren has worked in various leading positions in finance and operations for companies such as Navigio, Intrum Justitia AB (publ) and EF.	Jaakko Kivinen has extensive experience in corporate development, private equity, advisory, and M&A through his previous positions as a Partner at Altor Equity Partners, Partner at Soros Private Equity Partners, and Associate at Goldman Sachs. Jaakko has been a Senior Advisor to Accendo Capital since 2017. Jaakko is a Finnish citizen and is based in London.	Erik Selin has over 25 years of experience in the real estate industry, where he founded and built-up Erik Selin Fastigheter AB and Fastighets AB Balder, among others. Erik Selin is primarily active as CEO of Fastighets AB Balder.	Åsa Sundberg has since 2012 been CEO of Teracom Group AB, which is a state-owned telecommunications infrastructure company. Prior to that, Åsa Sundberg was Chairman of Teracom Group AB and CEO of Net1 Sverige AB. Previous roles include partner at the venture capital company Provider Venture Partner, CEO of Telia Engineering and Telia Prosoft, and head of Telia International Carrier.
Education	MSc in Business and Administration, Lund University, MBA University of Ottawa.	MSc in Economics, Helsinki School of Economics and MBA, University of South Carolina.	High School Economics.	M.Sc. degree in Real Estate Finance from KTH Royal Institute of Technology.
Other assignments	Board Member of Micro Systemation AB and ProGlove GmbH.	-	Board Chairman of K-Fast Holding AB, Brinova Fastigheter AB, Swedish Logistic Property AB and Norion Bank AB. Board Member and President of Fastighets AB Balder. Board Member of Neudi & Co and Hedin Mobility Group	Board Member of Industrifonden.
Shares	15,000 shares.	63,500 shares.	7,138,503 shares via part ownership of Chirp AB.	15,546 shares.
Independent/ dependent	Independent of the company, the company management and major shareholders.	Independent of the company, the company management and major shareholders.	Independent of the company, the company management and major shareholders.	Independent of the company, the company management and major shareholders.

Executive Management





	Rikard Fröberg	**Pernilla Lindén**	**Martin Åberg**	**Magnus Angermund**	**Pernilla Grennfelt**
Position	CEO	CFO	Deputy CEO	Head of Northern Europe	Head of Investor Relations
Member since	2025	2021	2014	2021	2024
Year of birth	1974	1969	1981	1968	1970
Work experience	Rikard Fröberg most recently served as Chief Product and Marketing Officer for Ansell Ltd, a global manufacturer of personal protective equipment, based in the US. Senior positions at Ansell between 2010 and 2025, including President of the Industrial Global Business Unit and Chief Commercial Officer for EMEA and Asia-Pacific. Responsible for business development and M&A, and Country Manager in the Baltics at the Nordic industrial wholesaler Ahlsell Group from 2004 to 2010. McKinsey & Co in Sweden during 1999-2004.	Pernilla Lindén was CFO and EVP Business Excellence at Handicare Group, a global medical device company, during the years 2018-2021. Various senior positions at Mölnlycke Health Care during 2007-2018, including Acting CFO, VP Finance Commercial and Finance Director Surgical. Business Director Transportation at Exide Nordic during 2003-2007. Held various positions at Exide Nordic from 1997 to 2003, including Finance Manager.	Martin Åberg was CEO of Proximion during the years 2012-2018. Since 2014, Proximion has been a subsidiary of Hexatronic. Since 2017, Martin Åberg has held the role of Deputy CEO of Hexatronic Group, responsible for M&A. Since 2020, he is also responsible for Hexatronic's Data Centre operations. Analyst at Lage Jonason during 2007-2010.	Magnus Angermund has held leading roles at Hexatroni during the years 2006-2007, 2016-2020 and during 2021-2025 as responsible for Fiber Solutions in Northern Europe. Marketing & Sales Director at EcoDatacenter 2020-2021. Various positions within Enaco 2007-2016, including Sales Manager, Regional Manager and CEO.	Pernilla Grennfelt worked as a consultant in financial communication during 2021-2024. SVP Communications & IR for Gränges Group AB during the years 2014-2021, Head of IR for ICA Gruppen 2013-2014, and Head of IR at Hakon Invest 2005-2013. Journalist and Head of News at Nyhetsbyrån Direkt 1999-2005.
Education	Master of Science in Industrial Engineering and Management from Chalmers University of Technology and a Master of Arts in Mathematics of Finance from Columbia University.	BSc in Business Administration and Economics, School of Business and Economics and Law, University of Gothenburg.	MSc in Engineering Physics, Uppsala University, MSSc in Business, Uppsala University, also a Chartered Financial Analyst, IFL, Stockholm School of Economics.	High School Electrical/ Telecom Engineering, IHM, IFL Executive Management Program.	BSc Business Administration and Economics, University of Gothenburg.
Shares	101,000 shares.	48,197 shares, 770 shares owned by related parties	7,138,503 shares via part ownership of Chirp AB and 100,000 shares owned privately.	231,788 shares.	3,500 shares.

The above holdings of shares for each member refer to holdings as of March 7, 2025.

	Linn Lundstedt	Christian Priess	Lise-Lott Schönbeck	Jakob Skov
Position	General Counsel	Head of Central Europe	CMO	Head of Harsh Environment
Member since	2025	2019	2020	2024
Year of birth	1984	1970	1972	1967
Work experience	Linn Lundstedt has served as General Counsel of Hexatronic since 2023. Prior roles include Legal Counsel at Preem AB from 2018 to 2023, Group Legal Counsel at Telefonaktiebolaget LM Ericsson from 2016 to 2018, attorney at Roschier law firm from 2011 to 2016, and assistant judge at Nyköping's District Court from 2009 to 2011.	Christian Priess was Head of Business Development at Hexatronic 2019-2021 before taking on the role of Head of Central Europe. From 2009 to 2018, he was CEO of Priess Ettema Nigh AG and Marketing Director of Hilti Group from 2004 to 2008. From 1995 to 2001, Christian Priess held various roles within NKT, including Divisional Director Region North, Sales Director Asia, and Region Head.	Lise-Lott Schönbeck was Director of Marketing and Product Management at Biolin Scientific AB from 2016 to 2020. Prior roles include Global Product Manager at Vitrolife AB from 2009 to 2015 and Global Product Manager at Millipore Corp from 2005 to 2009.	Jakob Skov was Chief Operating & Commercial Officer at Greenlab A/S during 2021-2022. His previous assignments include SVP, Product Division Electronics & Microelectronics at Forced Technology, CEO of NKT Photonics A/S 2001-2015, and Executive Business Development Manager at NKT Holding A/S 1999-2001. From 1993 to 1999 Jakob Skov held various positions in the NKT Group.
Education	LL.M. Uppsala University, BSSc in Business, Uppsala University, and a Diploma in legal studies from King's College, London.	MSc International Business, Aarhus School of Business, MBA IMB.	MSc in Engineering Physics and Chemistry, Chalmers University of Technology.	MSc in International Business Administration and Finance, Aarhus School of Economics.
Shares	3,900 shares.	126,804 shares, 21,000 warrants.	32,856 shares.	12,000 shares owned privately, 1,569 shares via FS2020 Holding Aps. and 18,000 warrants.

Risks and risk management

Like all business activities, Hexatronic's operations are associated with risks of various kinds. Identifying and evaluating risks is a natural and integral part of the business to control, limit, and proactively manage prioritized risks.

The Group's ability to identify and prevent risks minimizes the risk that unforeseeable events could negatively impact the business. The goal of risk management is not necessarily to eliminate risk but rather to secure our business objectives with a balanced risk portfolio. Risk assessment also aims to increase risk awareness throughout the organization, including operational decision-makers and board members.

Hexatronic's Board of Directors has ultimate responsibility for the company's risk management. Risks related to business development and long-term strategic planning, as well as the Group's work with sustainability issues and related risks, are managed by Group Management and ultimately prioritized by the Board. The Group's central finance department is responsible for prioritizing and managing financial risks and ensuring that the Group has proper insurance coverage for insurable risks. A more detailed summary of financial risks is also provided in Note 3. The Group's Code of Conduct and several more specific policies form the basis for ongoing operational risk management, which is addressed at all levels of the organization.

Hexatronic's risk management process identifies relevant risks, which are then classified and prioritized. The entire organization, from the company level to the group board, is involved in risk management.

Hexatronic has divided identified risks into operational, market-related, regulatory, and financial risks. Sustainability risks are integral to all risk areas and are described in more detail in the Group's sustainability report. The mapping and monitoring of strategic risk management is supported by operational risk management, where risks are monitored at monthly meetings with the entities and presented as part of the CEO's update at each Board meeting. Training and internal control activities, such as self-assessment, support ongoing risk management work.

Operational risks

Operational risks are linked to Hexatronic's strategic direction and operational management as is corporate strategy including investments and acquisitions. People, systems, and processes are important areas, as is strategy regarding acquisitions, investments, and markets.

Market risks

Risks that affect our industry or market can originate from legal or political issues, overall trends, or macroeconomic factors.

Regultory risks

Risks attributable to breaches of law and regulations, including bribery and corruption, and risks of contractual disputes or intellectual property rights also fall into this category.

Financial risks

Risks arising from Hexatronic's financing of its operations and risks linked to the financial markets include currency, commodity and interest rate risk.

The overall process for risk management

Hexatonic's risk management process begins at the company level by identifying, classifying, and assessing risks. This is done according to a model set by the Group, where the overall risk areas are broken down into risk classes.

The companies' risk analysis forms the basis for local risk work but is aggregated at the Group level. Group management prioritizes Group risks with the most significant impact on the Group's strategic plan. The aggregated risk analysis is discussed and finally adopted by the Board of Directors and forms an integral part of the strategy work with business plans and budgets. The progress with associated action plans is reported regularly to the Board of Directors.

Identify and evaluate

Q2 Identification and analysis by the daughter companies, prioritization and evaluation by Group management.

Integrate risks

Q4 Integrate risks in the budget process and investment plans

Q2 — Q3 — Q4 — Q1

Q3 Determine strategic plan and risk management actions with the Board. Initiate follow-up and reporting

Strategic plan and risk

Q1 Follow-up and reporting (on-going)

Follow-up

Risk management

As part of the strategic risk management work, risk are, risks are identified in all risk categories. The risks and areas deemed to significantly impact Hexatronic's operations are listed below. Year-on-year developments are illustrated by arrows, where an arrow pointing upwards means that the risk has increased.

Market risks	Management	Development (compared to the previous year)
Economy and market Hexatronic is dependent on macroeconomic conditions and its largest customers' growth and financial development. A general downturn or weak economic development would primarily affect customers' willingness to invest, which could lead to weaker sales of Hexatronic's products and services.	Hexatronic's increasing diversification makes the Group less sensitive to economic fluctuations in industries and geographical regions worldwide. Hexatronic strives to continuously diversify the Group's operations and adapt costs to specific conditions.	↗
Political and geopolitical risk Geopolitical instability can negatively impact Hexatronic's operations and results. Closed borders can result in reducing delivery opportunities from suppliers and customers.	As a supplier to the telecom industry, Hexatronic's operations are considered critical in several parts of the world. The choice of suppliers and distribution chains is central to minimizing the risk associated with increased uncertainty in the outside world.	↗
Environmental and climate-related risks Environmental risks continue to grow in importance as regulation and reporting requirements increase. Hexatronic has high ambitions to reduce its climate impact, and there is a confidence risk towards customers and investors if the Group does not deliver on this ambition.	According to the companies' management systems and applicable legislation, systematic environmental work helps minimize the risk of environmental-related incidents. See also the Sustainability Report for more information on the Group's sustainability work and how we minimize our environmental impact.	↗
Innovation and technology Hexatronic depend on the organization's ability to develop and market new products and services in line with the rest of the market. The group's ability to develop new products and services and successfully commercialize them involves risks. An inability to adapt the business to technological changes may lead to the Group's products and services obsolescence.	Cooperating closely with the largest and potential customers in product development is extremely important. Hexatronic is constantly developing its offering to offer more complete system deliveries in the future, primarily based on in-house development, production, and innovative Swedish design and quality. The company believes this will enable long-term customer relationships and higher margins while making the Group's other partners more competitive.	→

Regulatory risks	Management	Development (compared to the previous year)
Regulatory compliance The risk that Hexatronic or a subsidiary of Hexatronic fails to comply with rules and regulations such as the Market Abuse Regulation, trade sanctions, export control rules, and bribery and anti-corruption rules can lead to costs and reputational damage	Hexatronic has policies and internal processes to meet all regulatory requirements. Hexatronic regularly provides training for its group companies on regulatory compliance, such as anti-corruption, trade sanctions and export controls, and insider trading Hexatronic has a committee with relevant members of the Group Management that decides on business ethics matters.	→

Operational risks	Management	Development (compared to the previous year)
Serious production disruption Hexatronic has several major production facilities globally, and damage to these caused by fire or interruptions in the production process can have negative consequences, such as direct damage to property and interruptions that make it difficult to fulfill commitments to customers.	Risk assessment, mapping, and action plans are prepared internally and with external advisors. The Group has market-based insurance coverage, and each major production unit undergoes risk inspections with proposals for improvement measures.	→
Key people/competence Attracting and retaining qualified staff and senior executives is crucial to Hexatronic's long-term success. Hexatronic depends on senior management and certain personnel in the development, purchasing, and sales departments. Deficiencies in corporate culture, equality and diversity, and discrimination can lead to a hostile corporate culture and affect Hexatone's ability to retain and attract staff.	Hexatronic is an attractive employer with low sick leave and staff turnover. It prioritizes creating good conditions for employees to develop within the Group and enjoy their work. The Group's acquisition strategy includes ensuring that key personnel in the acquired companies are motivated to continue running their companies independently within the Group. Hexatronic also actively promotes diversity and equality and organizes regular training activities.	→
Purchasing and supply chains Hexatronic has relationships with many suppliers in many product areas and geographies. Risks may arise if dependence on individual suppliers is high or if many suppliers are geographically concentrated and there are disruptions in the supply chain or geopolitical unrest.	Hexatronic has divided its strategic purchasing into categories with category managers. The purchasing strategy is based on market analysis and risk minimization, aiming at several alternative suppliers for key products. All strategic suppliers are mapped from a risk perspective. Most of the group's suppliers are in the United States and Europe.	↘
Quality control and product liability Hexatronic's system solutions and products are important components in customers' products, and the cost of replacing defective Hexatronic components can be significant and can lead to extensive claims for damages. There is thus a risk of disputes with customers, suppliers, and other business partners	Hexatronic continuously works to ensure the quality of components purchased from suppliers and of products manufactured by Hexatronic. Disputes are followed up quarterly, and the Audit Committee follows up with any significant disputes. The provision for future warranty obligations is evaluated continuously. Disputes are carefully evaluated to ensure that Hexatronic, where appropriate, takes responsibility. Hexatronic also ensures that the Group has adequate insurance coverage.	→
Information and IT Hexatronic relies on IT systems for its daily operations. Disruptions caused by hardware failures, cyber-attacks, or data leaks can directly impact Hexatronic's operations. Disruptions to financial systems can affect the company's ability to report results. Data breaches can lead to unauthorized access, information leakage, or data loss.	Data security is a high priority for Hexatronic and an area where investments are made. Hexatronic believes that a key factor in cyber security is training its employees. Hexatronic has a governing framework for IT and cybersecurity adopted by the Board of Directors and Group Management.	↗

About the Sustainability Report

This is the Group's seventh Sustainability Report in accordance with the requirements of the Swedish Annual Accounts Act, ch. 6, §12. The Sustainability Report relates to the 2024 financial year and is on pages 54-93.

The Sustainability Report encompasses the parent company Hexatronic Group AB and its subsidiaries. Companies acquired or formed during 2024 and companies with less than six employees are excluded in the key metrics.

Sustainability Report

Sustainability Report 2024

At Hexatronic, we are at the forefront of creating sustainable solutions for the fiber optic infrastructure market. Our solutions enhance global connectivity, contribute to sustainable development, and enable people, businesses, and societies to progress and succeed together.

Our sustainability efforts are centered around three core areas—Planet, People, and Ethics. Through these focus areas, we work actively to minimize our environmental footprint, create an inclusive and engaging workplace, and uphold strong business ethics.

A few of our highlights during the year include:

- Reaching 46 percent climate neutral energy in our operations, corresponding to a 30 percent reduction of combined Scope 1 and Scope 2 greenhouse gas (GHG) emissions.
- Linking executive pay to our annual sustainability targets.
- Sending our science-based targets for validation to the Science Based Targets initiative.

Our devotions

Success comes through collaboration, where involvement and shared knowledge fuel progress. This is key to addressing today's challenges and building greener, smarter, and safer societies. We commit to follow the Ten Principles of the UN Global Compact and contribute to the Sustainable Development Goals. We are a proud Nasdaq ESG Transparency Partner since 2021 and we are active members of several national, European, and global sustainability organizations, including:

- UN Global Compact
- The Swedish Anti-Corruption Institute
- FTTH Sustainability Committee & Eco Platform
- Europacable's Sustainability Committee
- Sustainable Subsea Network

Planet
We reduce our environmental impact and contribute to a circular economy, for present and future generations.

People
We create a workplace culture where everyone feels valued, has a sense of belonging, and is given opportunities to succeed and grow.

Ethics
We commit to strong business ethics in our relationships worldwide and seek partners who share our values.

Important milestones 2024

Q1

- Hexatronic's Sustainability Award to HCI and Homeway
- Sustainability targets linked to executive pay
- Hexatronic Microduct ECO reached the field

Q2

- Diversity and equality project with FTTH Council
- Wellness weeks
- Enhanced responsible sourcing program
- Hexatronic Austria solar power installation

Q3

- Project for increased circular product flow
- Diversity and inclusion program with Jobbsprånget
- World Bank collaboration to connect remote island nation
- Group-wide Code of Conduct and Anti-bribery trainings

Q4

- Climate Directive launched
- Updated Sustainability Policy
- Science-based targets sent for validation

General disclosures

Basis for preparation

Information includes Hexatronic Group AB and its subsidiaries. Subsidiaries acquired or formed during 2024 and subsidiaries with less than six employees, are excluded in the key metrics.

The double materiality assessment process includes impacts, risks, and opportunities identified in our business operations and in our upstream and downstream value chain. Material upstream and downstream value chain information is described in the sections relating to the topical standards.

Disclosures in relation to specific circumstances

The 2024 sustainability report is structured with inspiration from the European Sustainability Reporting Standards (ESRS).

In preparing the greenhouse gas (GHG) reporting, the emissions for previous years (2022 and 2023) have been recalculated to include newly acquired companies. New Scope 3 categories have been added in order to achieve consistency with minimum boundaries and compliance with the GHG Protocol Corporate standard. Additionally, data quality has been improved in all Scopes, through improved emission factors and the correction of minor reporting errors. More information about this can be read in the Planet section.

Integration of sustainability-related performance in incentive schemes

Sustainability-related performance is included in the executive incentive schemes and the long-term incentive plan. The sustainability targets linked to executive pay include environmental, social, and governance (ESG) targets within our focus areas Planet, People, and Ethics. Linking executive pay to our annual sustainability targets not only reinforces our dedication to responsible business practices, but also ensures that our leadership team is actively invested in achieving our sustainability objectives.

Sustainability governance

The sustainability governance structure consists of the following bodies:

Board of Directors
Sets the strategic direction. Oversees performance of sustainability matters. Approves the annual Sustainability Report. Seven members, 100% are independent in relation to the company, company management, and major shareholders. Four of the members are male and three are female.

3 ESG Champions (board-nominated)

CEO

Group Management Team
Implements the strategic direction and manages the operations of the company on sustainability matters. Manages and oversees impacts, risks, and opportunities. Assesses material sustainability topics. Ten members at the end of 2024, including the CEO, CFO, Deputy CEO, and CMO, of which four are women (40%) and six are men (60%).

Business and Sustainability Strategy

Sustainability Steering Committee
Leads and coordinates the sustainability work across the company.
Six members of the GMT and the Head of Sustainability.

Group Sustainability Organization
Executes actions to deliver in line with the roadmap and strategy.
Supports progress on prioritized sustainability areas, including business ethics, climate action, sustainable supply chain, health & safety, diversity & gender equality.

Group Sustainability Team

Sustainability Roadmap, policies, and directives

- Climate Action Team
- Sustainable Supply Chain Action Team
- Diversity, Health & Safety Action Team
- Strong Business Ethics Action Team

Legal entities
Local sustainability ownership and actions to deliver in line with the roadmap and strategy.
Executes the sustainability policies, targets, and actions in their respective areas of activity.

Strategy

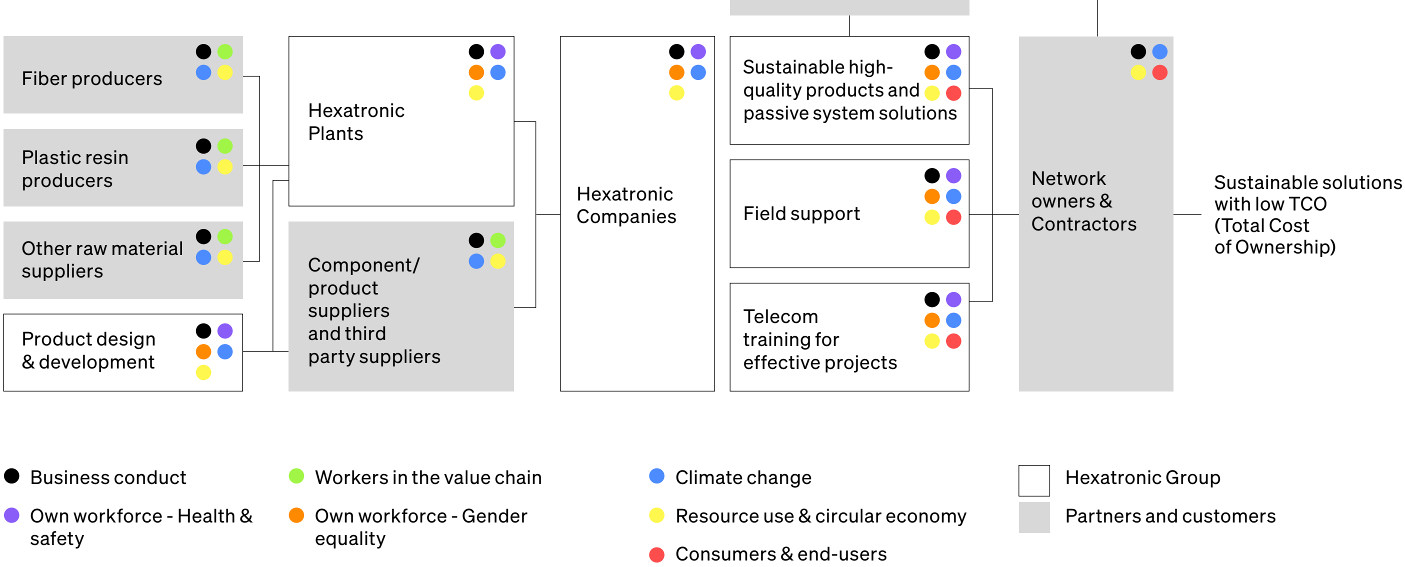
Business model and value chain

Our vision is to create a lasting link to the future. The more people that have access to what a digital universe can offer, the better we believe tomorrow will be. Our products and solutions offer stable connections that create development opportunities for people and societies worldwide.

Our strategy includes seven foundational pillars that guide us forward, with sustainability being fundamental to each pillar. Read more about our strategy and pillars on page 12.

The presence of material sustainability topics in our value chain is vizualized in the image below. Read more about our material topics on page 62.

Our material sustainability topics in our value chain



Interests and views of stakeholders

Engaging with stakeholders is essential to Hexatronic's ability to create value and ensure our long-term success. Understanding various views and interests informs our strategy and business model in a variety of ways, for example in creating a meaningful workplace, developing circular product solutions for reduced carbon footprints, and in conducting business with integrity in the markets where we operate.

The following table discloses how we engage with our key stakeholders, the purpose of those engagements, and examples of their outcomes. The views of stakeholders inform our due diligence process and the materiality assessment.

Key stakeholders	Engagement and purpose	Outcome
Customers	We engage with our customers on a daily operational basis, and through industry groups, innovative collaborations, and surveys.	• Reduction in customers' material-related carbon footprint • Alignment of sustainability materiality for future product areas
Employees	We maintain a collaborative and meaningful workplace. We engage employees through open and direct discussions, leadership communication, trainings, performance and development reviews, and our employee engagement surveys.	• Inclusion of views and perspectives of employees in actions taken by the Group to address material impacts, risks, and opportunities • Above-target eNPS score • Improved health and safety performance • Culture of business integrity
Investors, banks	We engage with our financial stakeholders via presentations, briefings, investor dialogues, and the annual and sustainability reports.	• ESG ratings • Meeting the sustainability information needs of financial stakeholders • Securing financing
Suppliers	We engage with our suppliers on a daily operational basis, through partnerships, through industry groups, and through supplier assessments and audits.	• Adherence to the Group's business conduct and sustainability standards • Supporting our suppliers to advance their sustainability journey
Owners	We engage with our owners on a regular basis through briefings, board meetings, and the annual reporting process.	• Alignment on sustainability strategy, targets, and performance
Regulators/Authorities	We follow updates from regulators and relevant public authorities.	

Material impacts, risks, and opportunities and their interaction with strategy and business model

Hexatronic's risk management process starts at entity level, where risks are identified, classified, and rated. The risk evaluations from the entities form the foundation for local risk management and are aggregated into a group-level analysis. The Group Management Team then prioritizes and identifies the most significant risks to align with the strategic plan. Risk management within Hexatronic, including action and mitigation planning, is reported to the Board on an on-going basis. Read more on page 50.

Material impacts, risks, and opportunities

The material topics are the most significant sustainability areas for our business and form the basis for our priorities.

Our double materiality assessment was updated during 2024, and its preliminary outcome is vizualized below. Relevant sustainability impacts, risks, and opportunities were identified through the collection of data across multiple sources, including:

- Internal information, external reports, stakeholder dialogues, benchmarks, trends, surveys, and expert opinions.
- Topics covered in the European Sustainability Reporting Standards (ESRS).
- Input from our human rights due diligence assessment, including salient human rights risks.
- Input from the annual risk management process.

Process for deciding material topics

Stakeholder dialogue

- Recurring engagement with employees, customers, investors, owners, business partners, suppliers, society, and industry organizations through interviews, surveys, and meetings.

Identification of sustainability topics

- Environmental, social, and governance issues were identified relevant to specific business activities, relationships, products, services, geographical presence across the value chain, and time horizons (short-, medium-, and long-term).

Double materiality assessment

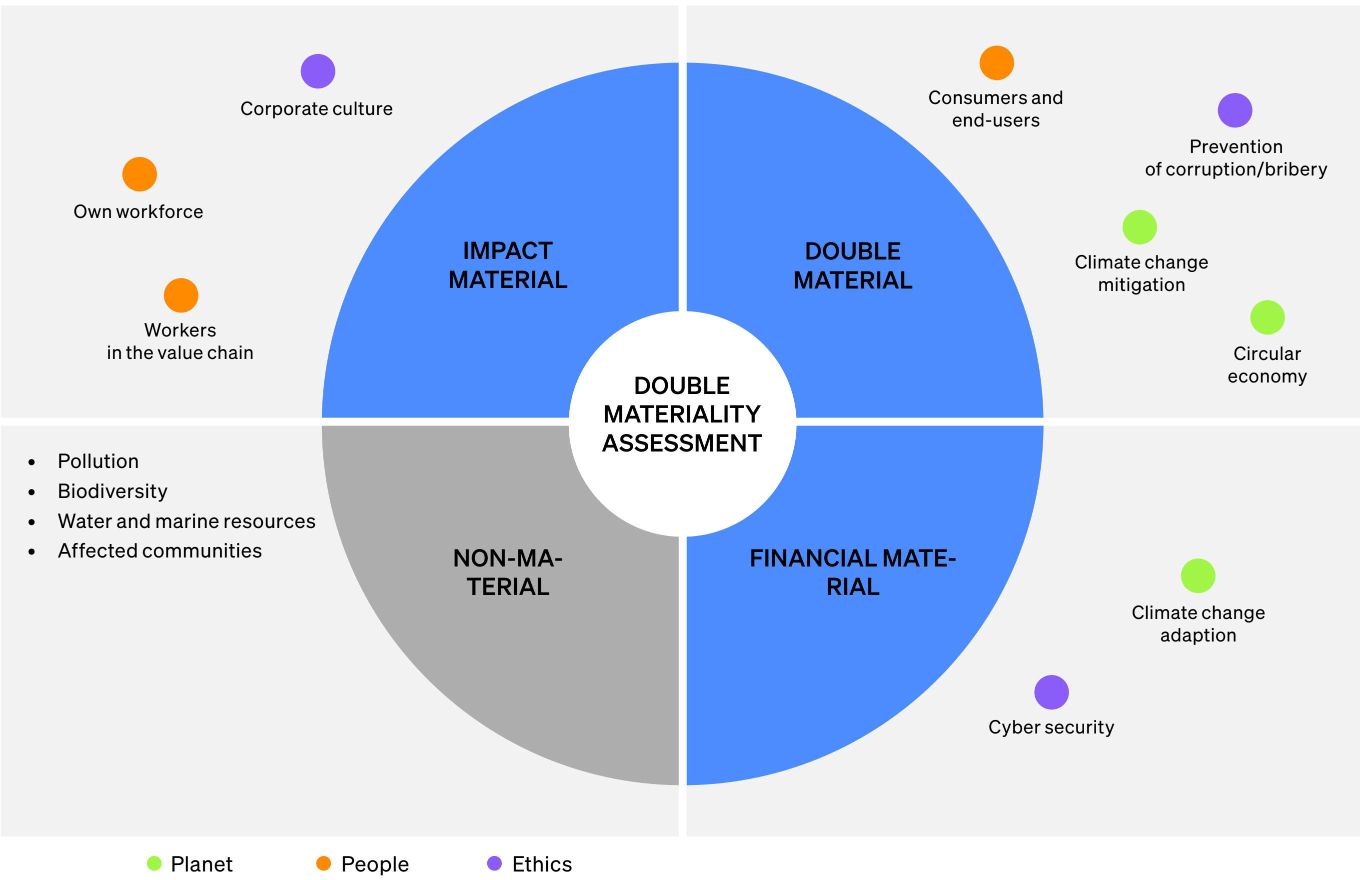
- Financial (outside-in).
- Impact (inside-out).

Integration into strategic business planning

- Incorporation of material topics into strategic plans.

Monitoring and review

- Regular collection and analysis of data.
- Stakeholder feedback mechanisms.
- Periodically review of the double materiality assessment to ensure relevance to changing contexts.



Planet

Hexatronic Group's approach to environmental sustainability reflects our commitment to minimizing environmental impacts across our operations, value chain, and product lifecycle.

This section addresses our material topics: Climate change and Resource use and circular economy. Within these areas we align with global sustainability goals, regulatory frameworks, and stakeholder expectations, while delivering solutions that empower our customers to meet their environmental objectives. The following disclosures outline our strategies, targets, and actions to drive positive environmental outcomes and mitigate risks associated with climate change and resource use.

Climate change

Identifying and assessing material climate-related impacts, risks, and opportunities

We employ a structured and annual process to identify and assess material climate-related impacts, risks, and opportunities across our operations, supply chains, and markets. This process is integrated into our enterprise risk management framework.

The assessment process incorporates stakeholder input and scenario and resilience analysis, to prioritize areas with the most significant potential impact or value creation. Opportunities, such as developing energy efficient solutions and contributing to digital inclusion with low-carbon technologies, are also identified. These findings are reviewed annually by our Sustainability Steering Committee to ensure that they inform decisionmaking, target setting, and resource allocation. Climate risk analyses of our top suppliers have been built into our supplier assessments.

During 2024, our duct and cable manufacturing companies have carried out individual climate scenario analyses and developed resilience strategies, focusing on our sites, logistics, supply chains, and markets. The Task Force on Climate-related Financial Disclosures (TCFD) recommendations have been used as a guide in this work.

We evaluate physical climate risks, such as extreme weather events, changing climatic conditions, water scarcity, and biodiversity loss, alongside transitional risks, including regulatory changes and market shifts, in two different scenarios. The results and action plans have been integrated in to the main risk management process.

Opportunities

Area	Opportunity	How Hexatronic captures the opportunity
Products/services, market	Climate-change mitigation, energy efficiency	Introduce high environmental performance product ranges into more markets, while broadening existing portfolios
Value chain	Leveraging the transition to climate neutral energy and novel raw material	Pursue long-term supply agreements and invest in energy and material efficiency measures
Products/services	Recycling scrap	Further develop the capability to mechanically recycle plastic scrap within our own facilities
Market	Climate-change adaptation	Establish partnerships regarding new technologies (e.g. oceanographic technologies), climate-disaster resilience, and digitalization for remote areas

Risk analysis climate scenarios

Scenario	Factor	Risk	Risk management plan
Net Zero 2050	Transitional	Market transition away from fossil fuels	Identify alternatives to fossil fuels and feedstock; diversify energy portfolios
Net Zero 2050	Transitional	Regulatory changes and compliance costs	Identify local suppliers, reduce reliance on non-local imports, prepare for increased reporting requirements
Current Policies	Physical	Extreme weather events (e.g. hurricanes, wildfires, etc.) impacting operations and employee health	To manage serious disruption in production, Hexatronic Group has adequate insurance coverage, and every company in the Group has its own standard insurance solutions. Our risk mitigation activities include emergency preparedness plans, upgrading of drainage systems, and enhancement of building insulation and cooling systems
Current Policies	Physical	Energy supply vulnerabilities and cost increases due to climate impacts on infrastructure	Phase out old equipment, replace with energy-efficient models, introduce climate neutral energy sources
Current Policies	Transitional/ Physical	Increased operational costs due to emissions trading and raw material costs	Diversify the supply chain, enhance productivity, invest in low-carbon technologies, establish GHG monitoring and evaluation systems

Transition plan for climate change

We work actively to reduce GHG emissions across our operations and value chain. Our transition plan involves enhancing our operational efficiency through innovative product development, resource optimization, and the adoption of climate neutral energy sources. We drive circularity initiatives together with business partners and collaborate with our suppliers on emission reductions in the supply chain.

In 2024, we launched a Climate Directive to align actions and decisions with our target of achieving climate-neutral operations in Scope 1 and 2 by 2030. The Directive covers local energy efficiency initiatives and operational decarbonization policies.

Practical steps towards decarbonization:

- Increasing the share of climate-neutral electricity.
- Transitioning to electric, hybrid, and biofuel-powered vehicles and equipment, including electrification of vehicle fleets and replacement of natural gas systems with heat pumps.
- Enhancing circularity in product design, packaging, and logistics (e.g. drum return programs and water recycling with closed-loop cooling systems).
- Designing products with fewer materials and increasing the proportion of recycled and bio-based materials.
- Phasing out single-use plastic packaging in favor of sustainable alternatives.
- Working with our suppliers to reduce carbon footprints, optimize packaging and transportation, and introduce new products and materials.

Policies related to climate change

- Sustainability Policy: Defines and communicates how we work with our environmental performance, as well as with overall sustainability. This policy expresses our commitments to addressing climate change and impact on ecosystems, including adopting a lifecycle perspective, energy and material efficiencies, and minimizing waste, pollution, and substances of concern.
- Supplier Environmental Requirements: Communicates our supplier expectations on environmental performance and requires our suppliers to cascade the environmental requirements to its suppliers and sub-suppliers. Our suppliers shall minimize and measure their greenhouse gas emissions (Scope 1, 2 and 3), avoid hazardous substances in production, and work in accordance with ISO 14001.
- Climate Directive: Concerns all subsidiaries and serves to meet our target of climate neutral operations (Scope 1 and 2) by 2030. It provides guidance on climate change mitigation, energy efficiency, local goals and the use of climate neutral energy.

Actions and resources

We engage in targeted measures and resource allocation to reduce our climate impact. Our actions include renewable energy, phasing out fossil fuels, and energy efficiency. During 2024, the following measures were implemented:

- The installation of solar panels on one of our production facilities, which provided excess energy to the grid and improved the local energy system.
- Increased production efficiency through improvements in production speed and the installation of new extruders.
- The change of fuel for working machines from fossil diesel to HVO100.
- The purchase of Renewable Energy Certificates (REC's), which resulted in a significant reduction in emissions.

An important part of our environmental work is the implementation and compliance with mangement systems for environment and quality.

- 29 percent of subsidiaries are certified according to the environmental management system ISO 14001
- 54 percent of subsidiaries are certified according to the quality management system IS0 9001

Targets related to climate change

We have established measurable and ambitious targets focusing on reducing GHG emissions across our value chain, including Scope 1, Scope 2 (market-based), and key categories of Scope 3.

Our science-based targets adopt the absolute contraction approach, and are intended to be validated and externally assured by the Science Based Targets initiative:

- Scope 1 and 2 target: Hexatronic Group commits to reducing absolute Scope 1 and 2 GHG emissions 42 percent by 2030 (2022 base year).
- Scope 3 target: Hexatronic Group commits to reducing Scope 3 GHG emissions by 51.6 percent per economic value added to 2030 (base year 2022).

In setting these targets, we have accounted for projected growth, technological advancements, regional- and market-specific developments, and anticipated shifts in customer preferences. An economic intensity target for Scope 3 was selected as it is both ambitious and achievable. These targets cover 100 percent of our Scope 1 and 2 GHG emissions, and at least 67 percent of our Scope 3 emissions.

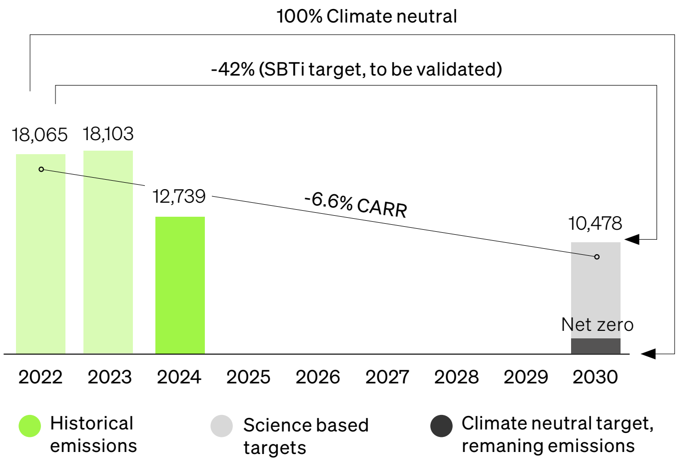
Climate neutral operations:

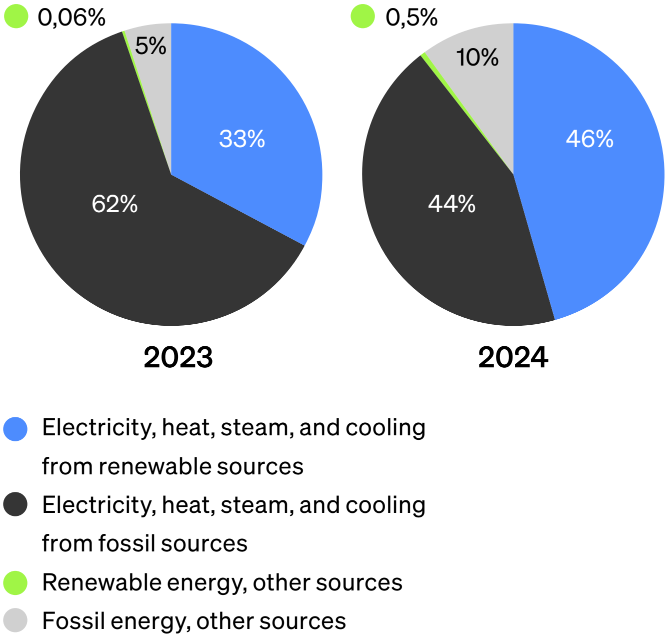
We are committed to achieving climate neutrality in our own operations (Scope 1 and 2) by 2030. By meeting this target, we will significantly surpass the Scope 1 and 2 science-based target.

To ensure compliance with applicable standards, we estimate any exclusions from our greenhouse gas inventory boundaries and limit them to a maximum of 5 percent across combined Scope 1, 2, and 3 emissions.

Climate neutral and absolute reduction targets for 2030 (Scope 1 and 2) tCO_2e

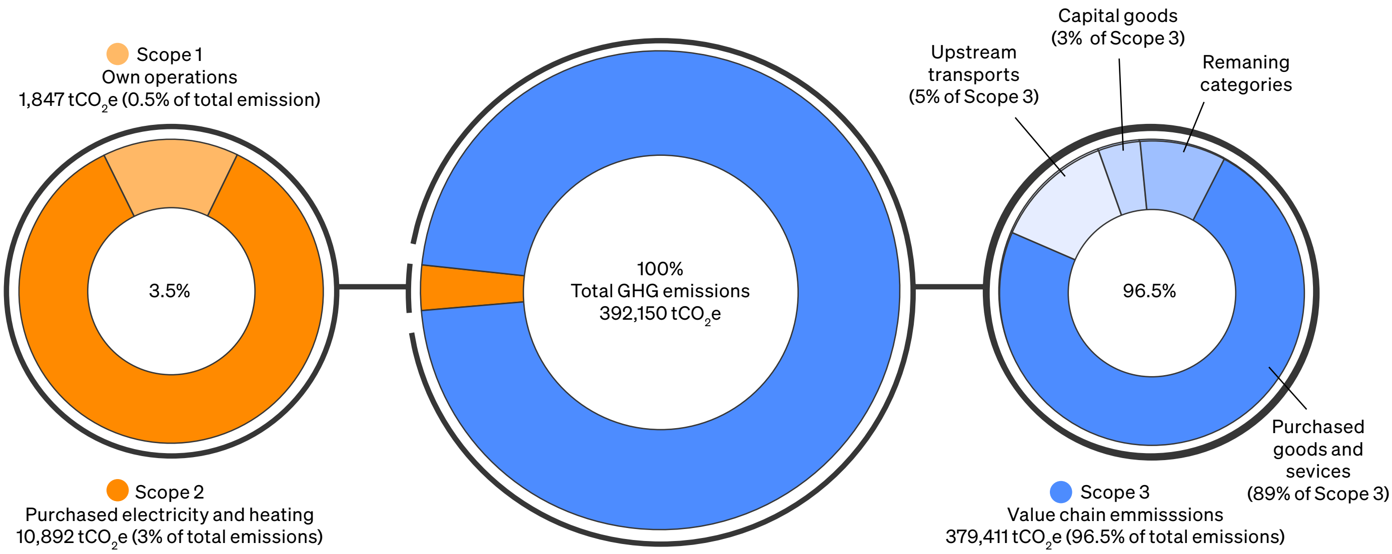
Read more about our progress on page 68.





Energy consumption and mix

In 2024, our total energy consumption was 70,479 MWh, excluding the energy consumption of company cars. Our energy consumption consists of approximately 90 percent electricity. A high degree of electrification means that we are well prepared to reduce our GHG emissions in scope 1 and 2. The share of renewable electricity in total energy consumption increased from 33 percent to 46 percent, compared to the previous reporting period, primarily due to purchase of Renewable Energy Certificates. The increase in renewable energy from other sources is mainly attributed to the transition from fossil diesel to HVO100 at one of our production facilities. The increase in fossil energy from other sources is largely due to the inclusion of newly acquired companies.



Gross Scopes 1, 2, 3, and total GHG emissions

Scope 1 includes all direct emissions, such as on-site fuel combustion, refrigerant leakage, and fuel combustion in company vehicles used for business travel. Scope 1 emissions have remained relatively stable over time and do not correlate as strongly with production variations as Scope 2 emissions.

Scope 2 includes purchased electricity, cooling, steam, and heating. Scope 2 decreased by 33 percent compared to the previous reporting period, primarily due to the puchase of RECs.

Scope 3 includes value chain emissions, with Purchased goods and services, Upstream transportation and distribution, and Capital goods accounting for 89 percent, 5 percent, and 3 percent of total Scope 3 emissions, respectively. Scope 3 emissions decreased by 10 percent, compared to the previous reporting period, mainly due to a reduction in emissions from Purchased goods and Services.

Accounting methodology, method, and data quality

Performance against targets is reported at least once per year, and twice per year by manufacturing companies. Results are analyzed and monitored by the Sustainability Steering Committee and presented to the Board.

Our calculation methodology is compliant with the GHG Protocol Corporate Standard, and the market-based method is used to account for GHG emissions from electricity consumption. The level of accuracy is high for purchased electricity with certificates, while the average market mix is used when residual mix emission factors are unavailable.

For Purchased goods and services, mainly generic data is used. To improve accuracy in value chain emissions, we plan to gradually replace generic data with primary data from prioritized suppliers.

The organizational boundary follows financial control, with no spatial or temporal boundary. Covered GHGs include carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF6).

GHG emissions (The unit is tCO_2e, unless otherwise stated)	**Retrospective** **2022** (Base year)	**2023**	**2024**	% N / N-1 [1]	**Target year** **2030**	Annual % target [3]/ Base year
Scope 1						
Gross emissions	1,861	1,797	1,847	3		
Scope 2						
Gross location-based emissions	17,511	17,330	15,901	-8		
Gross market-based emissions	16,204	16,306	10,892	-33		
Science Based Target Scope 1 & 2 fulfilment						
Combined Scope 1 & 2 emissions (market-based)	18,065	18,103	12,739	-30	42	6.6 / 2022
Target completion [%]		-1	70			
Scope 3						
Total Scope 3 gross emissions	474,640	420,652	379,411	-10		
Category 1 – Purchased goods and services	425,928	375,342	335,887	-11		
Category 2 – Capital goods	14,137	14,533	10,687	-26		
Category 3 – Fuel– and energy–related activities	5,249	5,162	4,455	-14		
Category 4 – Upstream transportation and distribution	19,444	16,298	17,694	9		
Category 5 – Waste generated in operations	863	947	1,089	15		
Category 6 – Business travel	2,073	1,098	1,445	32		
Category 7 – Employee commuting	3,145	3,279	3,176	-3		
Category 8 – Upstream leased assets (not included in Scope 1 or Scope 2)						
Category 9 – Downstream transportation and distribution	3,335	2,924	2,713	-7		
Category 10 – Processing of sold products						
Category 11 – Use of sold products	260	856	2,049	139 [2]		
Category 12 – End–of–life treatment of sold products	206	213	216	1		
Category 13 – Downstream leased assets						
Category 14 – Franchises						
Category 15 – Investments						
Science Based Target Scope 3 fulfilment						
Scope 3 emissions from categories 1 and 4	445,372	391,640	353,581	-10		
Climate intensity	134	108	112	5	51.6	8.7 / 2022
Target completion [%]		38	32			
Total emissions						
Total emissions (location-based)	494,012	439,779	397,159			
Total emissions (market-based)	492,705	438,755	392,150			
GHG intensity per net revenue						
Total emissions (location-based) per net sales (tCO_2eq/ MSEK)	60	51	52			
Total emissions (market-based) per net sales (tCO2eq/ MSEK)	59	51	52			

1 Difference compared to previous reporting period [%]
2 The increase of emissions related to use of sold products is due to an update of calculation method for 2024
3 Compounded Annual Reduction Rate

Case study

Rooftop solar panels help power duct production in Neulengbach

The roof of Hexatronic's production facility in Neulengbach, Austria has been busy, with 852 new solar panels installed on the tops of several buildings.

The solar panel project is a way for the facility to reduce carbon emissions, as a complement to the renewable electricity it is already using from sources like hydropower and wind power. The project will help reduce costs, bring additional renewable energy into the energy system, contribute to independence, and strengthen Hexatronic's reputation as a sustainable player in the fiber network infrastructure business.

"In the future, we can utilize electricity generated within our facility, and we plan to replace the diesel-driven forklifts and car fleets with electric vehicles.," Thomas Erb (Plant Manager) explains. With all the ongoing and planned activities, Thomas Erb believes the Neulengbach facility can be carbon neutral by 2027, three years earlier than the goal for Hexatronic Group.

Lowering energy consumption is another way to minimize our impact on the environment.

Thomas Erb, Plant Manager, Neulengbach

Circular economy

Material impacts, risks, and, opportunities

Hexatronic's business model is built on providing sustainable, high-quality fiber optic solutions. Efficient resource use is essential to achieving our strategic objectives. The material impacts identified within this area include resource inflows and outflows, which directly influence our operations, cost efficiency, and long-term sustainability.

Policies related to resource use and circular economy

- Sustainability Policy: Expresses our committments to minimize waste, maximize resource efficiency, and promote sustainable product lifecycles.
- Supplier Environmental Requirements: Ensures that suppliers prioritize the development and manufacturing of products and services with sufficient environmental properties, from raw materials to finished items.
- Climate Directive: Applies to all subsidiaries and provides a framework for achieving our climate-neutral operations goal (Scope 1 and 2) by 2030. The Directive includes actionable responsibilities for subsidiaries, such as improving resource efficiency.

Actions and resources related to resource use and circular economy

In 2024, Hexatronic proudly introduced new series of sustainability-focused products, including the Microduct ECO series, made with 51 percent quality recycled material. The share of recycled content results in a 33 percent lower carbon footprint, compared to the standard duct made from fossil-based polymers, providing Hexatronic customers with a feasible option to decrease their GHG emissions and reach their climate targets.

In Hexatronic's cable and duct manufacturing sites, drums are used to ship products to sites. Hexatronic has implemented multi-use drums, as well as a digitalized 'drum return project'. Many of our entities are working actively and drum return rates have increased during the year, some reaching above 50 percent.

Cable ducts, which are essential components in fiber optic networks, present an opportunity for integration of recycled materials. In an effort to increase the share of recycled content, Hexatronic has received recycled materials from unused customer ducts from multiple partners. The material is redirected to the production facility for recycling in the production of new ducts. This approach ensures traceability and that the recycled materials come from the same product type, maintaining high quality and longevity.

With an intention to increase Hexatronic's circularity-focused products, key personell are currently undertaking professional development regarding circular design principles and economy. The educational opportunity has been made possible by the Nordic Council of Ministers and is contributing to our competitiveness in the area of circulatory.

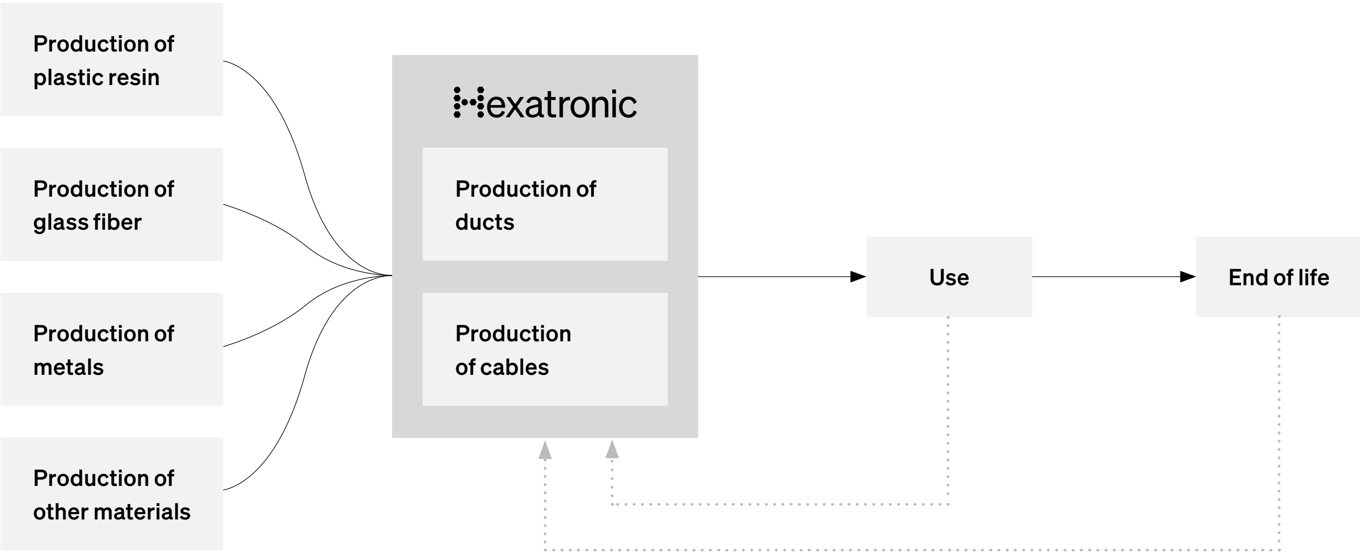
Recycled materials used in duct production

7%

Targets related to resource use and circular economy

We are working to increase the percentage of recycled materials in duct production to 25 percent, by 2030.

Example of major product flows



Case study

Microduct ECO to connect homes in Finnish towns

Hexatronic's commitment to environment and innovation has made us a trusted partner for companies seeking sustainable solutions. One such collaboration is with MPY, a Finnish telecommunications company, where Hexatronic's cutting-edge technologies have played a pivotal role in advancing sustainable FTTH projects.

MPY has increasingly adopted Hexatronic's microduct systems instead of traditional direct-buried cables. Due to its smaller size, the microcabling technology reduces the plastic materials consumed in production and the volume and weight in transportation. The system is also fully scalable to match future needs. Once the microduct system is in the ground, there is no need for further excavations to be able to upgrade the network.

In Heinola, MPY took it one step further by selecting Hexatronic's Microduct ECO, a new generation of microduct that will reduce the project's carbon footprint. Most of the material is recycled and the ducts are produced at Hexatronic's facility in Sweden, which is powered by certified renewable electricity.

Fiber is the foundation for all modern communication, improving the functionality of our society.

Janne Korhonen, Commercial Director, MPY.

People

A supportive, inclusive, and safe workplace culture is foundational to our operational excellence and growth strategy.

This section addresses our material topics: Own workforce, Workers in the value chain, and Consumers and end-users. We prioritize building an environment where our employees can thrive, our suppliers feel supported, and our end-users experience reliable and sustainable products. The following disclosures outline our strategies, targets, and actions to drive positive outcomes and mitigate risks regarding the people we work with everyday.

Own workforce

Material impacts, risk, and opportunities

As a technology-driven company, our business model relies on a skilled, engaged, and secure workforce to maintain the quality and resilience of our supply and service offerings. The material impacts identified within our workforce, such as gender equality, training and skills development, and health and safety, are essential to not only fulfilling our strategic objectives but also ensuring sustainable and responsible growth across our operations.

Our material impacts include;

- Health and safety: As a critical component of our workforce strategy, our health and safety initiatives directly affect workforce stability, productivity, and risk management. Continuous monitoring and improvement of health and safety metrics, such as accident rates and lost workdays, help us mitigate potential negative impacts and uphold regulatory compliance.
- Gender equality: Our commitment to diversity, gender equality, and anti-discrimination within our workforce demonstrates our dedication to creating an inclusive work environment. Our pursuit of diverse representation, such as gender balance in management and the workforce, reinforces our values and positions us competitively to attract diverse talent. Social responsibility is also valued among our customers and partners.
- Training and skills development: Training and skills development are not only essential to employee engagement and career growth, but also to advancing productivity, efficiency, and adaptability in a rapidly evolving industry.
- Other work-related rights: Our continued commitment to preventing labor exploitation ensures that our growth aligns with our ethical obligations and social responsibility goals, while promoting fair labor practices. We aim to conduct regular audits and collaborate with third-party stakeholders to ensure our operations meet legal and ethical labor standards.

Our workforce initiatives enhance our employees' capabilities and contribute to operational excellence. By maintaining a culture of continuous learning and skill enhancement, we strengthen our adaptability and competitiveness in a rapidly evolving technological landscape.

Our focus on social impacts, including gender equality, fair wages, and a safe and inclusive workplace, supports our strategic focus on sustainable and responsible growth. By prioritizing these areas, we mitigate operational risks, enhance employee engagement, and meet rising regulatory and stakeholder expectations for socially responsible business practices.

Case study

Jobbsprånget promotes workplace equality and diversity

In 2024, Hexatronic headquarters proudly joined Jobbsprånget, a program that bridges the gap between employers in Sweden and foreign-born academics, promoting workplace equality and diversity.

Through this program, we welcomed talented interns to our Sustainability Team. Their unique international expertise brought fresh perspectives to our work, enriching our projects and strategies. At the same time, the program provided these skilled professionals with invaluable experience in a Swedish workplace, contributing to integration and mutual growth. It was a rewarding exchange that highlighted the power of inclusivity and reinforced our belief that diversity isn't just beneficial—it's essential for driving innovation, creativity, and success within our company.

The supportive environment and focus on collaboration made it clear that diversity is a strength here.

Cara Boccieri

Policies related to own workforce

- Sustainability Policy: Emphasizes health and safety, employee well-being, and respect for labor rights, reflecting our goal to support a sustainable work environment that benefits employees.
- Diversity and Gender Equality Policy: Deomonstrates our dedication to cultivating an inclusive work environment, where employees feel valued and are empowered to contribute their unique perspectives and skills. This policy underlines our commitment to ensuring equal opportunities in recruitment, development, and career progression, in alignment with global standards on gender equality and non-discrimination.
- Code of Conduct: Outlines our core values and ethical principles, setting the standard for responsible behavior across our workforce. It includes guidelines on professional conduct, respect for human rights, anti-harassment, and environmental stewardship. All employees are required to adhere to these guidelines, which are foundational to maintaining trust, integrity, and accountability within the organization and in our interactions with external partners. We ensure all employees are aware of, and understand their ethical obligations through annual mandatory training on the Code of Conduct.
- Whistleblowing Policy: Provides a confidential and protected channel for employees to report concerns related to unethical or illegal activities, including discrimination, harassment, or violations of labor rights. This policy underscores Hexatronic's commitment to transparency, accountability, and employee protection, ensuring that concerns can be raised without fear of retaliation.

Engaging with own workforce about impacts

We gather insights, identify challenges, and respond proactively to workforce needs. Our annual employee survey is one of our tools for gathering feedback on key issues such as job satisfaction, working conditions, and career development opportunities. The survey assesses workforce sentiment, helping us track progress on issues like diversity, inclusion, and work-life balance.

Our annual performance and career development review process includes one-on-one discussions with managers, where employees have an opportunity to voice their aspirations, challenges, and feedback on their roles and the overall work environment. This process not only informs individual development plans but also highlights areas where broader organizational support may be needed. By ensuring annual, open dialogues, we reinforce our commitment to employee growth and satisfaction.

In regard to operations with higher safety risks, we have established health and safety management systems, which include incident reports and ways to improve workplace safety. Employee input on health and safety matters is critical, as it helps us maintain high safety standards and implement preventative measures tailored to workforce needs.

As part of our commitment to sustainability, we encourage employees to contribute ideas, share feedback, and participate in initiatives that drive our sustainability efforts. This approach helps reinforce shared responsibility for our sustainability objectives and maintains a culture of inclusion and transparency.

These engagement processes ensure that our workforce has multiple, accessible channels to express concerns, contribute insights, and influence decisions that affect them.

Employees who have completed our Code of Conduct training.

98%

Remediating negative impacts for own workforce

We uphold a supportive work environment that proactively addresses negative impacts and provides multiple, secure channels for employees to raise any concerns they may encounter. Our approach integrates dedicated mechanisms to capture employee feedback, resolve grievances, and ensure that issues are remediated in a fair and timely manner.

Our whistleblower tool allows employees to report unethical conduct, workplace harassment, discrimination, and other adverse impacts they may face. This mechanism, and its aligned policy, are designed to ensure confidentiality and protect whistleblowers from retaliation, creating an environment where employees can freely express their concerns. Reports made through the whistleblower channel are reviewed by an external party and part of our management team, which investigates cases and recommends corrective actions where necessary.

Employees are encouraged to reach out to the manager, the HR department, or to the internal confidential counselor (where it exists), to discuss any issues they face, particularly those related to employment conditions, health and safety, or interpersonal conflicts. The HR team is trained to assess cases, offer support, and mediate resolutions in a way that aligns with our values and policies.

To build trust, we communicate transparently with employees about actions taken to address reported issues, whenever confidentiality permits, to highlight changes made to improve work conditions or prevent future occurrences. This transparency strengthens the integrity of our grievance mechanisms and underscores our commitment to continuous improvement.

For reported workplace incidents, particularly in areas of health and safety, we maintain processes which aim to investigate and correct the causes of workplace incidents. Affected employees are offered support, and processes are reviewed to mitigate risks and prevent recurrence. By continuously refining our safety practices based on feedback and incident analysis, we aim to uphold a safe and supportive environment for all employees.

Taking action on material impacts on own workforce

Hexatronic has identified several key workforce areas where we take concerted action to support a safe and supportive workplace. We continuously monitor material areas to manage risks effectively and pursue opportunities that strengthen employee engagement, enhance retention, and contribute to our long-term goals.

Employees who find Hexatronic to be an equal and inclusive workplace.

74%

To address health and safety risks, we implement Health and Safety (H&S) management systems in our operations. Efforts to improve workplace ergonomics and safety measures are ongoing. Effective H&S practices minimize workplace incidents, reduce absence, and contribute to a safer work environment. Our continous improvements resulted in a decreased number of work-related accidents during 2024 compared to previous years. By prioritizing safety, we not only protect our workforce but also strengthen operational continuity and reduce the potential for costly disruptions.

Work-related accidents [1)]
Our aim: 0

1.5

Wellness Weeks at Hexatronic are dedicated to developing a holistic culture of health, well-being, and sustainability across our workforce. Local events feature a range of inclusive activities that promote physical, mental, and environmental health, with company-wide participation. Employees are encouraged to engage in activities to raise awareness of, and cultivate, employee well-being.

To encourage skill development, we provide opportunities across all levels, ensuring employees have access to the resources they need to advance their careers. Investing in training reduces skill gaps and ensures that our workforce remains agile and equipped for future demands. Performance reviews include discussions around career development. Development opportunities improve employee satisfaction and support succession planning, thus reducing risks associated with turnover and talent scarcity.

These actions reinforce our commitment to a responsible and employee-centric business that supports growth, stability, and the well-being of our workforce.

We have set an ambitious target regarding gender equality in our industry. We are now looking to the lessons learnt and best practices of where we have achieved successful implementation of gender balance, in order to develop action plans for areas of operations where gender equality faces challenges. Achieving gender equality is beneficial for everyone, across all levels of business, and promotes a more resilient and innovative workforce. We also review and address gender pay gaps to ensure fair compensation for all employees.

Equal Pay Index [2)]
Our aim: 100

96

1) Number of work-related accidents with more than 24 hours absence, divided by total number of hours worked, multiplied by 200,000.

2) Weighted average gender pay gap, based on four entities that can currently calculate this index.

Targets related to own workforce

Our targets include ensuring health and safety management systems, monitoring and minimizing absence due to sick leave, and reducing work-related accidents to maintain a safe work environment. Our vision is that no accidents should occur at work.

To promote a culture of equity and respect, we set specific objectives to prevent and address instances of discrimination, and actively promote gender equality within our workforce.

We prioritize performance and career development reviews for all employees to support professional growth and advancement.

Our targets and commitments reflect our dedication to an inclusive, safe, and supportive environment, while also addressing risks that may impact our employees and organization.

Key metrics	Description and progress	Baseline 2022	Result 2024	Goal 2030
Employees in operations covered by a health and safety management system [%]	Health and safety management system based on legal requirements and/or recognized standards or guidelines, such as ISO 45001 or similar, which has been internally audited and/or audited or certified by an external party.	36	85	90
Employee absence due to sick leave [%]	Total hours of sick leave in relation to total number of working hours for the own workforce, including overtime. Subsidiaries in countries that only measures paid time off are excluded.	3.1	4.1	3
Number of work-related accidents	The number of work-related accidents with more than 24 hours absence, divided by total number of hours worked, multiplied by 200,000. Continuous improvements for increased health and safety has resulted in a decreased number of work-related accidents.	3.5	1.5	0
Employees who have had an annual performance and career development review [%]	Percentage of employees who had a review, compared to total number of employees, during the year. The decrease in annual performance review is a result of the inclusion of newly acquired companies, which are currently undertaking action plans to reach the target.	97	71	100
Confirmed instances of discrimination	No confirmed instances of discrimination during the year have been reported to managers, HR, or through our whistleblowing function.	0	0	0
Gender equality (all employees) [%]	Percentage of female employees. The proportion of employees who are women has been negatively impacted by some of our recent acquisitions, which had a lower proportion of women in their workforce.	29	26	40

Case study

Wellness Weeks

Wellness Weeks were organized throughout the Group during May, with many inspiring local initiatives. In Hudiksvall, Sweden, healthy snacks, fruit, and smoothies were served.

There were several prizes awarded to the winners of the step competition, orienteering competition, and feel-good-bingo. In total the registered steps were 990 km!

The UK-based company, IDS, dedicated their Wellness Weeks to mental health awareness. The employees took part in a bike competition to see who could pedal the furthest in five minutes. Totaling 94 miles (151 km), IDS contributed significantly to the local charity - Hart Voluntary Actions and their "Walk and Talk" nature therapy sessions.

Workers in the value chain

Material impacts, risks, and opportunities

Hexatronic operates within a global supply chain that includes manufacturing, installation, and servicing of digital infrastructure. With a diverse network of suppliers, there are potential concerns regarding labor conditions, in particular within lower-tier suppliers in regions where labor regulations may be inadequately enforced. These risks require continuous monitoring and strategic interventions to ensure that human rights are uphold throughout the supply chain.

Policies related to workers in the value chain

- Sustainability Policy: Reinforces our commitment to respecting human rights and labor standards. Our suppliers and partners are expected to comply with all relevant national laws and international standards, particularly with regard to preventing forced and child labor, and to uphold the rights of all workers. This includes establishing that workers receive fair wages, work in safe conditions, and have freedom of expression without fear of reprisal.
- Supplier Code of Conduct: Outlines the expectations that we place on our business partners. Human rights due diligence is embedded into our sourcing processes, ensuring continuous monitoring and improvement in labor conditions.
- Whistleblower Policy: Creates a secure and confidential reporting channel for stakeholders across the value chain. Anyone can report concerns regarding unethical or illegal practices, including labor issues and human rights abuses, without fear of retaliation.
- Trade Compliance Policy: Establishes standards to ensure that all business activities comply with relevant trade laws and regulations. This policy includes measures to prevent engagement with partners involved in unlawful activities, particularly those that may conflict with human rights and labor standards. It promotes ethical sourcing by emphasizing due diligence across all procurement and trade practices.
- Modern Slavery Act Statement: This statement outlines the company's actions in regard to identifying, assessing, and mitigating risks related to modern slavery, including procedures for regular supplier assessments and corrective action plans if issues are identified. This statement is updated annually and provides timely information on our progress in this area.

Engaging with workers in the value chain about impacts

We recognize that engagement with value chain workers is crucial to understanding and addressing the potential social and environmental impacts across our operations. Therefore, a comprehensive stakeholder engagement toolbox has been introduced to evaluate suppliers' sustainability performance related to human rights, working conditions, and environmental performance. We aim to contribute positively and pro-actively to the people we partner with through capacity building and resource sharing, to ensure that the workers in our supply chain are active participants in shaping a responsible, fair, and sustainable supply chain.

Remediating negative impacts for value chain workers

We are dedicated to maintaining a responsible and ethical supply chain, ensuring that value chain workers are treated fairly and that any negative human rights impacts are promptly and effectively addressed.

Our Supplier Code of Conduct requires all our suppliers to maintain grievance mechanisms that allow their employees and contractors to voice concerns confidentially and without fear of retaliation. These mechanisms are designed to capture potential issues, including those related to human rights or environmental-related risks.

In addition to our suppliers' internal channels, Hexatronic's whistleblower tool is accessible to value chain workers. These channels are overseen by both an external party and our management team, confirming that reports are handled with care, transparency, and urgency.

Taking action on material impacts on value chain workers

In the past year, Hexatronic has enhanced our approach to managing the social and environmental impacts of our supply chain, with a focus on protecting the rights and well-being of value chain workers. We have introduced

several key processes aimed at identifying, mitigating, and addressing risks, while also harnessing opportunities to drive positive change across our supply chain.

1. Launch of a Supply chain sustainability risk tool
We have developed and implemented a sustainability risk tool designed to ensure that our supply chain operations are sustainable, ethical, and compliant. This tool incorporates five major global indices:

- Sustainable Development Goals
- Global/Workers Rights Index (labor rights)
- Freedom in the World (civil liberties and political rights)
- Environmental Performance Index
- Corruption Perceptions Index

By using this data-driven approach, we can systematically evaluate the human rights and environmental risk levels in specific geographies and among specific suppliers. This helps us prioritize where deeper assessments and interventions may be necessary, and where we can effectively engage with suppliers on corrective actions.

2. Supply chain 'Toolbox' for stakeholder engagement
In addition to risk mapping, Hexatronic has introduced a comprehensive stakeholder engagement toolbox.

This includes:

- Pre-qualification assessments to evaluate potential suppliers' sustainability performance, before onboarding.
- Self-assessment questionnaires for existing suppliers to report on their practices related to human rights, working conditions, and environmental performance.
- Audits to verify compliance with our Supplier Code of Conduct and broader expectations. During 2024, 15 supplier sustainability audits were conducted.

Corrective action plans are developed in partnership with the supplier to remedy any issues where non-compliances or risks are identified. We monitor the effectiveness of these actions to support continuous improvement.

3. Supplier Code of Conduct
We have implemented a robust Supplier Code of Conduct that explicitly prohibits forced labor, child labor, and any form of discrimination or exploitation within the supply chain. It sets out clear expectations on working hours, wages, and freedom of association. Adherence to this code is assessed through the above-mentioned audit and monitoring processes.

4. Human Rights Due Diligence (HRDD) assessment
In alignment with the UN Guiding Principles on Business and Human Rights, we have conducted a HRDD assessment of our supply chain. This assessment identified areas where workers' rights could be at risk and has allowed us to focus on mitigating potential negative impacts related to working conditions and labor practices.

Effectiveness of Actions
Through these initiatives, we have already seen positive results, including greater transparency in the supply chain and increased supplier engagement on sustainability issues. For example, pre-qualification assessments and self-assessment questionnaires have led to enhanced collaboration with suppliers on setting higher standards for worker safety, wages, and labor rights. Moreover, the use of our sustainability risk tool has enabled more targeted engagement in high-risk regions, reducing exposure to potential human rights violations.

We believe that through these proactive measures, we are not only reducing risks but also developing a more responsible and inclusive supply chain, driving long-term value for both our business and the workers in our value chain.

Targets related to workers in the value chain

We are committed to ensure responsible business practices across our supply chain, while mitigating risks and advancing positive impacts on value chain workers. We aim to have all direct material and logistics suppliers sustainability screened by 2030, and reach 90 percent of the spend from sustainability approved suppliers. Our ongoing efforts are essential to ensure that human rights, fair labor practices, and environmental responsibility are upheld across our value chain.

Key metrics	Description and progress	Baseline 2022	Result 2024	Goal 2030
Spend from sustainability approved suppliers [% of purchased volume]	Share of spend from suppliers that have been sustainability approved*, out of total spend, from direct material. Suppliers are evaluated based on compliance to our requirements set out in our Supplier Code of Conduct and Environmental Requirements. After an initial risk screening, selected suppliers are evaluated, assessed, or audited. The suppliers respond to questions related to environmental impact, human rights, fair employment conditions, a good working environment, anti-corruption, and supply chain management. The responses are supplemented with relevant documentation. In the evaluation phase, the suppliers are scored on each topic and can be asked to clarify and/or supplement the material, or take corrective actions, in order to be approved. *Approval requires a score of 70% or higher.	41	43	90

End-users

Material impacts, risks, and opportunities

Hexatronic's fiber optic solutions play a vital role in advancing digital connectivity, offering significant opportunities to positively impact end-users through improved access to information and communication technologies. Our materiality assessment identified two key areas where Hexatronic's products provide positive impacts for consumers and end-users: information-related impacts, which enhance access to reliable and high-speed communication networks, and social inclusion, where Hexatronic's solutions help bridge the digital divide, particularly in underserved or more remote communities.

In addition, Hexatronic is dedicated to providing comprehensive field support and training services, which further enhances the reach and effectiveness of our fiber optic solutions. These services ensure that our technology can be deployed efficiently and safely across diverse and challenging environments. By empowering local teams and contractors with specialized skills, we improve the durability and performance of digital infrastructure while supporting the knowledge growth within these communities. This commitment aligns with our values by enabling equitable access to digital infrastructure, supporting both social and economic inclusion globally.

Policies related to end-users

- Sustainability Policy: Affirms our commitment to enhancing the information-related impacts of our offerings by upholding that our solutions support high-speed connectivity for end-users. It furthermore, aligns relevant internationally recognized instruments, such as the UNGP's, in regard to the extension and protection of human rights of all individuals.
- Whistleblower Policy: Creates a secure and confidential reporting channel for end-users. It ensures that anyone can report concerns regarding unethical or illegal practices, without fear of retaliation.

Engaging with end-users about impacts

Hexatronic's approach to engaging with end-users on sustainability impacts is an essential part of our broader commitment to responsible business practices. To better understand our customers' perspectives on sustainability and their focus areas, we conducted a sustainability survey during the reporting period. This survey aimed to identify the material topics that are most relevant to our customers and their end-users, ensuring that we are responsive to the environmental and social priorities they value. The feedback informs our ongoing materiality assessment and helps us align our products and services more closely with customer expectations, as well as guides our future engagement strategies.

Remediating negative impacts for end-users

We recognize the importance of enabling consumers and end-users to voice their concerns and providing effective remediation processes. Our consumers and end-users can raise concerns through our established Whistleblower tool, governed by our Whistleblower Policy. This tool is accessible, confidential, and available to all stakeholders.

Taking action on material impacts on end-users

Hexatronic's business model includes expanding digital infrastructure in remote, and, at times underserved, communities. One notable example is our collaboration with the World Bank to provide fiber optic connectivity to the island nation of Tuvalu. By bringing reliable, high-speed internet to remote communities, we aim to bridge the digital divide, allowing improved access to information, communication, and educational resources, which in turn supports both social and economic development.

We continuously capture valuable lessons from such projects to develop guidelines for future initiatives, enabling us to scale our impact. By strengthening our processes and aligning with reputable intergovernmental partners, such as the World Bank, Hexatronic is creating a roadmap for future projects that will expand connectivity and continue our mission to bridge the digital divide globally.

Case study

Bridging the Digital Divide: A Collaboration for Connectivity

In the middle of the Pacific Ocean lies a small island nation made up of nine islands, known collectively as the "United Islands" or Tuvalu. The remote location presents ongoing challenges – especially when it comes to digital connectivity.

Recognizing the transformative power of connectivity, Hexatronic has partnered with the World Bank to bring high-speed fiber optic internet to Tuvalu. The project has been in development throughout 2024, and at the end of the year, the first groundbreaking took place—connecting the country's hospital as the first critical step. Over the next 12 months, the deployment will continue, with all schools connected in Phase 1, and eventually, fiber reaching homes across the islands.

Beyond infrastructure, digital inclusion is also about people. One key local organization, Tuvalu Women for Change, is working to empower women and girls in ICT, helping to ensure that digital access is inclusive and beneficial for all.

For Hexatronic, this project is more than just laying fiber – it's about bridging distances, enabling education, supporting small businesses, and contributing to economic growth in a place where connectivity has long been a barrier. By working together with local stakeholders and global partners, we are taking a meaningful step toward a more inclusive digital future.

My hope is that the people of Tuvalu will not only consume digital connection, but create with it!

Tenanoia Simona, CEO Tuvalu Telecommunications Corporation.


Pär
Gustafsson
Hexatronic

Ethics

The materiality assessment has identified two key material topics – corporate culture and the prevention and detection of corruption and bribery – which reflect our commitment to a transparent, trustworthy, and responsible business environment.

Business conduct

Business conduct policies and corporate culture

Our policies

Business ethics is about building trust. We actively work to ensure that our customers, investors, owners, suppliers, employees, and other stakeholders know that we represent a high level of business ethics. How we do business is just as important as the results we achieve. We therefore embed these responsibilities throughout our organization via relevant policies, designed to uphold the highest standards of integrity and accountability across our operations. These include:

- Code of Conduct: Provides the ethical foundation for all employees, ensuring fairness, respect, and responsibility in order to guide decision-making. All employees sign our Code of Conduct and receive training on an annual basis.
- Sustainability Policy: Sets out our commitments and governance principles to drive long-term positive impact. This policy has been updated in 2024 to reflect our forward-looking commitments in business ethics.
- Anti-Corruption Policy: Reinforces our zero-tolerance stance toward bribery, corruption, and unethical practices. Employees receive annual training regarding this policy.
- Trade Compliance Policy: Ensures adherence to international trade laws, reducing risks associated with export controls and sanctions.
- Modern Slavery Act Statement: States our commitment to preventing forced labor and human trafficking within our operations and supply chain.
- Tax Policy: Promotes transparency and compliance with tax laws while supporting responsible fiscal governance.
- Supplier Code of Conduct: Extends our ethical standards to suppliers, requiring responsible labor, environmental, and anti-corruption practices.
- Whistleblowing Policy: Encourages and protects the reporting of unethical behavior, ensuring accountability at all levels.
- Governing Framework for IT and Cyber Security: Safeguards sensitive data and systems, enabling robust and secure business operations.

Spend from sustainability approved suppliers

43%

Our corporate culture

Our corporate culture is the cornerstone of sustainable growth. It reflects our core values of openness, responsibility, and inventiveness. These values are intentionally embedded into our daily operations, decision-making, and long-term strategy.

Our sustainability targets are linked to executive pay, which further strengthens our committment to responsible business practices and embeds sustainability in our culture.

As we grow through acquisitions, we recognize our role as a responsible owner, and bring with us a strong commitment to ethical business conduct. When we integrate new companies into the Group, we ensure that our values and practices are shared and adopted through policies, training, and accountability to align with globally recognized sustainability standards.

Prevention and detection of corruption and bribery

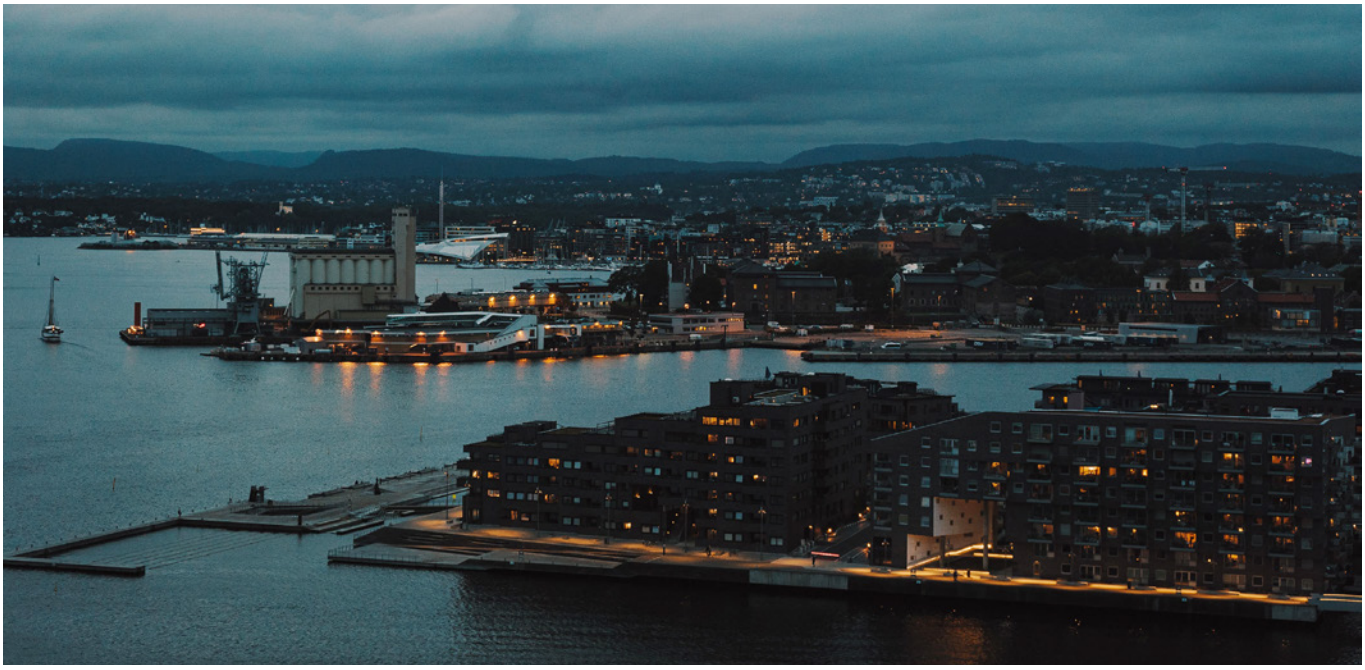
Knowledge about the Anti-Corruption Policy and annual training is mandatory for all indirect employees. Through the implementation of our Anti-Corruption Policy, Hexatronic reinforces its zero-tolerance approach to corruption and bribery. This policy provides support and guidance, and applies to all employees, contractors, and business partners.

Hexatronic has in place mandatory procedures for the detection and prevention of corruption and bribery regarding international trade, which consist of sanctions- and risk lists, evaluation criterias, and mitigation steps. Furthermore, we undertake enhanced due diligence procedures before entering into a sales agent agreement.

The Strong Business Ethics Group is in place to review and approve or deny requests to engage in trade associated with potential risks, evaluate risks, and respond to any identified risks of corruption or bribery.

By actively mitigating corruption risks, we enhance our reputation as a trustworthy and ethical business partner.

Key metrics	Description and progress	Baseline 2022	Result 2024	Goal 2030
Employees who have completed internal Code of Conduct training [%]	During 2024, 98% of the employees completed training in our Code of Conduct , either online or via classroom training.	91	98	100
Indirect employees who have completed anti-bribery and anti-corruption training programs [%]	During 2024, close to all indirect employees completed training in anti-corruption.	97	97	100
Number of confirmed instances of corruption	No confirmed cases reported to our Whistleblowing function, HR, or management.	0	0	0



Our key metrics and Agenda 2030

To steer and track progress in our prioritized sustainability areas, we have defined a set of key metrics. Some of these metrics have both short-term (2025) and long-term (2030) goals. The key metrics apply to the Group and its subsidiaries with more than six employees, that were active within the Group for the entire reporting year. Companies that are acquired are incorporated into the key metrics during the next reporting year, as routines and processes are established.

The below table illustrates how our key metrics align with the Sustainable Development Goals (SDG) in Agenda 2030 and the UN Global Compact's (GC) Ten Principles for responsible corporate governance.

Prioritized sustainability areas/SDG and GC	Key metric	2022	2023	2024	Goal 2025	Goal 2030
Planet SDG: 7.2, 7.3, 8.4, 9.4, 12.2, 12.4, 12.5, 13.1 GC: Principles 7–9	Scope 1 and 2 (Market-based) GHG emissions, tCO_2e	18,065[1]	18,103[1]	12,739[2]		10,478
	Scope 3 GHG emissions, tCO_2e	474,640[1]	420,652[1]	**379,411**[3]		
	Total GHG emissions (Market-based), tCO_2e	492,705[1]	438,755[1]	**392,150**		
	Climate intensity, Scope 3, tCO_2e/MSEK gross profit	134[1]	108[1]	**112**		65
	Direct energy consumption, MWh	48,654	56,857	**70,479**		
	Energy intensity, MWh/MSEK sales	7.5	7.6	**9.3**	9*	8*
	Climate neutral operations, %[4]	38	33	**46**		100
	Recycled materials in ducts produced in-house, %	13	10	**7**		25
People SDG: 3.8, 3.9, 4.4, 5.5, 8.5, 8.7, 8.8, 9.1, 9.c, 10.3, 11.3 GC: Principles 1–6	Percentage of employees covered by a Health and Safety Management system[5]	36	61	**85**	75	90
	Percentage of employee absence due to sick leave[6]	3.1	2.5	**4.1**	3	3
	Work-related accidents with absence, frequency[7]	3.5	1.5	**1.5**	0	0
	Employee Net Promotor Score	40		26	20	20
	Percentage of purchased volume from sustainability approved suppliers[8]	41	35	**43**	50*	90
	Percentage of women	29	26	**26**	27*	>40
	Percentage of women in management	26	27	**26**	27*	>40
	Percentage of women in Executive Management	33	38	**40**	>35	>40
	Number of confirmed instances of discrimination	0	0	**0**	0	0
	Percentage of employees who have had a performance and career development review	97	92	**71**	100	100

Prioritized sustainability areas/SDG and GC	Key metric	2022	2023	2024	Goal 2025	Goal 2030
Ethics SDG: 5.2, 8.2, 12.6, 16.5 GC: Principle 10	Percentage of employees who have received training in our Code of Conduct	91	100	**98**	100	100
	Percentage of indirect employees who have completed anti-bribery and anti-corruption training programs	97	99	97	100	100
	No. of confirmed instances of corruption	0	0	**0**	0	0

1 The value has been updated compared to previous published results, due to improved data quality, method improvements, addition of new scope 3 categories, update of system boundary for Upstream transportation & distribution, and emissions added from newly acquired companies that had a material impact on the base year figure.

2 The decrease is mainly due to the purchase of Renewable Energy Certificates.

3 The decrease of emissions is mainly due to lower GHG emissions from Purchased goods and services.

4 By using climate neutral energy and offset residual emissions. Includes Scope 1 and 2.

5 Based on legal requirements and/or recognized standards or guidelines, such as ISO 45001 or similar, which has been internally audited and/or audited or certified by an external party. The increase is due to several companies implementing health and safety management systems.

6 Companies in countries that only measure paid leave are exempt.

7 Number of work-related accidents with more than 24 hours absence, divided by total number of hours worked x 200,000.

8 Based on total purchase volume of direct materials.

* The target has been altered as a reflection of new circumstances impacted by recent acquisitions .

EU taxonomy for sustainable activities

Introduction to the EU Taxonomy

The EU Taxonomy Regulation EU 2020/852 (EU Taxonomy) is a classification system for sustainable economic activities in relation to the European Union's environmental objectives. Hexatronic Group is covered by the EU directive on non-financial reporting and must report the extent to which the taxonomy covers Hexatronic Group, and the proportion of the part covered that is taxonomy aligned. In the absence of regulatory guidance in many respects, we have found that there is a wide scope for interpretation in several parts of the taxonomy. Based on our own internal assessments, we have concluded that our economic activities linked to how we generate turnover are not affected by the new environmental objectives. In the assessment of the environmental objective "Transition to a circular economy", we have found that our activities do not appear to fall under the relevant categories, including CE 1.2, which relates to manufacturing of electronic products.

We maintain an ongoing dialogue with the industry organization Europacable and several different experts in the field. A certain proportion of capital and operating expenditure is either attributable to purchases from suppliers whose activities are covered by the taxonomy or to individual measures that enable us to become low-carbon or lead to reduced greenhouse gas emissions. Our disclosures for 2024 are based on our current interpretation of the rules and may change in the future based on new regulatory guidance.

Our economic activities

In 2024, Hexatronic reviewed whether there could be capital expenditures or operating expenditures attributable to purchases from suppliers whose activities are covered by the taxonomy or individual measures. The following economic activities have been identified: CCM 6.5 Transport by motorbikes, passenger cars, and light commercial vehicles, CCM 7.3 Installation, maintenance, and repair of energy-efficient equipment, CCM 7.4 Installation, maintenance, and repair of charging stations for electric vehicles in buildings, CCM 7.5 Installation, maintenance, and repair of instruments and devices for measuring, regulation, and controlling energy performance of buildings, and CCM 7.7 Acquisition and ownership of buildings.

Accounting principles

Turnover

Turnover from the sale of products and services and other operating income, which corresponds to Hexatronic's net turnover. The taxonomy covers no part of the turnover.

Capital expenditure

Capital expenditure is the purchase or processing of tangible and intangible assets, excluding goodwill, during the year, additional right-of-use assets, and increasing through business acquisitions. Total capital expenditure is presented in Note 17, Note 18, and Note 19 on page 130-133 in our 2024 Annual Report.

Capital expenditure included in the numerator consists of CCM 6.5 Transport by motorbikes, passenger cars and light commercial vehicles, which includes new leasing contracts for vehicles, CCM 7.7 Acquisition and ownership of buildings, which includes new leasing contracts for premises, and CCM 7.3 Installation, maintenance, and repair of energy-efficient equipment, such as installation of LED lighting and air conditioning in building facilities.

As the taxonomy covers no turnover, all investments consist of either purchases from suppliers whose activities are covered by the taxonomy or individual measures. We have not been able to assess whether these suppliers meet the criteria for taxonomy alignment. Purchases from suppliers can only be taxonomy aligned if it can be verified that each supplier has carried out a taxonomy-aligned activity. Assessment of whether an activity is taxonomy-aligned also includes assessments of criteria for not significantly harming other environmental objectives (DNSH) and criteria for minimum safeguards. None of the individual measures have been assessed as aligned with the taxonomy.

Operating expenditure

Operating expenditure is defined in the EU taxonomy as direct non-capitalized costs related to research and development, building renovations, short-term or low-value-leases, maintenance, and repairs, and direct costs related to the maintenance of the assets. This report only includes repairs, maintenance, and leases that are short-term or of low value, as the other areas are considered immaterial. These operating expenses are recognized as part of other external costs in the consolidated statement of operations; see page 100 in our annual report for 2024.

Operating expenditure included in the numerator consists of CCM 7.3 Installation, maintenance, and repair of energy-efficient equipment, which includes addition of roof insulation, and CCM 7.5 Installation, maintenance, and repair of instruments and devices for measuring, regulation, and controlling energy performance of buildings.

As no turnover is covered by the taxonomy, operating expenditure consists of either purchases from suppliers, whose activities are covered by the taxonomy or individual actions. As described for capital expenditure above, none of this expenditure has been assessed as taxonomy aligned. We are working on developing processes for this.

Proportion of Taxonomy-aligned economic activities

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024				Substantial contribution criteria						DNSH criteria (Do No Significant Harm)									
Economic activities	**Code**	**Tturnover**	**Proportion of turnover year 2024**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum Safeguards**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year 2023**	**Category enabling activity**	**Category transitional activity**
		[SEK m]	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	
Of which Transitional		-	-	-						-	-	-	-	-	-	-	-		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
			EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Turnover of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		-	-	-	-	-	-	-	-								-		
A. Turnover of Taxonomy eligible activities (A1+A2)		-	-	-	-	-	-	-	-								-		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
Turnover of Taxonomy-non-eligible activities		7,581	100%
TOTAL		7,581	100%

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	**Code**	**CapEx**	**Proportion of CapEx, year 2024**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum Safeguards**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEx, year 2023**	**Category enabling activity**	**Category transitional activity**
		[SEK m]	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	
Of which Transitional		-	-	-						-	-	-	-	-	-	-	-		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	43	11%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								-		
Acquisition and ownership of buildings	CCM 7.7	27	7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								18%		
Installation, maintenance, and repair of energy-efficient equipment	CCM 7.3	1	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings	CCM 7.4	-	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
CapEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		71	18%	18%	-	-	-	-	-								19%		
A. CapEx of Taxonomy eligible activities (A1+A2)		71	18%	18%	-	-	-	-	-								19%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
CapEx of Taxonomy-non-eligible activities		327	82%
TOTAL		398	100%

Template: Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities – disclosure covering year 2024				Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	**Code**	**OpEx**	**Proportion of OpEx, year 2024**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Climate Change Mitigation**	**Climate Change Adaptation**	**Water**	**Pollution**	**Circular Economy**	**Biodiversity**	**Minimum Safeguards**	**Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEx, year 2023**	**Category enabling activity**	**Category transitional activity**
		[SEK m]	%	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y; N; N/EL (b) (c)	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which Enabling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	E	
Of which Transitional		-	-	-						-	-	-	-	-	-	-	-		T
A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)																			
				EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)	EL; N/EL (f)										
Installation, maintenance, and repair of energy-efficient equipment	CCM 7.3	1	1%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	-	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								23%		
OpEx of Taxonomy- eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		1	1%	1%	-	-	-	-	-								23%		
A. OpEx of Taxonomy eligible activities (A1+A2)		1	1%	1%	-	-	-	-	-								23%		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES			
OpEx of Taxonomy-non-eligible activities		52	99%
TOTAL		53	100%

Nuclear and fossil activities are not applicable to Hexatronic Group

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	No

	Nuclear and fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

Auditor’s statement on the statutory Sustainability Report

To the general meeting of shareholders in Hexatronic Group AB, corporate identity number 556168-6360.

Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2024 on pages 54–93 and that it has been prepared in accordance with the Annual Accounts Act according to the prior wording that was in effect before 1 July 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 sufficient basis for our opinion.

Opinion

A statutory Sustainability Report has been prepared.

Gothenburg, 1 April 2025
Öhrlings PricewaterhouseCoopers AB
Johan Malmqvist
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.

Board of Directors’ Report

The Board of Directors and CEO of Hexatronic Group AB (publ), based in Gothenburg, Sweden, hereby submit the Annual Report for the 2024 financial year for the Parent Company and the Group.

Hexatronic is a leading supplier of fiber optic cables, ducts, and network products to customers worldwide. The group also provides training, installation and support services. The product portfolio consists primarily of products for passive infrastructure.

Net Sales

Net sales during the financial year amounted to SEK 7,581 million (8,150). The Group's net sales for the full year decreased by 7 percent compared to the previous financial year.

Net sales for the full year decreased organically by 13 percent primarily due to weaker sales for Fiber Solutions in Germany, the UK, and the US. In Germany and the UK, markets were affected by weaker demand and price pressure. The US duct sales were also affected by price pressure, which was partly offset by increased sales within our fiber connections to the home (FTTH) business in the US, as well as both organic and acquisition-driven growth through the companies in our focus areas Harsh Environment and Data Center. Growth from acquisitions amounted to 6 percent and is attributable to Fibron Cable, Rochester Cable, USNet, ATG, MConnect and Endor. Currency effects during the full year amounted to 0 percent.

Results for the financial year

Earnings before amortisation of intangible assets (EBITA) amounted to SEK 803 million (1,234), corresponding to an EBITA margin of 10.6 percent (15.1).

The operating profit (EBIT) amounted to SEK 680 million (1,122), corresponding to an EBIT margin of 9.0 percent (13.8).

Net financial income/expense during the financial year amounted to SEK -179 million (-1), of which net interest income/expense amounted to SEK -184 million (-159), realised and unrealised exchange rate differences to SEK 13 million (-12) and other financial income and expense to SEK -7 million (171). Other financial items include revaluation of additional purchase considerations and acquistion options of SEK -4 million (179).

Profit for the full year amounted to SEK 344 million (846).

Financial position and liquidity

The Group’s financial position and liquidity remain strong. Available funds on December 31, 2024, including unutilized credit facilities, amounted to SEK 1,889 million (1,732).

The Group’s net debt amounted to SEK 2,438 million (2678) on December 31, 2024, split between borrowings of SEK 2,513 million (2,924), lease liabilities of SEK 558 million (567), and offset by cash and cash equivalents of SEK 633 million (813).

Cash flow from operating activities during the financial year amounted to SEK 921 million (944), including a change in working capital of SEK 213 million (-156). Due to higher activity in our factories during the year, accounts payable have increased compared to year-end 2023. At the same time, cash flow has been positively affected by lower accounts receivable, which is explained by lower sales compared to the previous year, as well as continued focus on streamlining the process of handling customer payments.

Cash flow from investing activities during the financial year amounted to SEK -508 million (-1,426). The investments in tangible and intangible assets amounted to SEK -325 million (-518), mainly driven by capacity investments in the US. The cash flow effect from business combinations after deduction of acquired cash and cash equivalents amounted to SEK -171 million (-907), and relates mainly to payment of additional purchase price linked to the acquisition of Fibron Cable, USNet, FOS & OSA, ATG and the exercise of the acquisition option linked to Qubix. During the year, the acquisitions of MConnect, Endor, as well as a minor investment in a joint venture company also affected the cash flow. Cash flow from financing activities during the year amounted to SEK -613 million (769), which mainly relates to the

Multi-year comparison, Group

SEK m	2024	2023	2022	2021	2020
Net sales	7,581	8,150	6,574	3,491	2,081
Result before tax	501	1,121	1,017	332	165
Result before tax as a percentage of net sales	6.6%	13.8%	15.5%	9.5%	7.9%
Total assets	8,962	8,733	7,388	4,715	1,953
Equity asset ratio	45.3%	39.4%	38.0%	34.9%	33.3%

amortization of loan and utilised RCF of an amount of SEK -556 million (-236), amortization of lease liabilities SEK -133 million (-92), sales of shares linked to the incentive programme SEK 12 million (0) and subscription of shares related to employee stock option programme SEK 63 million (16). During the previous year, the existing revolving credit facilities were refinanced, which amounted to SEK 452 million and was reported gross as borrowings and amortization in the cash flow. Total cash flow in the full year amounted to SEK -200 million (288).

Investments

Investments during the financial year were mainly driven by capacity investments in the United States related to the opening of the duct factory in Utah, as well as the acquisition of new businesses.

Acquisitions during the year

Hexatronic Group has completed two add-on acquisitions within the focus area Data Center during the year. On February 2, 2024, the Group acquired 97 percent of the share capital of MConnect, Ltd ("MConnect"), a UK subcontractor of the Data Center company IDS. The fixed purchase consideration amounted to GBP 0.6 million on a debt free basis. The acquisition of MConnect includes a put/call option to acquire the remaining 3 percent after 2027.

On October 1, 2024, the Group entered into an asset acquisition of parts of Icelandic Endor for a fixed purchase price of EUR 1.1 million on a debt-free basis, as well as a maximum present value calculated additional purchase price amounting to EUR 0.2 million. The acquisition adds leading data center expertise and a customer base in Iceland, Sweden, and Germany to Hexatronic. During the year, a small investment was also made in a joint venture company.

The Group's financial goals

Profitability

The EBITA margin (earnings before amortization of intangible assets) should be 15-17 percent over a business cycle. The EBITA margin for 2024 was 10.6 percent.

Growth over a business cycle

The Group shall have an annual growth of at least 20 percent over a business cycle. Growth in 2024 was -7 percent compared to the previous financial year.

Outlook for the upcoming accounting year

Hexatronic is cautiously optimistic about the development in the coming year. Towards the end of 2024, increased activity was noted in several of Fiber Solutions' markets, although the price pressure that characterized last year will likely remain. In the long term, several strong structural trends support the expansion of fiber optic infrastructure. Increased digitization, a relatively low share of households with broadband access in countries such as the US, Germany, and the UK, the deployment of 5G networks, and the phasing out of legacy copper networks are factors driving demand. The markets in Harsh Environment and Data Center are expected to remain strong for a long time, mainly driven by investments in defense, energy, and AI.

Hexatronic's growth strategy includes acquisitions. The focus for the coming years is primarily on strengthening our offering and presence in Harsh Environment and Data Center.

Sustainability Report

In accordance with chap. 6, §11 of Sweden's Annual Accounts Act, Hexatronic Group AB (publ) has chosen to produce its Sustainability Report as a separate report from the Annual Report. The Sustainability Report can be found on pages 54-93 of this document.

The sustainability report covers the parent company Hexatronic Group AB and its subsidiaries. The companies acquired or formed during 2024 and companies with less than six employees are not included in the key figures reported on pages 54-93.

Environment

Environmental impact

The Group has operations in the following companies that require notification under the Environmental Code. Hexatronic Cables & Interconnect Systems AB, with production operations in Hudiksvall, has had a licence from the county

Multi-year comparison, Parent Company

SEK m	2024	2023	2022	2021	2020
Net sales	140	121	67	19	19
Result after financial items	2,064	-40	122	-23	-55
Result after financial items as a percentage of net sales	1,479%	-33%	182%	-124%	-297%
Total assets	6,986	5,060	4,032	2,967	1,297
Equity asset ratio	46.5%	19.9%	27.7%	31.6%	20.4%

administrative board in accordance with the Environmental Code since 15 January 2001 with a change in terms for noise from 5 April 2005. Industry codes: 31.60 and 63.10.

The licence has limits for permitted production volumes of cable as well as conditions relating to emissions to air and water, waste and chemical management, and noise.

The conditions are monitored annually and reported to Hudiksvall Municipality's Norrhälsinge environmental department, which is the supervisory body. The company also engages in good, regular dialogue with the environmental department to discuss and follow up any environmental issues the company is working on.

All environmental conditions are deemed to be complied with, except for the current requirement for maximum production volume. As a result, a new permit process is underway, with an updated permit expected to be adopted in 2025. Other measurements carried out show that the prescribed guideline values linked with the permit are being met.

Environmental management

The operation in Hudiksvall has been certified according to ISO 14001 since 1997. It is also certified according to quality, ISO 9001, and occupational health and safety, ISO 45001. A follow-up audit was carried out in May 2024 and no major deviations were noted. In October 2024, an additional audit took place - initiated by the merger of the former Hexatronic Fiberoptic and Hexatronic Cables Interconnect Systems AB, where no major deviations were noted either. Both audits were performed by the certification body Intertek. Significant environmental aspects for the company are transport, raw materials and storm water emissions. The Swedish companies are covered by the (2014:266) on Energy Audit in Large Enterprises. The last one was reported in 2022, which means that the requirement for current four-year period is fulfilled. The survey is part of the organisation's active work with energy savings which has been ongoing for several years and leads to reduced energy consumption.

The Board's proposed guidelines for remuneration to senior executives and Board Members

Scope

These guidelines encompass the Executive Management of Hexatronic Group AB (publ) ('Hexatronic') and the company's Board Members to the extent that remuneration, other than that decided at the AGM, is paid to Board Members. Executive Management refers to the CEO, Deputy CEO, CFO and other members of the Executive Management. Other members of the Executive Management refers to people who are part of the management team and managers who are directly subordinate to the CEO. Managers who are directly subordinate to the CEO are the Deputy CEO, CFO, CTO, Sourcing & Supply Director, CMO, Head of Central Europe and Head of Northern Europe.

The guidelines are forward-looking and shall be applied to remuneration that is agreed, and to changes made to already agreed remuneration, after the adoption of guidelines by the Annual General Meeting in 2025. The guidelines do not cover remuneration decided by the Annual General Meeting.

With regard to employment conditions that are subject to rules other than Swedish, appropriate adjustments may be made to comply with such mandatory rules or established local practice, whereby the overall purpose of these guidelines, as far as possible, shall be met.

Promoting the company's business strategy, long-term interests and sustainability

The company strives for greater global presence, where Hexatronic's products and solutions are connected in more and more systems. The company's business

Key figures for the Group

SEK m	2024	2023	2022	2021	2020
Growth in net sales	-7%	24%	88%	68%	13%
EBITA margin	10.6%	15.1%	16.6%	11.3%	9.8%
Operating margin	9.0%	13.8%	15.6%	10.2%	8.5%
Equity asset ratio	45.3%	39.4%	38.0%	34.9%	33.3%
Earnings per share before dilution (SEK)	1.69	4.18	3.95	1.32	0.68
Earnings per share after dilution (SEK)	1.69	4.17	3.89	1.29	0.67
Net sales per employee (SEK thousand)	3,866	4,211	4,598	3,467	3,069
Result per employee (SEK thousand)	176	438	556	251	187
Quick asset ratio %	128%	139%	95%	97%	91%
Cash flow from operating activities	921	944	670	105	250
Average number of employees	1,961	1,935	1,430	1,007	678
Number of shares at period end before dilution	205,472,710	203,026,610	203,026,610	199,826,650	188,307,150
Average number of shares before dilution	204,249,660	203,026,610	201,151,897	191,749,640	187,400,815
Average number of shares after dilution	204,453,694	203,454,005	203,996,888	195,491,130	187,816,610

concept is with smart, reliable product and system solutions for passive fiber infrastructure to accelerate the digital transformation for the benefit of businesses, individuals and society at large.

Successful and sustainable implementation of the company's business strategy in the long run requires the company to be able to recruit and retain qualified employees. For this the company must be able to offer competitive remuneration. These guidelines make it possible to offer senior executives a competitive total remuneration package. Variable cash payments covered by these guidelines should also aim to promote the company's business strategy and long-term interests, including its sustainability.

Remuneration to senior executives

Forms of remuneration etc.

Hexatronic shall offer total compensation at market rates to facilitate the recruitment and retention of qualified senior executives. Remuneration from Hexatronic should be based on the principles of performance, competitiveness and fairness. Remuneration to senior executives shall comprise fixed remuneration, variable remuneration, share and share pricebased incentive programmes, pension and other benefits. Variations in the remuneration principles are permitted where they are justified by local conditions. Fixed remuneration shall take into account the individual's experience and areas of responsibility. Fixed salaries shall be reviewed annually.

Variable remuneration may be up to 50 percent of the annual fixed salary for members of the Executive Management. Variable cash payments covered by these guidelines should aim to promote the company's business strategy and long-term interests, including sustainability, by having a clear link to the business strategy or promoting the senior executive's long-term development, for example.

It must be possible to measure whether or not the criteria for variable cash payments have been met over a period of one year. Variable remuneration shall be linked to predetermined, quantifiable criteria, established with the aim of promoting the company's long-term value creation. When the measurement period for meeting the criteria for variable cash payments has ended, it must be judged/determined to what extent the criteria have been met. The Remuneration Committee is responsible for the assessment regarding variable cash payment to the CEO. With regards to variable cash payments to other senior executives, the CEO is responsible for the assessment. Financial targets shall be assessed based on the most recent financial information published by the company.

Pension

For the CEO and other senior executives, defined contribution plans should be used for pension benefits. The pension contributions for the CEO's defined contribution pension can be up to 30 percent of the pensionable salary. The retirement age for other senior executives varies between 60 and 67 years and the pension contribution can be up to 30 percent of the pensionable salary. Variable cash payments shall not be pensionable. Other benefits may include life assurance, health insurance and car benefits, for example. Such benefits shall not account for a material portion of the total remuneration.

Cash payment

Additional cash payments may be made in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and are only made at an individual level, either with the aim of recruiting or retaining senior executives, or as remuneration for extraordinary work efforts beyond the person's regular work duties. Such remuneration shall be professionally motivated, proportionate to the individual's fixed salary and shall not be paid more than once a year per individual. Decisions about such remuneration shall be made by the Board on the proposal of the Remuneration Committee.

In addition, the Annual General Meeting may, if so resolved, offer long-term incentive programmes, such as share or share price-related remuneration or incentive programmes. Such long-term incentive programmes are decided by the Annual General Meeting and are therefore not covered by these guidelines.

Criteria for paying variable remuneration etc.

Variable remuneration shall be linked to pre-determined, quantifiable criteria, which may be financial or non-financial. The fulfilment of the criteria for payment of short-term variable remuneration shall be measurable over a period of one year. The criteria may also consist of individualized quantitative or qualitative targets. The criteria for both short-term and long-term variable remuneration shall be structured so that they promote the company's business strategy and long-term interests, including its sustainability, by, for example, having a clear link to the business strategy or promoting the senior executive's long-term development.

Once the measurement period for fulfilment of the criteria for payment of variable remuneration has ended, the extent to which the criteria have been met shall be determined. The Remuneration Committee is responsible for this assessment. Financial targets shall be assessed based on the most recent financial information published by the company. The Board shall have the possibility, by law or in accordance with agreements and with the limitations that may result therefrom, to reclaim, in whole or in part, variable remuneration paid on false grounds.

Remuneration to Board Members

Remuneration to Board Members of Hexatronic Group is determined by the Annual General Meeting. Board Members are only entitled to receive such remuneration as decided by the Annual General Meeting. However, additional remuneration may be paid for services carried out by Board Members for Hexatronic within their respective areas of expertise, provided that the service performed is outside of what can be considered as normal assignment for Board Members. Such remuneration shall be at market rates and regulated in a consultancy agreement approved by the Board.

Terms of employment

Salary and terms of employment for employees

When preparing the Board's proposal for these remuneration guidelines, the salary and employment conditions for the company's employees has been taken into account. By including information on the employees' total remuneration, components of the remuneration, increase in remuneration and the rate of increase over time, the Remuneration Committee and Board has used this information as part of the basis when evaluating the fairness of the guidelines and limitations resulting from them.

Termination of employment

If the CEO resigns, a notice period of six (6) months shall apply and no severance package will be paid out.

Upon termination by the company, the notice period for the CEO may be a maximum of twelve (12) months. Severance package is only paid from the time the CEO reaches the age of 50 years old, with one month's salary for each year over 50 years at the time of termination. For example, if the CEO is given notice at the age of 51, the severance package will amount to one (1) month's salary, and at the age of 52 it amounts to two (2) months' salary, etc. The severance package is not deducted from any other income. There is a mutual period of notice of a minimum of three (3) and a maximum of twelve (12) months between the company and other senior executives, and no severance package will be paid. Furthermore, compensation for commitment of a non-competition obligation may be paid to the CEO and other senior executives upon termination of employment. This compensate for any loss of income. For the CEO, such remuneration is only paid to the extent that they are not entitled to severance pay. The remuneration shall be the difference between the fixed salary at the time of termination, with deduction for a potentially lower salary in the new employment, but not more than 60 percent of the fixed salary. Remuneration shall be paid during the period of the non-compete obligation applies, which shall be no more than 6 months after termination of employement.

Decision-making process, changes and deviations etc.

The decision-making process for establishing, reviewing and implementing the guidelines.

The Board has appointed a Remuneration Committee consisting of three members, Magnus Nicolin (Chairman), Diego Anderson and Åsa Sundberg. The Committee's tasks include preparing the Board's decisions on proposed guidelines for remuneration to senior executives. The Board shall prepare proposals for new guidelines at least every four years and present the proposal at the Annual General Meeting. The guidelines shall apply until new guidelines have been adopted by the Annual General Meeting. The Remuneration Committee shall also monitor and evaluate programmes for variable remuneration for the Executive Management, the application of the guidelines for remuneration to senior executives, as well as current remuneration structures and remuneration levels in the company. The members of the Remuneration Committee are independent of the company and Executive Management. During discussion and decision of renumeration related areas, the CEO or other members of the company management are not present, to the extent that they are affected by the issues.

Deviating from the guidelines

The Board may occasionally depart from the guidelines, wholly or partially, if there are special reasons for doing so and a deviation is necessary in order to satisfy the company's long-term interests, including its sustainability, or to ensure the company's financial strength. As stated above, the Remuneration Committee's duties include preparing the Board's decisions on remuneration matters, which includes decisions on deviating from the guidelines.

Parent Company

The Parent Company's operation focuses entirely on Group-wide services in management, economics, finance, IR, business development, IT, sustainability, communication/marketing and logistics.

The Parent Company's net sales during the financial year amounted to SEK 140 million (121) and result for the year amounted to SEK 2,177 million (-58). The change compared to the previous year's result is mainly explained by a capital gain from the change in the legal structure of the subsidiaries within the group, which has also affected the net financial income. Net financial income/expense amounted to SEK 2,120 million (22), of which capital gains amounted to SEK 2,226 million. Cash and cash equivalents amounted to SEK 97 million (173) at the end of the year. The Parent Company works actively with the financing structure in both the Parent Company and the Group, to optimise the financial flows in the Group. Dividends from subsidiaries are regularly performed to secure financing in the Parent Company.

The number of employees was 31 (27) at the end of the year. The Parent Company does not run any of its own operations and its risks can mainly be attributed to the operations in its subsidiaries.

The Board's proposed dividend

Board of Directors proposes to the Annual General Meeting on May 5, 2025 that no dividend will be distributed for the financial year 2024.

The following funds are at the Parent Company's disposal	SEK
Share premium reserve	999,241,130
Result brought forward	70,752,805
Result for the year	2,177,019,372
Total	**3,247,013,307**

The Board of Directors proposes that the profits be appropriated as follows:	SEK
SEK 0 per share to be distributed to shareholders	-
To be transferred to result carried forward	3,247,013,307
Total	**3,247,013,307**


Hexatronic
Hexatronic

Consolidated statement of comprehensive income

Amounts in SEK m	Note	FINANCIAL YEAR 2024	2023
Operating income			
Net sales	5, 6, 15	7,581	8,150
Other operating income	7, 15	77	90
Total		**7,658**	**8,240**
Operating expenses			
Raw materials and consumables		-4,413	-4,646
Other external expenses	8, 18	-854	-925
Personnel costs	10	-1,251	-1,147
Other operating expenses	7, 15	-41	-60
Depreciation of tangible assets	18, 19	-297	-228
Earnings before interest, taxes and amortisation (EBITA)		**803**	**1,234**
Amortisation of intangible assets	17	-123	-113
Operating profit		**680**	**1,122**
Financial income	11	25	185
Financial expenses	12, 15	-204	-186
Net financial income and expense		**-179**	**-1**
Earnings before taxes (EBT)		**501**	**1,121**
Income tax	13	-157	-275
Profit for the year		**344**	**846**
Attributable to:			
Parent Company shareholders		346	848
Non-controlling interest		-1	-2
Profit for the year		**344**	**846**
Other comprehensive income:			
Items which can later be recovered in the income statement			
Translation difference		300	-196
Hedging of net investments		-142	69
Tax attributable to items that can be returned to the income statement		29	-14
Total comprehensive income for the year		**532**	**704**
Attributable to:			
Parent Company shareholders		532	706
Non-controlling interest		0	-2
Total comprehensive income for the year		**532**	**704**
Earnings per share before dilution (SEK)	14	1.69	4.18
Earnings per share after dilution (SEK)	14	1.69	4.17

The notes on pages 112 to 149 are an integral part of the Annual Report and consolidated financial statements.

Consolidated balance sheet

Amounts in SEK m	Note	31/12/2024	31/12/2023
ASSETS			
Non-current assets			
Intangible assets			
Capitalised development expenditure	17	39	37
Goodwill	17	2,614	2,474
Customer relations	17	325	394
Trademarks	17	63	74
Total intangible assets		**3,041**	**2,978**
Tangible assets			
Lands and buildings	19	531	359
Plant and machinery	19	1,306	1,231
Equipment, tools, fixtures and fittings	19	139	146
Total tangible assets		**1,977**	**1,736**
Right-of-use assets	18	524	543
Financial assets			
Deferred tax assets	20	47	-
Shares in associates		13	-
Other non-current receivables		5	5
Total financial assets		**66**	**5**
Total non-current assets		**5,608**	**5,263**
Current assets			
Inventories			
Raw materials and consumables		437	402
Products in progress		73	66
Finished goods and goods for resale		933	925
Total inventories		**1,442**	**1,393**
Current receivables			
Accounts receivable	23	1,121	1,124
Other receivables	24	13	25
Prepaid expenses and accrued income	25	146	116
Total current receivables		**1,280**	**1,265**
Cash and cash equivalents	26	633	813
Total current assets		**3,355**	**3,470**
TOTAL ASSETS		**8,962**	**8,733**

The notes on pages 112 to 149 are an integral part of the Annual Report and consolidated financial statements.

Consolidated balance sheet, contd.

Amounts in SEK m	Note	31/12/2024	31/12/2023
EQUITY AND LIABILITIES			
Equity	27		
Share capital		2	2
Other capital contributions		1,027	959
Reserves		428	129
Hedging reserve		-58	54
Profit brought forward, including profit for the year		2,624	2,258
Total equity related to Parent Company shareholders		**4,022**	**3,402**
Non-controlling interest		35	35
Total equity		**4,057**	**3,438**
Non-current liabilities			
Lease liabilities	18	425	476
Liabilities to credit institutions	30	2,361	2,774
Deferred tax liabilities	20	276	248
Other liabilities	31	352	304
Total non-current liabilities		**3,413**	**3,803**
Current liabilities			
Lease liabilities	18	132	91
Liabilities to credit institutions	30	152	150
Provisions	29	34	59
Accounts payable		679	510
Current tax liabilities		57	88
Other liabilities	31	91	249
Accrued expenses and deferred income	32	345	347
Total current liabilities		**1,491**	**1,493**
TOTAL EQUITY AND LIABILITIES		**8,962**	**8,733**

The notes on pages 112 to 149 are an integral part of the Annual Report and consolidated financial statements.

Consolidated statement of changes in equity

Amounts in SEK m	Share capital	Other contributed capital	Reserves	Hedging reserve	Result brought forward, including result for the period	Total	Non-controlling interest	Total equity
Balance brought forward as of 1 January 2023	**2**	**938**	**325**	**0**	**1,503**	**2,768**	**37**	**2,805**
Profit for the year	-	-	-	-	848	**848**	-2	**846**
Other comprehensive income for the year	-	-	-196	54	-	**-142**	0	**-142**
Total comprehensive income	**0**	**0**	**-196**	**54**	**848**	**706**	**-2**	**704**
Shares related to employee stock option programme	-	16	-	-	-	**16**	-	**16**
Employee stock option programme	-	5	-	-	-	**5**	-	**5**
Share-based remuneration	0	-	-	-	8	**8**	-	**8**
Repurchase of shares	-	-	-	-	-81	**-81**	-	**-81**
Dividends paid	-	-	-	-	-20	**-20**	-	**-20**
Total transactions with shareholders, reported directly in equity	**0**	**21**	**0**	**0**	**-93**	**-72**	**0**	**-72**
Balance carried forward as of 31 December 2023	**2**	**959**	**129**	**54**	**2,258**	**3,402**	**35**	**3,438**
Balance brought forward as of 1 January 2024	**2**	**959**	**129**	**54**	**2,258**	**3,402**	**35**	**3,438**
Profit for the year	-	-	-	-	346	**346**	-1	**344**
Other comprehensive income for the year	-	-	299	-112	-	**186**	1	**187**
Total comprehensive income	**0**	**0**	**299**	**-112**	**346**	**532**	**0**	**532**
Shares related to employee stock option programme	0	63	-	-	-	**63**	-	**63**
Employee stock option programme	-	4	-	-	-	**4**	-	**4**
Share-based remuneration	0	-	-	-	9	**9**	-	**9**
Sale of shares linked to incentive programme	-	-	-	-	12	**12**	-	**12**
Total transactions with shareholders, reported directly in equity	**0**	**68**	**0**	**0**	**21**	**88**	**0**	**88**
Balance carried forward as of 31 December 2024	**2**	**1,027**	**428**	**-58**	**2,624**	**4,022**	**35**	**4,057**

The notes on pages 112 to 149 are an integral part of the Annual Report and consolidated financial statements.

Consolidated statement of cash flows

Amounts in SEK m	Note	31/12/2024	31/12/2023
Operating activities			
Operating profit		680	1,122
Items not affecting cash flow	34	401	409
Interest received		12	8
Interest paid		-175	-156
Income tax paid		-211	-282
Cash flow from operating activities before changes in working capital		**708**	**1,100**
Cash flow from changes in working capital			
Increase (-)/decrease (+) in inventories		-9	329
Increase (-)/decrease (+) in accounts receivable		76	26
Increase (-)/decrease (+) in operating receivables		8	-4
Increase (+)/decrease (-) in accounts payable		169	-391
Increase (+)/decrease (-) in other operating liabilities		-30	-116
Cash flow from changes in working capital		**213**	**-156**
Cash flow from operating activities		**921**	**944**
Investing activities			
Acquisition of intangible assets	17	-9	-9
Acquisition of tangible assets	19	-316	-510
Acquisition after deduction of cash and cash equivalents		-171	-907
Change in financial assets		-12	0
Cash flow from investing activities		**-508**	**-1,426**
Financing activities			
Borrowings	35	-	1,635
Amortisation of loans	35	-556	-688
Amortisation of lease liabilites	35	-133	-92
Sale of shares linked to incentive programme		12	-
Repurchase of shares	27	-	-81
New shares related to employee stock option programme		63	16
Dividends paid		-	-20
Cash flow from financing activities		**-613**	**769**
Cash flow for the year		**-200**	**288**
Cash and cash equivalents at the start of the year		813	552
Exchange rate difference in cash and cash equivalents		21	-28
Cash and cash equivalents at the end of the year	26	**633**	**813**

The notes on pages 112 to 149 are an integral part of the Annual Report and consolidated financial statements.

Parent Company income statement

Amounts in SEK m	Note	FINANCIAL YEAR 2024	2023
Operating income			
Net sales	6, 15	140	121
Total operating income		**140**	**121**
Operating expenses			
Other external expenses	8	-108	-122
Personnel costs	10	-83	-59
Other operating expenses		-1	0
Earnings before interest, taxes, depreciation and amortisation (EBITDA)		**-53**	**-60**
Depreciation and amortisation of tangible- and intangible assets	17, 19	-3	-3
Operating profit		**-55**	**-62**
Result from financial items			
Income from shares in group companies	11	2,379	54
Interest income and similar items	11	0	71
Interest income from Group companies		52	56
Interest expenses and similar items	12	-302	-159
Interest expenses to Group companies		-9	0
Total result from financial items		**2,120**	**22**
Result after financial items		**2,064**	**-40**
Appropriations			
Group contributions		93	-17
Total appropriations		**93**	**-17**
Result before tax		**2,158**	**-58**
Income tax	13	20	-
Result for the year		**2,177**	**-58**

No items in the Parent Company have been recognised as other comprehensive income, which is why total comprehensive income is in line with result for the year.

The notes on pages 112 to 149 are an integral part of the Annual Report and consolidated financial statements.

Parent Company balance sheet

Amounts in SEK m	Note	31/12/2024	31/12/2023
ASSETS			
Non-current assets			
Intangible assets			
Capitalised development expenditure	17	2	6
Total intangible assets		**2**	**6**
Tangible assets			
Equipment, tools, fixtures and fittings	19	0	1
Total tangible assets		**0**	**1**
Financial assets			
Participations in Group companies	21	5,230	3,539
Shares in associates		15	-
Receivables from Group companies		1,314	879
Deferred tax assets	20	19	-
Total financial assets		**6,578**	**4,418**
Total non-current assets		**6,581**	**4,425**
Current assets			
Current receivables			
Receivables from Group companies		297	450
Current tax receivables		1	1
Other receivables	24	1	2
Prepaid expenses and accrued income	25	9	8
Total current receivables		**308**	**462**
Cash and cash equivalents	26	97	173
Total current assets		**405**	**635**
TOTAL ASSETS		**6,986**	**5,060**

The notes on pages 112 to 149 are an integral part of the Annual Report and consolidated financial statements.

Parent Company balance sheet, contd.

Amounts in SEK m	Note	31/12/2024	31/12/2023
EQUITY AND LIABILITIES			
Equity	27		
Restricted equity			
Share capital		2	2
Statutory reserve		0	0
Total restricted equity		**2**	**2**
Non-restricted equity			
Share premium reserve		999	936
Result brought forward		71	102
Result for the year		2,177	-58
Total non-restricted equity		3,247	**981**
Total equity		**3,249**	**983**
Untaxed reserves			
Tax allocation reserve		29	29
Total untaxed reserves		**29**	**29**
Non-current liabilities			
Liabilities to credit institutions	30	2,353	2,760
Other liabilities	31	301	282
Total non-current liabilities		**2,654**	**3,042**
Current liabilities			
Liabilities to credit institutions	30	152	150
Accounts payable		11	16
Provisions		2	5
Liabilities to Group companies		864	668
Other liabilities	31	1	146
Accrued expenses and deferred income	32	22	21
Total current liabilities		**1,054**	**1,006**
TOTAL EQUITY AND LIABILITIES		**6,986**	**5,060**

The notes on pages 112 to 149 are an integral part of the Annual Report and consolidated financial statements.
See Note 33 for information on pledged assets and contingent liabilities.

Parent Company statement of changes in equity

Amounts in SEK m	Restricted equity		Non-restricted equity		
	Share capital	Statutory reserve	Share premium reserve	Result brought forward and result for the year	Total equity
Balance brought forward as of 1 January 2023	**2**	**0**	**920**	**193**	**1,116**
Comprehensive income					
Result for the year	-	-	-	-58	**-58**
Total comprehensive income	**-**	**-**	**-**	**-58**	**-58**
New shares related to employee stock option programme	-	-	16	-	**16**
Employee stock option programme	-	-	-	1	**1**
Share-based remuneration	0	-	-	8	**8**
Repurchase of shares	-	-	-	-81	**-81**
Dividends paid	-	-	-	-20	**-20**
Total transactions with shareholders, reported directly in equity	**0**	**-**	**16**	**-91**	**-76**
Balance carried forward as of 31 December 2023	**2**	**0**	**936**	**45**	**983**
Balance brought forward as of 1 January 2024	**2**	**0**	**936**	**45**	**983**
Comprehensive income					
Result for the year	-	-	-	2,177	**2,177**
Total comprehensive income	**-**	**-**	**-**	**2,177**	**2,177**
New shares related to employee stock option programme	0	-	63	-	**63**
Employee stock option programme	-	-	-	6	**6**
Share-based remuneration	0	-	-	9	**9**
Sale of shares linked to incentive programme	-	-	-	12	**12**
Total transactions with shareholders, reported directly in equity	**0**	**-**	**63**	**26**	**89**
Balance carried forward as of 31 December 2024	**2**	**0**	**999**	**2,248**	**3,249**

The notes on pages 112 to 149 are an integral part of the Annual Report and consolidated financial statements.

Parent Company statement of cash flows

Amounts in SEK m	Note	FINANCIAL YEAR 2024	2023
Operating activities			
Operating profit		-55	-62
Items not affecting cash flow	34	10	6
Dividends received		153	54
Interest received		26	37
Interest paid		-180	-156
Income tax paid		-1	-4
Cash flow from operating activities before changes in working capital		**-47**	**-125**
Cash flow from changes in working capital			
Increase (-)/decrease (+) in other operating receivables		248	-178
Increase (+)/decrease (-) in accounts payable		-5	-2
Increase (+)/decrease (-) in other operating liabilities		233	277
Cash flow from changes in working capital		**476**	**97**
Cash flow from operating activities		**428**	**-28**
Investing activities			
Acquisition of subsidiaries		-104	-926
Long-term lending to subsidiaries		-33	-198
Repayment of long-term lending to subsidiaries		132	276
Acquisition of intangible assets	17	0	-1
Acquisition of tangible assets	19	0	0
Change in financial assets		-13	-
Cash flow from investing activities		**-18**	**-849**
Financing activities			
Borrowings	35	-	1,635
Amortisation of loans	35	-549	-552
Dividends paid		-	-20
Repurchase of shares		-	-81
Sale of shares linked to incitament programme		12	-
New shares related to employee stock option programme		63	16
Cash flow from financing activities		**-474**	**998**
Cash flow for the year		**-64**	**121**
Cash and cash equivalents at the start of the year		173	42
Exchange rate difference in cash and cash equivalents		-13	10
Cash and cash equivalents at the end of the year	26	**97**	**173**

The notes on pages 112 to 149 are an integral part of the Annual Report and consolidated financial statements.


PLAZA
CASINO

Notes

Note 1 General information

The consolidated financial statements encompass the parent company Hexatronic Group AB (the Parent Company) with corporate identity number 556168-6360 and its subsidiaries (the Group). The Parent Company is a limited company registered in Sweden and based in Gothenburg at the address Sofierogatan 3A, SE-412 51 Gothenburg, Sweden.

On 1 April 2025, the Board of Directors approved these financial statements for publication.

All amounts are in millions of Swedish kronor (SEK million) unless otherwise stated. The figures in parentheses refer to the previous year unless otherwise stated.

Note 2 Summary of key accounting policies

The most important accounting policies used in these consolidated financial statements are stated below. These policies have been applied consistently for all of the years presented, unless otherwise stated.

2.1 Grounds for preparing the reports

The consolidated financial statements for the Hexatronic Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by IFRIC as adopted by the EU, the Swedish Financial Reporting Board's recommendation RFR 1 Supplementary Accounting Rules for Groups and the Swedish Annual Accounts Act.

The consolidated financial statements have been prepared in accordance with the cost method with the exception of financial assets/liabilities measured at fair value through profit or loss.

The Parent Company's financial statements have been prepared in accordance with the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. The application of RFR 2 means that in its annual report for the legal entity, the Parent Company applies all IFRS and statements adopted by the EU as far as possible within the framework of the Swedish Annual Accounts Act, the Swedish Act on Safeguarding Pension Commitments etc., and with regard to the relationship between accounting and taxation. If the Parent Company applies different accounting policies to the Group, this is stated separately at the end of this note.

Preparing financial statements in accordance with IFRS requires the use of some important accounting estimates. Furthermore, the management is required to make certain assessments when applying the Group's accounting policies, see Note 4.

2.1.1 Changes to accounting policies and disclosures

New standards and amendments effective from January 1, 2025, and later have not been early adopted in the report. IFRS 18, Presentation and Disclosure in Financial Statements, which replaces IAS 1 and applies from January 1, 2027, introduces requirements for increased transparency and comparability. Although it does not affect accounting or valuation, it is expected to impact presentation and disclosures. The Group is evaluating the consequences and will apply the standard retroactively from January 1, 2027, meaning that comparative information for 2026 will be restated.

Other IFRS or IFRIC interpretations that have been published but have yet to come into effect are expected to have a material effect on the Group.

The changes to standards that are applicable from 1 January 2024 had no impact on the amounts reported in the comparative period and have not had any material effect on the current period.

2.2 Consolidated financial statements

2.2.1 Fundamental accounting policies

Subsidiaries

A subsidiary is any company (including structured entities) over which the Group has a controlling influence. The Group has control over a company when it is exposed to or has the right to a variable return from its holding in the company and is able to influence the return through its influence in the company.

Subsidiaries are included in the consolidated financial statements from the date the controlling influence passes to the Group. They are excluded from the consolidated financial statements from the date the controlling influence ceases.

The acquisition method is used to recognise the Group's business combinations. The purchase price for the acquisition of a subsidiary comprises the fair value of the transferred assets, liabilities to the former owners of the acquiree incurred by the Group and the shares issued by the Group. The purchase price also includes the fair value of all liabilities that result from any agreement regarding contingent consideration. Identifiable acquired assets and assumed liabilities in a business combination are initially measured at fair value on the acquisition date. For each acquisition, i.e. on a transaction-by-transaction basis, the Group decides whether or not non-controlling interests (NCIs) in the acquiree are measured at fair value or at the NCI's proportionate share of the carrying amount of the acquiree's identifiable net assets.

Acquisition-related costs are expensed as they arise.

Any contingent consideration to be transferred by the Group is measured at fair value on the acquisition date. Subsequent changes in the fair value of a contingent consideration classified as a liability are recognised in the finance net in profit or loss in accordance with IFRS 9.

Goodwill is initially measured as the amount by which the total purchase price and any fair value for an NCI on the acquisition date exceeds the fair value of identifiable net assets acquired. If the purchase price is lower than the fair value of the acquiree's net assets, the difference is recognised directly in profit or loss.

Intra-Group transactions, balance sheet items, and income and expenses relating to transactions between Group companies are eliminated. Gains and losses that result from intra-Group transactions and are recognised in assets are also eliminated. The accounting policies for subsidiaries have been modified, if appropriate, to guarantee consistent application of the Group's policies.

2.3 Segment reporting

Operating segments are reported consistently with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the function responsible for allocating resources and assessing the performance of the operating segments. In the Group, this function has been identified as the President and CEO who makes strategic decisions. Group management has established operating segments based on the information processed by the CEO and used as a basis for allocating resources and evaluating performance.

The majority of external revenue is generated through the sale of Fiber Solutions. Additionally, the group operates in the focus areas of Harsh Environment and Data Center, where the strategy going forward is to grow these areas through well-planned investments and acquisitions of new promising companies. There is during 2024, no further breakdown of results per service area, geographical region, or other segmental division, which is why the assessment is that the Group's operations consist of only one operating segment.

2.4 Translating foreign currencies

Functional currency and presentation currency

The various entities in the Group have their local currency as their functional currency because the local currency has been defined as the currency used in the primary economic areas in which each entity mainly operates. The Swedish krona (SEK) has been used in the consolidated financial statements; it is the Parent Company's functional currency and the Group's presentation currency.

Transactions and balance sheet items

Transactions in foreign currencies are translated to the functional currency using the exchange rates in force on the transaction date. Currency gains and losses that arise from payments for such transactions and from translating monetary assets and liabilities in foreign currencies at the closing rate of exchange are recognised in operating profit in the income statement.

Long-term loans to foreign operations, where regulation is not planned or not expected to take place in the foreseeable future, is considered to form part of the company's net investment in the foreign operations. Exchange rate differences that arise in relation to these loans are reported in other comprehensive income in the company's consolidated accounts.

Translating foreign Group companies

The results and financial position for all Group companies with a functional currency other than the presentation currency are translated into the Group's presentation currency. Assets and liabilities for each of the balance sheets are translated from the foreign business's functional currency into the Group's presentation currency, the Swedish krona, at the closing rate of exchange. Income and expenses for each of the income statements are translated into Swedish kronor at the average exchange rate on each transaction date. Goodwill and fair value adjustments arising at acquisition of a foreign operation is treated as assets and liabilities of this business and are recalculated to the balance sheet date exchange rate. Translation differences that arise from translating currencies for foreign businesses are recognised in other comprehensive income.

2.5 Intangible assets

Capitalised development expenditure

Capitalised development expenditure refers to the development of IT-systems and fiber optic products. Development costs directly attributable to the development of fiber optic products are recognised as intangible assets when it is probable that the expected future economic benefits attributable to the asset will accrue to the company, if the cost of the asset can be calculated reliably and when the following criteria are met:

- It is technically feasible to complete the asset so that it can be used,
- The company intends to complete the asset and to use or sell it,
- There are opportunities to use or sell the asset,
- It can be shown how the asset generates probable future economic benefits,
- Adequate technical, economic and other resources are available to complete the development and use or sell the asset, and
- The expenditure attributable to the asset during its development can be calculated reliably.

Intangible assets are recognised at cost less accumulated amortisation and any write-down. The cost of an internally generated intangible asset is the sum of the expenditure that arises from the date the intangible asset first meets the above-mentioned criteria for capitalisation. Directly attributable expenditure that is capitalised includes expenses for employees.

Amortisation begins when the asset can start being used. The useful life is assessed based on the period the expected benefits are estimated to accrue to the company. The useful life is estimated to be 3–10 years and amortisation is linear over this period. Expenditure on development that does not meet the above criteria is expensed as it is incurred. Expenditure on development that was previously expensed, is not recognised as an asset in subsequent periods.

Trademarks and customer relations

Trademarks and customer relations acquired through a business combination are measured at fair value on the acquisition date. Trademarks and customer relations have an estimable useful life and are recognised at cost less accumulated amortisation and any write-down. Amortisation is carried out linearly so as to spread the cost for trademarks and customer relations over their estimated useful life of 3–10 years.

Goodwill

Goodwill arises during the acquisition of subsidiaries and refers to the amount by which the purchase price plus the fair value of an NCI in the acquiree exceeds Hexatronic's share in the fair value of identifiable assets, liabilities and contingent liabilities in the acquiree.

To test for a write-down requirement, goodwill acquired in a business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Each unit or group of units to which goodwill is allocated shall represent the lowest level in the Group at which the goodwill in question is monitored for internal management purposes. Goodwill is monitored per cash-generating unit.

Goodwill is tested for a write-down requirement annually or more frequently if changes in circumstances indicate a possible impairment. The carrying amount of goodwill is compared with the recoverable amount, which is the higher of an asset's value in use and its fair value less costs of disposal.

2.6 Property, plant and equipment

Property, plant and equipment are recognised at cost less depreciation and any write-down. The cost includes expenses that can be directly attributed to the acquisition of the asset.

Additional expenses are added to the asset's carrying amount or recognised as a separate asset, depending on which is suitable, only if it is probable that the future economic benefits associated with the asset will accrue to the Group and the asset's cost can be measured reliably. The carrying amount for a replacement part is derecognised from the balance sheet. All other forms of repair and maintenance are recognised as costs in the income statement during the period they are incurred.

Depreciation is carried out linearly as follows:
Buildings 15–30 years
Plant and machinery 3–10 years
Equipment, tools, fixtures and fittings 3–10 years

The assets' residual values and useful lives are tested at the end of each reporting period and adjusted if necessary. An asset's carrying amount is immediately written down to its recoverable amount if it is higher than its assessed recoverable amount.

Gains and losses from disposing of property, plant and equipment are determined through a comparison of the sales proceeds and the carrying amount, and recognised in other operating income or other operating expenses in the income statement.

2.7 Write-downs of non-financial non-current assets

Intangible assets that have an indefinite useful life or are not ready for use are not amortised but tested annually for any write-down requirement. Assets that are amortised are tested for impairment at any time that events or changes in circumstances indicate that the carrying amount may not be recoverable. A write-down is carried out equal to the difference between the asset's carrying amount and its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When assessing the write-down requirement, assets are grouped at the lowest levels where there are separate identifiable cash flows (cash-generating units). Tests for reversal should be carried out for assets other than financial assets that have previously been written down every balance sheet date. Previous write-downs of goodwill are not reversed.

2.8 Inventories

Inventories are measured at the lower of cost and net selling price. The cost is determined using the first-in, first-out method (FIFO). The cost for semi-finished and finished goods made internally comprises direct production costs and a reasonable share of indirect production costs. The net selling price is the estimated selling price in the ongoing operations, minus estimated costs necessary to achieve a sale.

2.9 Financial instruments – general

There are financial instruments in many different balance sheet items. These are described below.

Hexatronic distributes its financial instruments in the following categories in accordance with IFRS 9: amortised cost and fair value via the income statement. The classification is based on the nature of the asset's cash flows and on the business model to which the asset is subject.

Financial assets measured at amortised cost

Interest-bearing assets (debt instruments) held for the purpose of collecting contractual cash flows, where these cash flows consist solely of principal amount and interest, are measured at amortised cost. The carrying amount of these assets is adjusted for any expected credit losses recognised (see impairment testing paragraph below). Interest income from these financial assets is recognised using the effective interest method and recognised as financial income. The Group's financial assets, which are measured at amortised cost, consist of accounts receivable, other receivables and cash.

Financial liabilities measured at fair value via the income statement

Financial liabilities measured at fair value via the income statement consist of additional purchase prices and acquisition options during business combinations. Financial liabilities measured at fair value via the income statement are also recognised in subsequent periods at fair value, and the change in value is recognised in the finance net in the profit for the year. Liabilities in this category are classified as current liabilities if they fall due within 12 months of the balance sheet date. If they fall due more than 12 months after the balance sheet date, they are classified as non-current liabilities.

Financial liabilities at amortised cost

The Group's other financial liabilities are classified as measured at amortised cost using the effective interest method. Financial liabilities at amortised cost consist of liabilities to credit institutions, accounts payable, other current liabilities and accruals. Borrowing is initially recognised at fair value, net after transaction costs. Borrowing is then recognised at amortised cost and any difference between the amount received (net after transaction costs) and the repayment amount is recognised in the statement of comprehensive income distributed over the loan period, with application of the effective interest method.

Borrowing is classified as current in the balance sheet if the company does not have an unconditional right to postpone the settlement of the liability for at least 12 months after the reporting period. Dividends paid are recognised as a liability after the general meeting of shareholders has approved the dividend. Accounts payable and other operating payables have short expected maturities and are measured without discount at nominal amounts.

Hedging foreign currency risk in net investments abroad

The currency risk in foreign operations (net assets including goodwill) is hedged through the use of currency borrowings. For derivative instruments or other financial instruments that meet the requirements for hedge accounting under the method of hedging the net investment in foreign operations, the effective portion of the value changes is recognized in other comprehensive income. Accumulated value changes from hedging the net investment in foreign operations are reclassified from equity to profit and loss when the foreign operation is disposed of, either in whole or in part.

Derecognition of financial instruments

Purchases and sales of financial assets are recognised on the trade date. Financial assets are derecognised from the balance sheet when the right to receive cash flows from the instrument has expired or been transferred and the Group has substantially transferred all of the risks and rewards associated with ownership of the asset.

Gains and losses that arise from derecognition from the balance sheet are entered directly in income under net sales, financial items as well as through other comprehensive income.

Financial liabilities are derecognised from the balance sheet when the obligations have been settled or annulled, or have expired in some other way. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the remuneration paid, including transferred assets that are not cash or assumed liabilities, is recognised in the statement of comprehensive income.

If the terms of a financial liability are renegotiated, and not derecognised from the balance sheet, a gain or loss is recognised in the statement of comprehensive income. The gain or loss is recognised as the difference between the original contractual cash flows and the modified cash flows discounted to the original effective rate.

Impairment testing of financial assets

On each reporting occasion, the Group assesses the future expected credit losses associated with assets recognised at amortised cost based on forward-facing information. The Group reports a credit reserve for expected credit losses on each reporting date.

For accounts receivable the Group applies the simplified approach to credit reserves, i.e. the reserve will correspond to the expected loss over the entire life span of the account receivable. In order to measure the expected credit losses, accounts receivable have been grouped based on the allocated credit risk characteristics and overdue days. The Group uses forward-looking variables for expected credit losses. Expected credit losses are recognised in the consolidated statement of comprehensive income under other external expenses.

The Group uses the general model for calculating future expected credit losses for intra-Group receivables, other non-current receivables and other receivables. The expected losses are not judged to be of material value and therefore no further explanation of the eneral model has been made.

Offsetting of financial instruments
Financial assets and liabilities are offset and recognised with a net amount in the balance sheet, only when there is a legal right to offset the reported amounts and an intention to settle them with a net amount or to realise the asset and settle the liability simultaneously.

2.10 Provisions

Provisions in the balance sheet refer to warranty provisions and restructuring reserves related to decided organizational changes. These provisions are recognised when the Group has a legal or informal obligation as a result of previous events, it is probable that an out-flow of resources will be required to settle the obligation and the amount has been calculated reliably. No provisions are made for future operating losses.

2.11 Current and deferred tax

The tax expense for the period encompasses current and deferred tax. The current tax expense is calculated on the basis of tax rules that have been decided or virtually decided on the balance sheet date in the countries in which the Parent Company and its subsidiaries operate and generate taxable income.

Deferred tax is recognised, in accordance with the balance sheet method, on all temporary differences that arise between the tax base of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is calculated by applying tax rates that have been decided or announced on the balance sheet date and are expected to apply when the relevant deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets on loss carry-forwards are recognised to the extent that it is likely that future tax surpluses will be available, against which deficits can be used.

Deferred tax assets and liabilities are offset when there is a legal offset right for current tax assets and tax liabilities, the deferred tax assets and liabilities refer to taxes charged by a single tax authority and refer either to the same tax subject or different tax subjects and there is an intention to settle the balances through net payments.

2.12 Remuneration to employees

Pension obligations
The Group has both defined benefit and defined contribution plans. The defined benefit plans consist of ITP 2 plans (see below for a more detailed description). A defined contribution plan is a pension plan whereby the Group pays fixed contributions to a separate legal entity. The Group does not have any legal or informal obligations to pay further contributions if the legal entity does not have sufficient assets to make all payments to employees relating to the employees' service in the current or earlier periods. With defined contribution plans, the Group pays contributions into publicly or privately managed pension insurance plans on an obligatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expenses when they fall due for payment. Prepaid contributions are recognised as an asset to the extent that the Group may benefit from a cash repayment or decrease in future payments.

In parts of the Group, salaried employees in Sweden are part of an ITP 2 plan. The ITP 2 plan's defined benefit pension obligations for retirement and survivor pension are secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 3 Classification of ITP plans financed through insurance in Alecta, this is a defined benefit plan encompassing multiple employers. The company has not had access to information for the period that would enable it to recognise its proportionate share of the plan's obligations, plan assets and costs, which means it has not been possible to recognise the plan as a defined benefit plan. The ITP 2 plan secured through insurance in Alecta is therefore recognised as a defined contribution plan. Premiums for the defined benefit retirement and survivor pension are calculated individually and depend on factors such as salary, previously earned pension and the expected remaining period of service.

Remuneration upon termination of employment
Remuneration upon termination of employment is paid when an employee's employment is terminated by the Group before the normal retirement age or when an employee accepts voluntary redundancy in exchange for remuneration. The Group recognises remuneration upon termination of employment when it is demonstrably obliged to terminate employment in accordance with a detailed formal plan without an opportunity to cancel. In cases where the company has made an offer to encourage voluntary redundancy, severance pay is calculated based on the number of employees who are expected to accept the offer. Benefits that are due more than 12 months after the end of the reporting period are discounted to the present value.

Performance-based incentive programmes
The Group has established incentive programmes whereby for each acquired Hexatronic share (savings share), participants can receive 2–6 shares (performance shares) in Hexatronic free of charge. To qualify for performance shares participants must, in addition to meeting certain performance-based targets, acquire and retain a number of Hexatronic shares for the whole of the threeyear vesting period and must, with certain exceptions, remain in employment during the same period.

The fair value per performance share is established when the programme is agreed. The number of performance shares expected to be earned with regard to the terms of remaining in employment and the performance terms, together with the fair value per share, forms the basis for the total cost recognised over the three-year vesting period. The cost is allocated linearly over the vesting period and is updated at each reporting occasion with regard to the expected number of earned shares, related to the service and performance terms. As it is an equity-regulated program the cost is reported as employee benefit expense with a corresponding entry in result carried forward.

Costs for social security contributions for the incentive programme are recognised in a corresponding way but with a contra entry as a liability instead of in equity, and with an ongoing revaluation based on the shares' fair value at each reporting occasion.

2.13 Revenue recognition

Income from the Group's ordinary operations consists of the sale of goods and services. The Group's sales mainly consist of goods. The goods are taken up as revenue when control is transferred to the customer on one specific occasion. Indicators such as transfer of ownership and risks, customer acceptance, physical access and rights to issue invoices are taken into account. The sale is recognised net after discounts and other variable remuneration only to the extent that it is highly unlikely to be reversed. The majority of the group's revenue is recognized at a specific point in time, when goods or services are delivered. Revenue from long-term or customized projects is recognized over time, provided there is a customer contract, the project is tailored to the customer, the contract value is substantial, and the completion period is a longer period.

2.14 Government support

Government grants are recognised at fair value when it is reasonably certain that the grant will be received and that the Group will meet the terms associated with the grant. Government grants for costs are allocated to periods and recognised in the income statement as Other revenue over the same periods as the costs that the grants are intended to cover.

2.15 Interest income

Interest income is recognised as revenue using the effective interest method. When the value of a receivable in the category financial assets measured at amortised cost has decreased, the Group reduces the carrying amount to the recoverable amount, which comprises the estimated future cash flow, discounted by the original effective rate for the instrument, and continues unwinding the discount as interest income. Interest income on written-down loan receivables and accounts receivable is recognised at the original effective rate.

2.16 Leases

The Group's leases primarily comprise right-of-use assets regarding leased premises, but also includes vehicles. The leases are recognised as right-of-use assets with a corresponding lease liability on the day the leased asset becomes available for use by the Group. Short-term leases and leases for which the underlying asset is of low value are excepted.

In order to calculate the right-of-use asset and corresponding lease liability, lease payments have been discounted by the interest rate implicit in the lease if this interest rate can easily be established, otherwise the Group's incremental borrowing rate is used.

The lease period is established as the non-terminable period together with both periods covered by an opportunity to extend the lease if the lessee is reasonably certain to utilise that option, and periods covered by an opportunity to terminate the lease if the lessee is reasonably certain not to utilise that option.

Each lease payment is distributed between repayment of lease liability and financial expense. The financial expense shall be distributed over the term of the lease so that each accounting period is charged with an amount corresponding to a fixed rate of interest for the liability recognised in the respective period.

The Group's lease liabilities are entered at the present value of the Group's lease fees. The Group's right-of-use assets are recognised at cost and initially include the present value of the lease liability, adjusted for lease fees paid on or before the start date, as well as initial direct costs. Restoration costs are included in the asset if a corresponding provision relating to restoration costs has been identified. The right-of-use asset is depreciated on a straight-line basis over the shorter of the asset's useful life and the length of the lease.

In 2024, the adjustments relating to additional right-of-use assets amounted to SEK 70 million.

2.17 Cash flow statement

The cash flow statement is prepared using the indirect method. The recognised cash flow only includes transactions that involved inward and outward payments.

2.18 The Parent Company's accounting policies

The Parent Company applies different accounting policies to the Group in the cases stated below.

Formats

The income statement and balance sheet comply with the format in the Swedish Annual Accounts Act. The statement of changes in equity follows the Group's format but has to contain the columns specified in the Swedish Annual Accounts Act. Furthermore this means differences in terms, compared with the consolidated financial statements, mainly regarding financial income and expenses, and equity.

Participations in subsidiaries

Participations in subsidiaries are recognised at cost less any write-down. The cost includes acquisition-related costs and any additional purchase prices.

If there is an indication that participations in subsidiaries have decreased in value, the recoverable amount is calculated. If this is less than the carrying amount, a write-down is carried out. Write-downs are recognised in result from participations in Group companies.

Group contributions

Group contributions from the Parent Company to subsidiaries and vice versa are recognised as appropriations.

Leases

The parent company has chosen not to apply IFRS 16 Leases, but has instead chosen to apply RFR 2 IFRS 16 Leasing Agreements p. 2-12, which means that all leasing fees are reported as a cost linearly over the leasing period.

Financial instruments

IFRS 9 is not applied in the Parent Company, and financial instruments are measured and recognised based on the cost in accordance with the Swedish Annual Accounts Act.

Note 3 Financial risk management

3.1 Financial risks

Through its operation the Group is exposed to various financial risks such as market risk (foreign exchange risk and interest risk), credit risk, as well as cash flow and liquidity risk. The Group's overall risk management policy focuses on unpredictability on the financial markets and strives to minimise potential unfavourable effects on the Group's financial results.

Risk management is handled centrally by the Parent Company Hexatronic Group AB and is the responsibility of the President/CEO and CFO, in accordance with the financial policy established by the Board of Directors. The President/CEO and CFO authorise the risk management measures implemented in accordance with the policy, and the Presidents of the respective subsidiaries have operational responsibility for ensuring compliance with the policy in day-to-day work.

Foreign exchange risk

Foreign exchange risk refers to the risk that exchange rate movements will have an adverse effect on the income statement, balance sheet and cash flow. Furthermore, changes in exchange rates affect the comparability of Hexatronic's results from period to period. Hexatronic's operations mainly operate internationally, and sales, costs and net assets are therefore denominated in a series of different currencies.

Transaction exposure

Sales and purchases of goods and services in currencies other than the respective subsidiary's functional currency lead to transaction exposure. Transaction exposure within the Group is mainly concentrated in European subsidiaries that make external purchases in EUR and USD where neither of these currencies are the company's accounting currency. Internal flows are optimized as far as possible to reduce transaction exposure, i.e. by managing the currency for internal invoicing flows.

Contract currency clauses and matching of external currency flows are other measures taken to mitigate transaction exposure.

Translation exposure

Translation exposure – income statement
The Group's operating income and expenses largely arise in subsidiaries outside of Sweden. Changes in exchange rates therefore impact on the Group's results when the income statements of these subsidiaries are translated into SEK.

The tables below show the operating profit per currency reported in the functional currency, and the impact a 10 percent change in each exchange rate against the SEK would have on the Group's operating profit in SEK million. In addition to the currencies in the table, the Group has small flows in Icelandic krone (ISK), Danish krone (DKK) and Indonesian rupiah (IDR).

Operating profit by currency

Currency (millions)	2024	2023
USD	18	52
EUR	9	17
GBP	8	10
KRW	13,810	14,916
CAD	7	10
AUD	7	4
NOK	20	24
NZD	1	2

Estimated effect on the Group's operating profit

SEK +10% compared with:	Currency flows, net	
Currency (millions)	2024	2023
USD	-19	-55
EUR	-11	-20
GBP	-11	-13
KRW	-11	-12
CAD	-5	-8
AUD	-5	-3
NOK	-2	-2
NZD	-1	-2

Translation exposure – balance sheet
Translation exposure arises during Group consolidation when the net assets in the Group's units are translated into SEK.

Foreign net assets/liabilities in the Group are divided into the following currencies:

Currency (millions)	2024	2023
EUR	91	71
KRW	123,982	111,064
USD	29	55
GBP	64	42
AUD	36	30
CAD	17	19
NZD	14	16
NOK	63	64

Estimated effect on the Group's foregin net assets/liabilites

SEK +10 % compared with	Currency flows, net	
SEK (millions)	2024	2023
EUR	-105	-79
KRW	-93	-86
USD	-32	-55
GBP	-89	-53
AUD	-25	-20
CAD	-13	-15
NZD	-8	-10
NOK	-6	-6

Interest risk in borrowing

The Group's interest risk arises through long-term borrowing. A Board decision is required to raise new loans that exceed granted credit. Hexatronic does not generally use derivative instruments to adjust underlying interest exposure. By the of 2024, the Group's borrowing was in SEK, USD, EUR and GBP at variable interest rates. The borrowing amounted to SEK million 1,060, USD million 90, GBP million 26 and EUR million 8.

Simulations show that a 1 percent change in interest rates would increase or decrease the financial net by SEK million 25 (29).

Credit risk

Credit risk is managed at Group level, with the exception of credit risk relating to outstanding accounts receivable. Each Group company is responsible for monitoring and analysing the credit risk for each new customer before offering standard payment and delivery terms. The use of credit limits is monitored regularly.

Financial credit risk arises through cash and cash equivalents, derivative instruments, and balances at banks and financial institutions. The risk is managed through high requirements on counterparty credit worthiness as outlined in the Group Treasury policy. Hexatronic cooperates with wellknown Nordic banks with at least an A rating according to the credit assessment of Standard & Poors.

Cash flow and liquidity risk

Cash flow forecasts are prepared by ther operating companies and aggregated at group level. The treasury department carefully monitors the Group's liquidity position to ensure that the Group has sufficient cash and unutilized credit facilities to meet the needs of the operating activities and keep an adequate liquidity reserve.

The ambition of the group is to have an active liquidity management with concentration and netting of cash as far as possible. The group cash pools operates 6 currencies and is netting liquidity flows per currency in real time.

Any surplus liquidity in the Group may only be invested in interest-bearing accounts. On the balance sheet date, the company had cash and cash equivalents of SEK million 633 (813).

The table below analyses the Group's financial liabilities, divided according to the time remaining on the balance sheet date until the contractual due date. The amounts in the table are the contractual, undiscounted cash flows. Future cash flows in foreign currency have been calculated based on the exchange rate that was applied on the balance sheet date and future cash flows attributable to variable interest rates have been calculated based on the interest rate that applied on the balance sheet date.

Group

Group, 31 December 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Liabilities to credit institutions	292	2,388	7	-
Accounts payable	679	-	-	-
Other liabilities	91	294	104	-
Lease liabilities	135	122	250	130
Accrued expenses	155	-	-	-
Total	**1,352**	**2,805**	**361**	**130**

Group, 31 December 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Liabilities to credit institutions	350	2,810	14	-
Accounts payable	510	-	-	-
Other liabilities	249	24	336	19
Lease liabilities	114	109	257	180
Accrued expenses	126	-	-	-
Total	**1,349**	**2,943**	**607**	**200**

Parent Company

Parent Company, 31 December 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Liabilities to credit institutions	292	2,388	-	-
Accounts payable	11	-	-	-
Other liabilities	1	281	54	-
Total	**304**	**2,669**	**54**	**-**

Parent Company, 31 December 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Liabilities to credit institutions	350	2,810	-	-
Accounts payable	16	-	-	-
Other liabilities	146	14	316	19
Total	**512**	**2,824**	**316**	**19**

3.2 Managing capital

The Group's goal regarding capital structure is to secure the Group's ability to continue its operation so that it can continue to generate returns for its shareholders and benefit for other stakeholders, and maintain an optimal capital structure so as to keep the costs of capital down.

In order to maintain or adjust the capital structure, the Group can issue new shares or sell assets to reduce liabilities.

The Group assesses its capital in accordance with the agreed bank covenant, which are leverage and equity ratio. Leverage is defined as consolidated net debt in relation to adjusted EBITDA with some adjustmens made in accordance with the loan agreement. IFRS 16 does not affect the covenant calculation. The equity ratio is measured as equity in relation to total assets.

On 31 December 2024 the Group reported 1.9 as leverage and 48 percent as equity ratio (excluding IFRS 16), which well meet the stipulated bank covenants.

3.3 Calculating fair value

The table below shows financial instruments measured at fair value based on classification in the fair value hierarchy. The different levels are defined as follows:

- Quoted prices (not adjusted) on active markets for identical assets or liabilities (level 1).
- Observable data for the asset or liability other than quoted prices included in level 1, either directly (i.e. quoted prices) or indirectly (i.e. derived from quoted prices) (level 2).
- Data for the asset or liability that is not based on observable market data (i.e. non-observable data) (level 3).

Significant assumptions to calculate the fair value of the additional purchase price or acquisition option have been made based on each purchase agreement, where gross profit margin or EBITDA margin are significant key ratios for the future projections.

The Group did not have any assets measured at fair value on 31 December 2024 or 31 December 2023.

Group, 31 December 2024	Level 1	Level 2	Level 3	Total
Liabilities				
Financial liabilities measured at fair value via the income statement				
Additional purchase prices	-	-	220	220
Acquisition options	-	-	130	130
Other	-	-	2	2
Total liabilities	**-**	**-**	**352**	**352**

Group, 31 December 2023	Level 1	Level 2	Level 3	Total
Liabilities				
Financial liabilities measured at fair value via the income statement				
Additional purchase prices	-	-	360	360
Acquisition options	-	-	98	98
Other	-	-	2	2
Total liabilities	**-**	**-**	**461**	**461**

		Cash flow	Items not affecting cash flow				
	2023-12-31	**Payments**	**Acquisitions during the year**	**Reclassi-fication**	**Translation difference**	**Revaluation over the income statement**	**2024-12-31**
Additional purchase price/acquistion option	461	-159	21	20	4	4	352

		Cash flow	Items not affecting cash flow				
	2022-12-31	**Payments**	**Acquisitions during the year**	**Reclassi-fication**	**Translation difference**	**Revaluation over the income statement**	**2023-12-31**
Additional purchase price/acquistion option	621	-122	124	17	-0	-179	461

Financial instruments in level 3

On February 2, 2024, the group acquired 97 percent of the share capital of MConnect, Ltd. The acquisition includes an option to acquire the remaining 3 percent after 2027. The expected purchase price for the remaining 3 percent is recognized as a liability at the time of acquisition.

On October 1, 2024, the group completed the acquisition of parts of the Icelandic company Endor. As part of the contingent consideration, an additional purchase price was included, which was estimated at SEK 2 million in the acquisition analysis. The fair value of the contingent consideration agreement has been discounted.

On 1 October 2023, the Group acquired 95 percent of the share capital in USNet. The acquisition includes an option to acquire the remaining 5 percent after 2027. The expected purchase price for the remaining 5 percent is recognised as a liability and amounted to SEK 14 million at the time of acquisition. The fair value of the call/put option has been discounted.

On 1 December 2022, the Group acquired 100 percent of the share capital in KNET. As part of the conditional purchase price, an additional purchase price is included, which in the acquisition analysis amounted to SEK 293 million. The fair value of the contingent consideration agreement has been discounted.

On 1 October 2022, the Group acquired 90 percent of the share capital in Impact Data Solutions Ltd. The acquisition includes an option to acquire the remaining 10 percent until 2029. The expected purchase price for the remaining 10 percent is recognised as a liability and amounted to SEK 43 million at the time of acquisition. The fair value of the call/put option has been discounted.

On 1 October 2021, the Group acquired 100 percent of the share capital in Data Center Systems. As part of the conditional purchase price, an additional purchase price is included, which in the acquisition analysis amounted to SEK 24 million. The fair value of the contingent consideration agreement has not been discounted as the discounting effect is not considered significant.

On 2 November 2020, the Group acquired 90 percent of the share capital in Qubix S.p.A. In 2024, 5 percent was acquired, while the remaining 5 percent is recognized as a liability, and the group has an option to acquire the remaining 5 percent after 2025.

The calculation of the fair value as of 31 December 2024 resulted in a effect of SEK -4 million (179).

Note 4 Important accounting estimates

Accounting estimates are continuously evaluated and based on past experience and other factors, including expectations of future events that are deemed reasonable under prevailing conditions.

Important estimates and assessments for accounting purposes

The Group makes estimates and assumptions about the future. By definition, the resulting accounting estimates rarely correspond to the actual outcome. The estimates and assumptions that pose a significant risk of material adjustments to the carrying amounts of assets and liabilities in the forthcoming financial year are dealt with as outlined below.

Impairment test for goodwill

Every year the Group examines whether there is a write-down requirement for goodwill, in accordance with the accounting policy described in Note 2. The recoverable amounts for cash-generating units have been determined by calculating value in use. Certain assumptions have to be made for these calculations. A more detailed description of the impairment test for goodwill, along with significant assumptions that form part of the model for this, can be found in Note 17.

Measurement of additional purchase prices

Additional purchase prices are recognised at fair value based on assessed outcomes of agreed clauses in the share transfer agreement at the time of acquisition. On each reporting occasion, the financial liability is measured at fair value and any changes are recognised in the income statement. Since the Group has made several acquisitions in recent years, the liability for additional purchase prices has become a significant assessment item.

Valuation of the acquisition option

The Group has an option to acquire the remaining 5 percent of Qubix after 2025, the remaining 10 percent of Impact Data Solutions Ltd until 2029, the remaining 5 percent of USNet after 2027 and the remaining 3 percent of Mconnect Ltd after 2027. It is deemed likely that the option will be exercised, and the expected purchase price is recognised as a financial liability at fair value based on assessed outcomes of agreed clauses in the share transfer agreement at the time of acquisition. On each reporting occasion, the financial liability is measured at fair value and any changes are recognised in the income statement.

Warranty provision

The Group sets up provisions for warranty obligations based on past experience and individual assessment of transactions that may incur warranty costs.

Obsolescence reserves

If the net realisable value is lower than the cost, a value reserve is set up for obsolete stock. The Group applies a principle (obsolescence scale) whereby write-down is based on the length of time that a good has not moved. In the event of an obsolescence requirement in accordance with this principle, an individual assessment is made as to whether or not the good can be considered sellable.

The total stock value after obsolescence valuations was SEK 1,442 million (1,393) on 31 December 2024. The total obsolescence reserve amounted to SEK 180 million (172).

Note 5 Segments

Hexatronic is an innovative Swedish group with Fiber Solutions as its primary and leading component, encompassing systems and products for broadband communication. Additionally, the group operates in the focus areas of Harsh Environment and Data Center, where the strategy going forward is to grow these areas through well-planned investments and acquisitions of new promising companies.

Operating segments are reported consistently with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the function responsible for allocating resources and assessing the performance of the operating segments. In the Group, this function has been identified as the President and CEO who makes strategic decisions. Group management has established operating segments based on the information processed by the CEO and used as a basis for allocating resources and evaluating performance. There is under 2024, no further breakdown of results per service area, geographical region, or other segmental division, which is why the assessment is that the Group's operations consist of only one operating segment.

The operating segment is recognised in accordance with the same accounting policies as the Group.

Note 6 Breakdown of net sales

	Group		Parent Company	
Net sales by income type	**2024**	**2023**	**2024**	**2023**
Product sales	6,944	7,606	-	-
Service sales	637	544	140	121
Total	**7,581**	**8,150**	**140**	**121**

The Parent Company mainly receives service income from subsidiaries in the Group.

Breakdown of net sales	**2024**	**2023**
USA	2,568	2,651
Germany	1,014	1,248
United Kingdom	993	1,228
Sweden	630	694
Other countries	2,375	2,330
Total	**7,581**	**8,150**

Non-current assets	**2024**	**2023**
USA	1,964	1,646
United Kingdom	992	942
South Korea	640	668
Sweden	505	538
Other countries	1,460	1,468
Totalt	**5,560**	**5,263**

The information above is based on where the customers have their registered business address.

Income from the Group's three biggest customers in 2024 amounted to SEK 218 million, SEK 205 million and SEK 204 million respectively. Income from the Group's three biggest customers in 2023 mounted to SEK 424 million, SEK 238 million and SEK 218 million respectively. No single customer accounts for more than 10 percent of the Group's sales. In essence, all of the above income has been accounted for at a given time.

The information regarding non-current assets above is based on the location of the assets, specifically where the company conducts its production of goods and services.

Non-current assets refer to non-current assets other than financial instruments and deferred tax assets (there are no assets linked to post-employment benefits or rights in accordance with insurance agreements).

Note 7 Other operating income / - expenses

	Group	
Other operating income by income type	**2024**	**2023**
Onward-invoiced freight	0	6
Grants received	3	10
Capital gain from sale of equipment	4	0
Exchange rates differences	53	60
Other items	18	14
Total	**77**	**90**

Other operating expenses by expense type	Group 2024	Group 2023
Exchange rates differences	-38	-55
Other items	-3	-5
Total	**-41**	**-60**

Note 8 Remuneration to auditors

Audit engagement refers to auditing the annual report and accounts as well as the administration of the Board of Directors and CEO, other work duties incumbent on the company's auditors, along with advice or other assistance caused by observations during such an audit or while carrying out other such work duties. Everything else comes under 'Other assignments'.

	Group				Parent Company			
	2024	Of which PwC Sweden	2023	Of which PwC Sweden	2024	Of which PwC Sweden	2023	Of which PwC Sweden
PwC								
Audit engagement	6	3	6	3	3	3	2	2
Audit business in addition to audit engagement	1	0	1	0	0	0	0	0
Tax consultancy	-	-	0	-	-	-	-	-
Other services	0	-	0	0	-	-	0	0
Total	**6**	**4**	**7**	**4**	**3**	**3**	**2**	**2**
Other auditors								
Audit engagement	3	0	1	-	-	-	-	-
Total	**9**	**4**	**9**	**4**	**3**	**3**	**2**	**2**

Note 9 Transactions with related parties

Handelsbanken Funds owns 8.0%, Accendo Capital owns 6.0%, Jonas Nordlund owns (privately and via company) 5.4%, AMF Pension & Funds owns 5.3%, of the shares in Hexatronic Group AB, and they are deemed to have significant influence over the Group. Ownership of the remaining 75.3% of the shares is widely spread, with no individual having a holding of more than 5.0%.

Other related parties are all of the subsidiaries within the Group, together with senior executives in the Group, i.e. the Board of Directors and Executive Management as well as natural and legal persons related to them. The following transactions have taken place with related parties:

Sales of products and services	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
Sales of Group-wide services to subsidiaries	-	-	140	121
Total	**0**	**0**	**140**	**121**

Purchases of products and services	Group 2024	Group 2023	Parent Company 2024	Parent Company 2023
Rental agreement with Fastighets AB Balder	6	7	2	2
Purchases of services from subsidiaries	-	-	29	29
Total	**6**	**7**	**32**	**31**

Receivables and liabilities at the end of the period as a result of sales and purchases of products and services	Group		Parent Company	
	2024	2023	2024	2023
Receivables from related parties:				
- Receivables from Group companies	-	-	1,611	1,329
Total receivables from related parties	**0**	**0**	**1,611**	**1,329**
Liabilities to related parties:				
- Liabilities to Group companies:	-	-	864	668
Total liabilities to related parties	**0**	**0**	**864**	**668**

The Group rents premises from Fastighets AB Balder, in which the Group's Board Member Erik Selin has a significant influence. The rental contract has been entered into under normal commercial conditions on a business basis.

In total, 100% (100%) of the Parent Company's sales are sales to Group companies and 27.0% (23.8) of the Parent Company's purchases are purchases from Group companies. Services are purchased and sold to subsidiaries on normal commercial conditions.

Remuneration to senior executives is detailed in Note 10.

Note 10 Remuneration to employees etc.

Group	2024	2023
Salaries and other remuneration	975	921
Social security contributions	178	137
Pension expenses - defined contribution plans	58	55
Group total	**1,211**	**1,112**

Salaries and other remuneration	2024		2023	
	Salaries and other remuneration (of which bonuses)	Pension expenses	Salaries and other remuneration (of which bonuses)	Pension expenses
Board Members, CEO and other senior executives	36	6	34	6
of which bonuses	(2)	-	(2)	-
Other employees	939	52	886	49
Group total	**975**	**58**	**921**	**55**

Gender breakdown in the Group (incl. subsidiaries) for Board Members and other senior executives	2024		2023	
	Number on balance sheet date	Of whom women	Number on balance sheet date	Of whom women
Board Members	7	3	6	2
CEO and other senior executives	10	4	8	3
Group total	**17**	**7**	**14**	**5**

Average number of employees by country	2024 Average no. of employees	2024 Of whom women	2023 Average no. of employees	2023 Of whom women
Sweden	28	16	28	17
Parent Company total	**28**	**16**	**28**	**17**
Subsidiaries				
USA	648	130	577	119
Sweden	372	89	432	124
UK	359	105	287	97
Germany	130	36	131	36
South korea	106	13	130	14
Austria	69	8	89	8
Australia	57	11	64	12
Estonia	49	41	54	45
Netherlands	46	4	47	4
New Zealand	31	4	32	3
Italy	22	7	23	7
Norway	13	1	13	1
Canada	9	3	10	3
Denmark	5	0	3	0
Belgium	5	1	2	1
Lituania	4	1	5	1
Latvia	4	1	4	1
Finland	3	0	3	0
China	1	0	1	0
Iceland	1	0	0	0
Subsidiaries total	**1 933**	**454**	**1 907**	**476**
Group total	**1 961**	**471**	**1 935**	**492**

Parent Company	2024	2023
Salaries and other remuneration	49	41
Social security contributions	25	8
Pension expenses – defined contribution plans	9	7
Parent Company total	**83**	**55**

Salaries and other remuneration	2024 Salaries and other remuneration (of which bonuses)	2024 Pension expenses	2023 Salaries and other remuneration (of which bonuses)	2023 Pension expenses
Board Members, CEO and other senior executives	24	5	19	4
of which bonuses	(2)	-	(1)	-
Other employees	24	4	22	3
Parent Company total	**49**	**9**	**41**	**7**

Gender breakdown in the Parent Company for Board Members and other senior executives	**2024**		**2023**	
	Number on balance sheet date	**Of whom women**	**Number on balance sheet date**	**Of whom women**
Board Members	7	3	6	2
CEO and other senior executives	7	4	5	3
Parent Company total	**14**	**7**	**11**	**5**

Average number of employees by country	**2024**		**2023**	
	Average no. of employees	**Of whom women**	**Average no. of employees**	**Of whom women**
Sverige	28	16	28	17
Summa moderföretag	**28**	**16**	**28**	**17**

See Note 28 for information on current warrants.

Pensions

The Group has both defined benefit and defined contribution plans. The pension expense refers to the cost that affected result for the year.

Defined benefit pension plans

The Group has ITP 2 plans, which are defined benefit pension plans secured through insurance with Alecta. See Note 2.12 for further information on the accounting policies for these pension plans. The expected payments in the next reporting period for ITP 2 insurance policies signed with Alecta amount to SEK 6 million (8).

The collective level of consolidation comprises the market value of Alecta's assets as a percentage of the insurance commitments calculated in accordance with Alecta's actuarial methods and assumptions, which do not correspond to IAS 19. The collective level of consolidation is usually permitted to vary between 125 and 175 percent. If Alecta's collective consolidation level is below 125 percent or above 175 percent, measures shall be taken to create conditions that bring the consolidation level back within the normal interval. If the consolidation level is low, one possible measure is to increase the agreed price for subscribing to or expanding existing benefits. If the consolidation level is high, one possible measure is to reduce premiums. On 31 December 2024, Alecta's surplus in the form of the collective consolidation level was 162 percent (157).

Remuneration to senior executives

Guidelines

Renumerations are paid to the Chairman and members of the Board of Directors, in accordance with decisions made at the general meeting of shareholders.

The Annual General Meeting of shareholders has decided on the following guidelines for remuneration to management.

Remuneration to the CEO and other senior executives comprises basic salary, variable remuneration, other benefits and financial instruments, etc. Other senior executives refers to the eight people who together with the CEO make up the Executive Management. See pages 88-89 for the composition of the Executive Management.

The division between basic salary and variable remuneration shall be proportional to the officer's responsibilities and authority. For the CEO and other senior executives alike, variable remuneration can be up to 50% of their basic salary. Variable remuneration is based on outcomes relating to individually set goals.

Other benefits for the CEO and other senior executives form part of the overall remuneration.

Remuneration and other benefits 2024	Basic salary/ Board fee	Variable remuneration	Share-based remuneration	Other benefits	Pension expenses	Total
Magnus Nicolin, Chairman of the Board[1]	0.7	-	-	-	-	0.7
Anders Persson, Chairman of the Board[2]	0.3	-	-	-	-	0.3
Helena Holmgren, Board Member	0.5	-	-	-	-	0.5
Jaakko Kivinen, Board Member	0.4	-	-	-	-	0.4
Erik Selin, Board Member	0.4	-	-	-	-	0.4
Linda Hernström,Board Member[1]	0.3	-	-	-	-	0.3
Åsa Sundberg, Board Member[1]	0.3	-	-	-	-	0.3
Diego Anderson, Board Member[1]	0.3	-	-	-	-	0.3
Charlotta Sund, Board Member[2]	0.1	-	-	-	-	0.1
Per Wassén, Board Member[2]	0.1	-	-	-	-	0.1
Henrik Larsson Lyon, CEO	5.8	0.7	1.1	0.1	1.7	9.3
Martin Åberg, Deputy CEO	3.8	0.4	0.7	0.1	1.1	6.2
Other senior executives (8 people)	16.2	1.0	2.0	0.8	3.4	23.4
Total	**29.2**	**2.0**	**3.8**	**1.0**	**6.2**	**42.2**

1) Elected to the board at the Annual General Meeting on May 7, 2024.
2) Resigned from the board at the Annual General Meeting on May 7, 2024.

Remuneration and other benefits 2023	Basic salary/ Board fee	Variable remuneration	Share-based remuneration	Other benefits	Pension expenses	Total
Anders Persson, Chairman of the Board	0.7	-	-	-	-	0.7
Helena Holmgren, Board Member	0.4	-	-	-	-	0.4
Erik Selin, Board Member	0.3	-	-	-	-	0.3
Jaakko Kivinen, Board Member	0.4	-	-	-	-	0.4
Charlotta Sund, Board Member	0.3	-	-	-	-	0.3
Per Wassén, Board Member	0.3	-	-	-	-	0.3
Henrik Larsson Lyon, CEO	5.8	0.6	1.7	0.1	1.7	9.8
Martin Åberg, Deputy CEO	3.8	0.3	1.0	0.1	1.1	6.2
Other senior executives (7 people)	14.4	0.8	2.6	0.7	3.2	21.8
Total	**26.6**	**1.6**	**5.3**	**0.9**	**6.0**	**40.3**

Pensions
The retirement age for the CEO is 65.

The CEO's pension contribution shall amount to 30% of the pensionable salary. Pensionable salary refers to fixed basic salary.

For other senior executives, the retirement age varies between 60 and 67 years. The pension agreement states that the pension contribution varies between 12 and 30% of the pensionable salary.

Severance pay
The CEO's employment contract includes a period of notice of six months on the part of the CEO and 12 months on the part of the Company, in addition to severance pay. The severance pay applies from the CEO's 50th birthday, and amounts to one month's salary (fixed) for each year of age above 50 when the CEO is given notice. This means, for example, that if the CEO is given notice at the age of 52, the severance pay will amount to two months' salary. No deductions are made from severance pay for other income. No severance pay shall be forthcoming if the CEO resigns.

There is a mutual period of notice of 3–12 months between the company and other senior executives. No severance pay has been agreed with other senior executives.

Performance-based incentive programme
At the AGMs on May 5, 2022, May 9, 2023, and May 7, 2024, a decision was made to introduce long-term, performance-based incentive programmes targeted at senior executives and other key people in the Group (LTIP 2022, LTIP 2023, and LTIP 2024).

The three ongoing programmes encompass 47 people and entail the participants actively purchasing shares (known as savings shares) at market price and locking in the savings shares for a three-year period. For each savings share acquired by a participant, the participant is assigned up to 2–6 rights, which entitle the participant to receive additional ordinary shares in Hexatronic Group AB (known as performance shares) free of charge on a date set by the Board, approximately three years after the rights are assigned. To earn performance shares, the participant must remain in the employ of Hexatronic Group AB and continue to hold the purchased savings shares. In addition, certain performance targets must be met, linked to the development of the earnings per share, the Group's growth, EBITA margin, and certain sustainability targets during the vesting period.

With the aim of ensuring delivery of shares, the company has issued shares (class C shares that can be converted into ordinary shares) which can be transferred to participants under the programme. The maximum cost for LTIP 2022, LTIP 2023 and LTIP 2024 programmes was estimated to be before the start of the programmes at approximately SEK 19 million, SEK 32 million and SEK 20 million respectively, excluding social security contributions.

In 2024, a total of 39 participants in the LTIP 2024 programme purchased shares in Hexatronic Group AB, and the maximum right to performance shares amounted to 542,066 shares. As of December 31 2024, a total of 47 participants remain in the ongoing incentive programs.

No. of rights to shares	2024	2023
Outstanding rights to shares on 1 January	288,558	371,602
Allocated during the year	542,066	315,552
Earned during the year	-30,117	-273,879
Expired during the year	-337,194	-124,717
Outstanding rights to shares on 31 December	**463,314**	**288,558**

Outstanding share rights on December 31, 2024 is 463,314 (288,558) of which CEO has 67,638 (43,586), Deputy CEO has 46,314 (29,000), other senior executives has 117,870 (69,436) and other employees 231,492 (146,536).

The fair value of the performance shares was determined when the programme was agreed. A reduction of the fair value with respect to expected dividends, has been made.

The recognised salary cost in 2024 for the programmes amounts to SEK 9 million (8), excluding social security contributions of SEK 10 million (-9). Costs for social security contributions for the incentive programme are revaluated based on the shares' fair value at each reporting date.

The effect from incentive programme on earnings per share before and after dilution, see Note 14.

Note 11 Financial income/interest income and similar result items

	Group		Parent Company	
	2024	2023	2024	2023
Capital gain	-	-	2,226	-
Dividend	-	-	153	54
Exchange rate differences	13	-	-	71
Adjustment of additional purchase prices	-	179	-	-
Interest	12	6	-	0
Total	**25**	**185**	**2,379**	**125**

A capital gain of SEK 2,226 million (-) was recognized in the parent company's financial net in 2024 as a result of a restructuring of the legal structure in the parent company's subsidiary.

Note 12 Financial expenses/interest expenses and similar result items

	Group		Parent Company	
	2024	2023	2024	2023
Exchange rate differences	-	-12	-109	-
Adjustment of additional purchase prices	-4	-	-24	-
Other interest expenses	-171	-150	-165	-151
Leasing interest expenses	-26	-15	-	-
Other financial expenses	-3	-8	-4	-8
Total	**-204**	**-186**	**-302**	**-159**

Note 13 Income tax

	Group		Parent Company	
	2024	2023	2024	2023
Current tax:				
Current tax on profit for the year	-194	-245	1	-
Total current tax	**-194**	**-245**	**1**	**-**
Deferred tax (Note 20)	37	-30	19	-
Income tax	**-157**	**-275**	**20**	**-**

Income tax on profit for the year differs from the theoretical amount that would have emerged using a weighted average tax rate for profit in the consolidated companies as follows:

	Group		Parent Company	
	2024	2023	2024	2023
Earnings before taxes (EBT)	**501**	**1,121**	**2,158**	**-58**
Income tax calculated using national tax rates for profit in each country	-133	-269	-444	12
Tax effects of:				
- Non-deductible expenses	-38	-48	-27	-23
- Non-taxable income	20	39	490	11
- Tax on previous year's profit	4	0	1	-
- Increase in loss carry-forward without equivalent capitalisation of deferred tax	-13	-9	-	-
- Use of loss carry-forward not previously recognised	2	12	-	-
Tax expense	**-157**	**-275**	**20**	**-**

The weighted average tax rate is 31.4% (24.5%) for the Group and 1% (0%) for the Parent Company.

Note 14 Earnings per share

	2024	2023
Earnings per share before dilution (SEK)	1.69	4.18
Earnings per share after dilution (SEK) [1]	1.69	4.17

Basic and diluted earnings per share related to Parent Company shareholders are calculated based on the following information:

Earnings related to Parent Company shareholders, SEK m	346	848
Weighted average number of ordinary shares before dilution	204,249,660	203,026,610
Weighted average number of ordinary shares after dilution [1]	204,453,694	203,454,005

1) Outstanding warrants create a dilutive effect when the discounted exercise price for the warrants is less than the average price for ordinary shares during the period. The dilutive effect of the warrant programmes is calculated in accordance with the prevailing dilution at the end of the period.

Before dilution
Basic earnings per share are calculated by dividing earnings related to Parent Company shareholders by a weighted average number of outstanding shares during the period.

After dilution
Diluted earnings per share are calculated by dividing earnings related to Parent Company shareholders by a weighted average number of outstanding shares during the period, including a weighted number of shares that would be added if all potential shares were converted to shares.

Note 15 Exchange rate differences

Exchange rate differences have been recognised in the income statement as follows:

	Group		Parent Company	
	2024	2023	2024	2023
Net sales	-1	1	-	-
Other operating income / -expenses, net (note 7)	15	5	-	-
Net financial income and expense (Note 11, 12)	13	-12	-109	71
Total exchange rate differences in the income statement	**27**	**-6**	**-109**	**71**

Note 16 Proposed appropriation of profits

The following funds are at the Parent Company's disposal	SEK
Share premium reserve	999,241,130
Result brought forward	70,752,805
Result for the year	2,177,019,372
Total	**3,247,013,307**

The Board of Directors proposes that the profits be appropriated as follows:	SEK
SEK 0 per share to be distributed to shareholders	-
To be transferred to result carried forward	3,247,013,307
Total	**3,247,013,307**

Note 17 Intangible assets

Group	Capitalised development expenditure	Customer relations	Trademarks	Goodwill	Total
2023 financial year					
Opening carrying amount	35	327	87	2,042	2,491
Purchases/cultivation	9	-	-	-	9
Increase through business acquisitions	5	168	-	518	692
Reclassification	-	-	-	7	7
Translation differences	0	-14	0	-93	-108
Amortisation	-12	-86	-14	-	-113
Closing carrying amount	**37**	**394**	**74**	**2,474**	**2,978**
As per 31 December 2023					
Cost	68	635	137	2,474	3,314
Accumulated amortisation and write-downs	-31	-240	-63	-1	-336
Carrying amount	**37**	**394**	**74**	**2,474**	**2,978**
2024 financial year					
Opening carrying amount	37	394	74	2,474	2,978
Purchases/cultivation	9	-	-	-	9
Increase through business acquisitions	-	-	-	22	22
Reclassification	6	-	-	19	25
Translation differences	2	25	2	100	129
Amortisation	-15	-95	-13	-	-123
Closing carrying amount	**39**	**325**	**63**	**2,614**	**3,041**
As per 31 December 2024					
Cost	88	660	139	2,614	3,501
Accumulated amortisation and write-downs	-49	-335	-76	-	-461
Carrying amount	**39**	**325**	**63**	**2,614**	**3,041**

Parent Company

During the 2024 financial year the Parent Company invested SEK 0 million (1) in capitalised development expenditure. Amortisation during the financial year amounted to SEK 2 million (2).

Impairment test for goodwill

Goodwill is not written down on an ongoing basis; rather, the value is tested at least annually in accordance with IAS 36. The test was most recently performed in December 2024.

In the case of acquisitions, goodwill is allocated to the Group's cash-generating units (CGUs). A CGU is the lowest level of assets for which separate cash flows can be identified. Hexatronic has four separate CGUs to which goodwill can be allocated according to the table below:

2024	Opening carrying amount	Acquisitions	Sales	Write-down	Reclass-ification	Translation differences	Closing carrying amount
Group (excl. separate CGUs)	**1,516**	-	-	-	11	22	**1,549**
Qubix	**149**	-	-	-	-	5	**154**
Data Center Systems & Impact Data Solutions & USNet	**396**	22	-	-	5	37	**460**
Rochester Cable and Fibron Cable	**413**	-	-	-	3	37	**452**
Group total	**2,474**	**22**	**0**	**0**	**19**	**100**	**2,614**

2023	Opening carrying amount	Acquisitions	Sales	Write-down	Reclass-ification	Translation differences	Closing carrying amount
Group (excl. separate CGUs)	**1,576**	1	-	-	-6	-55	**1,516**
Qubix	**149**	-	-	-	-	0	**149**
Data Center Systems & Impact Data Solutions & USNet	**318**	73	-	-	13	-8	**396**
Rochester Cable and Fibron Cable	**-**	443	-	-	-	-30	**413**
Group total	**2,042**	**518**	**0**	**0**	**7**	**-93**	**2,474**

The recoverable amount for a CGU has been established based on calculations of value in use. These calculations are based on estimated future cash flows before tax based on financial budgets that have been approved by the Executive Management and span a five-year period. Cash flows beyond the five-year period are extrapolated using an estimated growth rate as stated below. The growth rate is not higher than the long-term growth rate for the fiber optic market in which the CGUs concerned operate. The operational risk is deemed to be similar between the cash-generating units, and therefore the same discount rate (WACC) has been used for all cash-generating units.

Important assumptions used to calculate value in use:

Average annual revenue growth for the first five years is 8% (8) for the Group (excluding separate CGUs), 2% (2) for Qubix, 9% (6) for Data Center Systems & Impact Data Solutions & USNet, and 7% (7) for Rochester Cable and Fibron Cable.

A weighted average growth rate of 2% (2) has been used to extrapolate cash flows beyond the budget period for all cash-generating units. A discount rate of 15% (14) before tax has been used to calculate the present value of estimated future cash flows for the cash-generating units.

The management has deemed that the annual revenue growth for the CGU over the five-year forecast period is an important assumption. The sales volume for each period is the main reason for the development of income and expenses. Annual revenue growth is based on previous results and management's expectations of market developments. The long-term growth rate used corresponds to the forecasts found in industry reports. The discount rates used are stated before tax and reflect specific risks that apply to the cash-generating units.

In the sensitivity analysis for the impairment test for goodwill, simulations of negative development of sales, EBITDA and WACC have been carried out. No reasonable possible change in important assumptions would cause the carrying amount to exceed the recoverable amount in any of the cash-generating units.

Note 18 Leases

Right-of-use assets	31/12/2024	31/12/2023
Property	493	543
Vehicle	32	-
Total	**524**	**543**
Current lease liabilities	132	91
Non-current lease liabilities	425	476
Total	**558**	**567**

Additional right-of-use assets in 2024 amounted to SEK 70 million (206).

Recognised amounts in the income statement
The following amounts related to leases are recognised in the income statement:

	31/12/2024	31/12/2023
Depreciation of property	-103	-86
Depreciation of vehicle	-15	-
Interest expenses (included in financial expenses, view note 12)	-26	-15
Expenditure attributable to short-term leases/leases for which the underlying asset is of low value (included in other external expenses)	-7	-18

The total cash flow relating to leases was SEK -140 million (-104) in 2024.

Note 19 Tangible assets

Group	Lands and buildings	Plant and machinery	Equipment, tools, fixtures and fittings	Total
2023 financial year				
Opening carrying amount	245	831	129	1,205
Purchases	40	427	43	510
Increase through business acquisitions	94	120	6	220
Sales and disposals	-	-7	-1	-9
Translation differences	-8	-39	-1	-48
Depreciation	-12	-101	-29	-142
Closing carrying amount	**359**	**1,231**	**146**	**1,736**
As per 31 December 2023				
Cost	396	1,698	340	2,434
Accumulated depreciation and write-downs	-38	-467	-194	-698
Carrying amount	**359**	**1,231**	**146**	**1,736**
2024 financial year				
Opening carrying amount	359	1,231	146	1,736
Purchases	147	152	19	318
Increase through business acquisitions	-	0	0	0
Sales and disposals	0	-3	-1	-4
Reclassification	13	-25	5	-6
Translation differences	26	80	4	110
Depreciation	-14	-129	-35	-179
Closing carrying amount	**531**	**1,306**	**139**	**1,977**
As per 31 December 2024				
Cost	585	1,923	373	2,881
Accumulated depreciation and write-downs	-54	-617	-235	-905
Carrying amount	**531**	**1,306**	**139**	**1,977**

Parent Company

During the 2024 financial year the Parent Company invested SEK 0 million (0) in equipment. Depreciation of SEK 0 million (0) was carried out during the financial year.

Note 20 Deferred tax

Deferred tax liabilities are distributed as follows:

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Deferred tax liabilities				
Deferred tax assets	47	-	19	-
Deferred tax liabilities	-276	-248	-	-
Total deferred tax liabilities	**-228**	**-248**	**19**	**-**
Deferred tax to be settled wthin 12 months	-7	-27	-	-

Changes in deferred tax assets and liabilities during the year are shown below:

Deferred tax liabilities	Intangible assets	Property, plant and equipment	Untaxed reserves	Loss carry-forwards	Other	Total
As per 31 December 2022	**-105**	**-58**	**-39**	**-**	**-10**	**-213**
Recognised in income statement	-1	-22	-10	-	2	-30
Added through business acquisitions	-15	-	-	-	1	-15
Recognised in Other comprehensive income	3	4	0	-	2	9
As per 31 December 2023	**- 118**	**-76**	**-49**	**-**	**-6**	**-248**
Reclassification	-	-	-	4	-4	-
Recognised in income statement	23	-29	0	26	17	37
Added through business acquisitions	-	1	-	-	-	1
Recognised in Other comprehensive income	-6	-9	-	-	-3	-18
As per 31 December 2024	**-101**	**-113**	**-49**	**30**	**4**	**-228**

Deferred tax receivables are recognised as tax loss carry-forwards to the extent that it is likely that they can be absorbed through future taxable profits. The recognized tax deductions for losses amount to SEK 137 million, have no expiration date, and can be utilized without limitation according to current tax regulations.

Note 21 Participations in Group companies

Parent Company	31/12/2024	31/12/2023
Opening cost	3,539	2,742
Acquisitions	0	815
Sale of subsidiaries within the group	-825	-
Shareholders' contribution	2,525	120
Remeasurement of additional purchase prices/acquisition option	-8	-138
Write-down	-2	0
Closing accumulated cost	**5,230**	**3,539**
Closing carrying amount	**5,230**	**3,539**

Parent Company

Company Corp. ID no.	Registered office	No./% of equity	31/12/2024	31/12/2023
Hexatronic Australia Pty Ltd 643648122	Brisbane, Australia	100 100%	167	158
The Fibre Optic Shop Pty Ltd 98 885 048	Brisbane, Australia	100 100%	-	-
Optical Connections Pty Ltd 98737930	Brisbane, Australia	1 100%	-	-
Optical Solutions (Sydney City) Pty Ltd 116 504 904	Brisbane, Australia	200 100%	-	-
Optical Solutions (Victoria) Pty Ltd 111 683 357	Brisbane, Australia	200 100%	-	-
Optical Solutions (WA) Pty Ltd 123 208 177	Brisbane, Australia	200 100%	-	-
Optical Solutions Australia (ACT) Pty Limited 126 872 400	Brisbane, Australia	200 100%	-	-
Optical Solutions Australia (Queensland) Pty Limited 102 444 806	Brisbane, Australia	1,000 100%	-	-
Optical Solutions Australia Pty Limited 98 737 949	Brisbane, Australia	1 100%	-	-
Layer 1 Pty Ltd 155 675 568	Brisbane, Australia	200 100%	-	-
Apticom Srl 789 765 981	Gosselies, Belgium	5,000 90%	-	-
Hexatronic Danmark ApS 40639101	Copenhagen, Denmark	400 100%	0	0
Hexatronic UK Ltd 6329180	Gosport, England	2,000 100%	19	19
PQMS Ltd. 3696868	Bedworth, England	95 100%	37	19
Smart Awards Ltd. 9079735	Solihull, England	100 100%	5	5
Tech Optics Ltd 6726737	Tonbridge, England	13,050 100%	5	5
Mpirical Ltd 4393797	Lancaster, England	4,361 100%	90	90
Impact Data Solutions Ltd 7038550	London, England	2,000 87%	301	297
Cypress Topco Limited 11694332	Hoddesdon, England	1,960,000 100%	379	379
Cypress Bidco Limtied 11694440	Hoddesdon, England	2 100%	-	-
Cypress Debtco Limited **11694517**	Hoddesdon, England	2 100%	-	-

Contd. on next page

Company Corp. ID no.	Registered office	No./% of equity	31/12/2024	31/12/2023
Cypress Midco Limited 11694553	Hoddesdon, England	2 100%	-	-
Fibron Cable 2094347	Hoddesdon, England	960 100%	-	-
MConnect Ltd 11232731	Borehamwood, England	2 97%	-	-
Hexatronic Baltic OÜ 11164070	Tallinn, Estonia	1 100%	58	57
Hexatronic OÜ 10729558	Tallinn, Estonia	1 100%	-	-
KNET Indonesia 03.064.666.5-014.000	Jakarta, Indonesia	2,253,250,000 100%	-	-
Impact Data Solution ehf 590924-1130	Selfoss, Iceland	500,000 100%	-	-
Qubix S.p.A. 3575150283	Padua, Italy	270,000 95%	243	232
Hexatronic Canada, Inc. 2358854	Toronto, Canada	100 100%	42	93
Hexatronic (Tianjin) Trading Co., Ltd 120 116 400 016 890	Tianjin, China	0 100%	2	2
Hexatronic SIA 40003583738	Riga, Latvia	2,500 100%	-	-
Hexatronic UAB 1117679610	Vilnius, Lithuania	100 100%	-	-
H. Weterings-Plastics B.V. 27219131	Gravenzande, Netherlands	16,382 100%	68	68
Impact Data Solutions BV 55655858	Utrecht, Netherlands	18,000 87%	-	-
Hexatronic AS 998 804 795	Engelsviken, Norway	1,000 100%	11	11
ATG 902415	Porirua, New Zealand	10,000 100%	-	-
Hexatronic New Zealand Ltd 5937353	Porirua, New Zealand	1,000 100%	22	22
Hexatronic Cables & Interconnect AB 556514-9118	Gothenburg, Sweden	1,000 100%	32	31
Hexatronic Fiberoptic AB 556252-0352	Örebro, Sweden	1,000 100%	67	66
Proximion AB 556915-7323	Stockholm, Sweden	58,058 100%	64	63
Edugrade AB 556985-3152	Hudiksvall, Sweden	2,000 100%	25	25
Optobit AB 556709-8628	Stockholm, Sweden	6,000 100%	-	2

Continued on next page

Company Corp. ID no.	Registered office	No./% of equity	31/12/2024	31/12/2023
Hexatronic Security and Surveillance AB 559271-6921	Gothenburg, Sweden	375 75%	-	-
Apticom AB 559333-0938	Stockholm, Sweden	25,000 90%	21	21
EC Sweden AB 559183-0350	Stockholm, Sweden	50,000 100%	-	-
KNET Co., Ltd 307-81-19772	Seoul, South Korea	2,500,000,000 100%	710	691
Hexatronic GmbH 111674	Frankfurt, Germany	25,000 100%	28	27
Opternus GmbH 4567	Bargteheide, Germany	37,500 100%	134	134
Opternus Components GmbH 4934	Bargteheide, Germany	9,000 33%	-	-
TK-Kontor-Freitag GmbH 18207	Neumünster, Germany	25,000 70%	19	19
homeway GmbH HR B 35 42	Coburg, Germany	100,000 82%	78	130
Impact Data Solutions GmbH HR B 251768	Munich, Germany	25,000 100%	-	-
Hexatronic US Inc 475 193 577	Quitman, USA	100 100%	0	0
Blue Diamond Industries LLC 20-1023457	Lexington, USA	544,445 100%	0	267
The Light Brigade, Inc. 601232465	Kent, USA	50,000 100%	0	15
Hexatronic US Holding, Inc. 6243400	Wilmington, USA	1,000 100%	2,448	56
Hexatronic Data Center Group Us, Inc 2418620	Delaware, USA	8,000 95%	-	-
Hexatronic Data Center US Inc 800444772	Dallas, USA	100,000 95%	-	-
Hexatronic Rochester Cables 92-0753685	Delaware, USA	100 100%	-	436
Fibron LLC 84-3803662	Texas, USA	1 100%	-	-
KNET America 450982200	New Jersey, USA	1,000 100%	-	-
Hexatronic Österreich GmbH 548181 z	Niederösterreich, Austria	35,000 100%	87	36
Hexatronic Property GmbH 548183 b	Niederösterreich, Austria	35,000 100%	66	66
Total			**5,230**	**3,539**

Note 22 Financial instruments by category

Group Assets in balance sheet	Financial assets at amortised cost	Total
31 December 2024		
Accounts receivable	1,121	1,121
Other receivables	13	13
Cash and cash equivalents	633	633
Total	**1,767**	**1,767**

31 December 2023		
Accounts receivable	1,124	1,124
Other receivables	25	25
Cash and cash equivalents	813	813
Total	**1,962**	**1,962**

Group Liabilities in balance sheet	Financial liabilities at amortised cost	Liabilities measured at fair value through profit or loss	Total
31 December 2024			
Liabilities to credit institutions	2,513	-	2,513
Accounts payable	679	-	679
Other current liabilities	-	352	352
Accrued expenses	155	-	155
Total	**3,347**	**352**	**3,699**

31 December 2023			
Liabilities to credit institutions	2,924	-	2,924
Accounts payable	510	-	510
Other current liabilities	-	461	461
Accrued expenses	126	-	126
Total	**3,560**	**461**	**4,021**

Note 23 Accounts receivable

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Accounts receivable	1,138	1,146	-	-
Less: reserve for credit losses	-18	-22	-	-
Accounts receivable – net	**1,121**	**1,124**	**-**	**-**

On 31 December 2024, accounts receivable totalled SEK 1,121 million (1,124) for the Group. On 31 December 2024, accounts receivable totalled SEK 0 million (0) for the Parent Company. The fair value of accounts receivable corresponds to their carrying amount, which is why the discount effect is not significant.

No accounts receivable have been pledged as security for any liability. The total loss level on 31 December 2024 was 0.7 percent (0.1), which is deemed insignificant. The expected loss level is therefore not recognised per category.

As per 31 December 2024	Not overdue	Past due <30 days	Past due >30 days <60 days	Past due >60 days <90 days	Past due >90 days <180 days	Past due >180 days	Total
Recognised amount for accounts receivable	904	171	31	11	12	9	1,138

As per 31 December 2023	Not overdue	Past due <30 days	Past due >30 days <60 days	Past due >60 days <90 days	Past due >90 days <180 days	Past due >180 days	Total
Recognised amount for accounts receivable	823	204	52	29	19	19	1,146

Changes in the reserve for credit losses during the financial year are specified below:

	2024	2023
As per 1 January	**22**	**20**
Increase in reserve for credit losses, change recognised in the income statement	5	6
Increase in reserve for credit losses through business acquisitions	-	3
Written-off accounts receivable during the year	-8	-7
Reversal of unused amount	-1	-
As per 31 December	**18**	**22**

Provisions for the respective reversals of the reserve for credit losses are included under other external expenses in the income statement.

The carrying amounts, per currency, for accounts receivable and other receivables are as follows:

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
SEK	102	76	163	234
EUR	266	264	409	478
USD	428	506	890	389
GBP	250	226	14	75
AUD	44	51	133	152
Other currencies	49	24	1	-
Total	**1, 138**	**1,146**	**1,611**	**1,329**

Note 24 Other receivables

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Supplier receivable	-	1	-	-
Other receivables	13	24	1	2
Total	**13**	**25**	**1**	**2**

Note 25 Prepaid expenses and accrued income

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Prepaid rent	20	15	1	1
Contract assets	75	63	-	-
Prepaid insurance	8	4	0	0
Prepaid marketing costs	4	3	0	2
Other	40	31	7	6
Total	**146**	**116**	**9**	**8**

Note 26 Cash and cash equivalents

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Bank balance	633	813	97	173
Total	**633**	**813**	**97**	**173**

Note 27 Share capital and other contributed capital

Group	No. of shares	Share capital	Other contributed capital	Total
As per 31 December 2022	**205,062,579**	**2**	**938**	**940**
Subscription for shares via warrant programme	-	0	16	16
Warrant programme	-	-	5	5
Share-based remuneration	261,071	0	-	0
As per 31 December 2023	**205,323,650**	**2**	**959**	**961**
Subscription for shares via warrant programme	1,667,500	0	63	63
Warrant programme	-	-	4	4
Share-based remuneration	1,343,596	0	-	0
As per 31 December 2024	**208,334,746**	**2**	**1,027**	**1,029**

The company's share is listed on the Nasdaq Stockholm Mid Cap.

On the balance sheet date, the share capital in Hexatronic Group AB (publ) amounted to SEK 2,083,347.46 distributed between a total of 208,334,746 shares, of which 205,472,710 ordinary shares and 2,862,036 class C shares. The quotient value of the shares is SEK 0.01. The ordinary shares have a voting power of one vote per share and the class C shares have a voting power of one-tenth of a vote per share.

All shares issued by the Parent Company are fully paid.

During the financial year, the following share issues have been carried out:

- The Annual General Meeting on 7 May 2024 resolved on a directed share issue of a maximum of 1,343,569 shares of series C related to the long-term share savings programme (LTIP 2024).

At the AGM on May 7, 2024, the Board was authorised to acquire or transfer its own shares corresponding to up to 10 percent of existing shares before the next AGM in accordance with the Board proposal, and was also authorised to decide on the new issue of shares and/or warrants and/or convertibles amounting to up to 10 percent of the registered share capital.

The total number of shares before dilution from existing warrant programmes is 208,334,746 at the end of the financial year. See Note 28 for information on current warrant programmes.

Note 28 Share-related compensation

Warrant programme
In all of the warrant programmes, the fair value of the allocated warrants is calculated using the Black & Scholes model. Swedish participants pay market prices for warrants while foreign participants receive the warrants free of charge.

Existing warrant programmes on the balance sheet date:

- In 2022 a warrant programme was issued regarding 600,000 warrants targeted at some of the Group's personnel, 545,000 of which were subscribed. At the time of issue the market value per warrant was SEK 12.08 and the strike price amounts to SEK 96.96. The exercise date is 15 May 2025 to 15 June 2025. Since the share price as of 2024-12-31 is lower than the strike price for the warrant programme, the fair value of the option premium is SEK 0.
- In 2023 a warrant programme was issued regarding 441,000 warrants targeted at some of the Group's personnel, 383,500 of which were subscribed. At the time of issue the market value per warrant was SEK 12.60 and the strike price amounts to SEK 96.20. The exercise date is 15 May 2026 to 15 June 2026. Since the share price as of 2024-12-31 is lower than the strike price for the warrant programme, the fair value of the option premium is SEK 0.
- In 2024 a warrant programme was issued regarding 442,500 warrants targeted at some of the Group's personnel, 387,500 of which were subscribed. At the time of issue the market value per warrant was SEK 10.80 and the strike price amounts to SEK 55.30. The exercise date is 13 May 2027 to 13 June 2027. Since the share price as of 2024-12-31 is lower than the strike price for the warrant programme, the fair value of the option premium is SEK 0.

Warrants	2024	2023
Outstanding number of warrants on 1 January	**2,554,000**	**3,687,500**
Allocated during the year	387,500	383,500
Earned during the year	-1,667,500	-1,250,000
Expired during the year	-46,000	-267,000
Outstanding rights to warrants on 31 December	**1,228,000**	**2,554,000**

Share-savings programme
For information regarding ongoing share savings programme, se not 10 and paragraph - performance-based share savings programme.
Existing warrant programmes on the balance sheet date:

- During 2022, a decision was made to introduce a long-term, performance-based incentive programme (LTIP 2022) for 35 senior executives and other key employees in the Group who are resident in Sweden. At the time of publication of the Annual Report, the participants have invested in a total of 48,898 savings shares.
- During 2023, a decision was made to introduce a long-term, performance-based incentive programme (LTIP 2023) for 45 senior executives and other key employees in the Group who are resident in Sweden. At the time of publication of the Annual Report, the participants have invested in a total of 69,431 savings shares.
- During 2024, a decision was made to introduce a long-term, performance-based incentive programme (LTIP 2024) for 45 senior executives and other key employees in the Group who are resident in Sweden. At the time of publication of the Annual Report, the participants have invested in a total of 115,891 savings shares.

Note 29 Provisions

Group	Warranty provisions	Other provisions	Total
As per 1 January 2023	**10**	**4**	**14**
Recognised in income statement:			
Provisions	35	10	45
Acquisitions	3	-	3
Funds utilised	-	-2	-2
Unutilised funds that have been cancelled	-	-	-
As per 31 December 2022	**48**	**12**	**59**
Current portion	48	12	59
Total provisions	**48**	**12**	**59**
As per 1 January 2024			
Recognised in income statement:	**48**	**12**	**59**
Provisions	12	2	14
Acquisitions	-	-	-
Funds utilised	-8	-10	-18
Unutilised funds that have been cancelled	-21	-	-21
As per 31 December 2024	**31**	**4**	**34**
Current portion	31	4	34
Total provisions	**31**	**4**	**34**

Closing warrant provisions are for any faults and shortcomings in deliveries to customers. The amount is expected to be according to the size of the provision.

Note 30 Borrowing

Group	Carrying amount 31/12/2024	Carrying amount 31/12/2023	Fair value 31/12/2024	Fair value 31/12/2023
Long-term borrowing				
Liabilities to credit institutions	2,361	2,774	2,361	2,774
Total long-term borrowing	**2,361**	**2,774**	**2,361**	**2,774**
Short-term borrowing				
Liabilities to credit institutions	152	150	152	150
Overdraft facilities	-	-	-	-
Total short-term borrowing	**152**	**150**	**152**	**150**
Total borrowing	**2,513**	**2,924**	**2,513**	**2,924**

Parent Company	Carrying amount 31/12/2024	Carrying amount 31/12/2023	Fair value 31/12/2024	Fair value 31/12/2023
Long-term borrowing				
Liabilities to credit institutions	2,353	2,760	2,353	2,760
Total long-term borrowing	**2,353**	**2,760**	**2,353**	**2,760**
Short-term borrowing				
Liabilities to credit institutions	152	150	152	150
Overdraft facilities	-	-	-	-
Total short-term borrowing	**152**	**150**	**152**	**150**
Total borrowing	**2,506**	**2,910**	**2,506**	**2,910**

Group

Liabilities to credit institutions

The Group's borrowing is in SEK, USD, GBP and EUR. Hexatronic has a syndicated facility with three Nordic banks which comprises both senior bank loans and revolving credit facilities. Both the senior bank debt and the revolving credit facility mature in 2026 and have variable currency market rates. The interest margin is based on agreed covenant levels, which are reported quarterly. The margin will also depend on type of facility and currency and is currently in the range of 1,25-1,55 percent (1,10-1,40 percent).

The Group has an overdraft facilities granted in SEK and USD of SEK 130 million and USD 5 million connected to the group cash pools. SEK 0 million (0) of the overdraft facility granted in SEK had been utilised on 31 December 2024.

The Group's exposure to borrowing, changes in interest rates and refinancing are as follows at the end of the reporting period:

Borrowing from credit institutions	31/12/2024	Due	Interest rate
Senior bank loan	1,563	2026	Variable
Use of revolving credit	946	2026	Variable
Other bank loans	7	2028	Variable
Total borrowing	**2,513**		

Note 31 Other liabilities

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Liability, additional purchase prices/acquisition option	352	461	301	427
Employee withholding taxes	15	19	1	1
VAT liability	2	26	0	0
Prepayments from customers	52	27	-	-
Other current liabilities	17	20	-	-
Total	**443**	**553**	**302**	**428**
Of which long-term	352	304	301	282

Note 32 Accrued expenses and deferred income

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Accrued social security contributions	39	64	4	5
Accrued pay	73	80	5	3
Accrued holiday salaries	79	76	5	3
Accrued costs for purchases of goods	39	21	-	-
Contract liabilities	47	44	-	-
Other accrued expenses	69	62	7	9
Total	**345**	**347**	**22**	**21**

Contract liabilities consist of customer advances and deferred revenue associated with services and other offerings. The deferred revenue and advances recognized at the beginning of the year have largely been recognized as revenue during the financial year.

Note 33 Pledged assets and contingent liabilities

Hexatronic has no pledged assets or contingent liabilities.

Note 34 Items not affecting cash flow

	Group		Parent Company	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Depreciation/amortisation	419	340	3	3
Revaluation of incentive programmes	24	-12	10	-1
Work in progress, not invoiced	-36	-	-	-
Change obsolescence reserve inventory	22	26	-	-
Other provisions	-28	51	-3	5
Exchange rate differences	-1	0	-	-
Other	1	4	0	0
Total	**401**	**409**	**10**	**6**

Note 35 Change in liabilities

	31/12/2023	Cash flow		Items not affecting cash flow					31/12/2024
		Borrowings	Repayment by instalment	Reclassification	Additional lease liability	Increase through business acquisitions	Change in exchange rate	Costs of financing	
Group									
Non-current lease liabilities	**476**	-	-	-174	70	-	27	26	**425**
Current lease liabilities	**91**	-	-133	174	-	-	-	-	**132**
Non-current liabilities to credit institutions	**2,774**	-	-	-556	-	-	139	4	**2 ,361**
Current liabilities to credit institutions	**150**	-	-556	556	-	-	3	-	**152**
Overdraft facilities	**-**	-	-	-	-	-	-	-	**-**
Parent Company									
Non-current liabilities to credit institutions	**2,760**	-	-	-549	-	-	139	4	**2,354**
Current liabilities to credit institutions	**150**	-	-549	549	-	-	3	-	**152**
Overdraft facilities	**-**	-	-	-	-	-	-	-	**-**

The total repayment during the year exceeds the previous year's short-term debt.
This is due to additional repayments of the RCF (revolving credit facility) during the year.

	31/12/2022	Cash flow		Items not affecting cash flow					31/12/2023
		Borrowings	Repayment by instalment	Reclassification	Additional lease liability	Increase through business acquisitions	Change in exchange rate	Costs of financing	
Group									
Non-current lease liabilities	**372**	-	-	-115	110	96	-3	15	**476**
Current lease liabilities	**68**	-	-92	115	-	-	-	-	**91**
Non-current liabilities to credit institutions	**1,811**	1,635	-588	-150	-	136	-69	-1	**2,774**
Current liabilities to credit institutions	**100**	-	-100	150	-	-	-	-	**150**
Overdraft facilities	**-**	-	-	-	-	-	-	-	**-**
	-								**-**
Parent Company	**-**								**-**
Non-current liabilities to credit institutions	**1,797**	1,635	-452	-150	-	-	-69	-1	**2,760**
Current liabilities to credit institutions	**100**	-	-100	150	-	-	-	-	**150**
Overdraft facilities	**-**	-	-	-	-	-	-	-	**-**

Note 36 Business acquisitions

Business acquisitions in 2024

On February 2, 2024, the Group acquired 97 percent of the share capital of MConnect, Ltd ("MConnect") for a fixed purchase consideration of GBP 0.6 million on a debt free basis. The acquisition of MConnect includes a put/call option to acquire the remaining 3 percent after 2027. Both parties have the right to exercise the option and it is considered likely that the option will be exercised, hence the acquisition is recognized at 100 percent with no non-controlling interest. The expected purchase price for the remaining 3 percent is recognized as a liability with any changes in value through the income statement.

On October 1, 2024, the Group entered into an asset acquisition of parts of Icelandic Endor for a fixed purchase price of EUR 1.1 million on a debt-free basis, as well as a maximum present value calculated additional purchase price amounting to EUR 0.2 million.

The acquisitions have not had any material impact on Hexatronic's balance sheet, net sales and earnings for the period.

Business acquisitions in 2023

On March 3, 2023, the Group completed the asset purchase agreement to acquire all business activity of Rochester Cable ("Rochester") for a fixed purchase consideration of USD 55 million on a debt free basis (excluding ND/NWC adjustment of USD -4.5 million).

On August 18, 2023, the Group acquired 100 percent of the share capital of Fibron XB Ltd ("Fibron") for a fixed purchase consideration of GBP 25 million on a debt free basis (excluding ND/NWC adjustment of GBP -5.5 million), and contingent purchase consideration calculated at net present value of maximum GBP 7 million.

On September 1, 2023, the Group acquired 100 percent of the share capital of ATG Technology Group Limited ("ATG") for a purchase consideration of NZD 0.9 million.

On October 1, 2023, the Group acquired 95 percent of the share capital of USNet for a fixed purchase consideration (excluding ND/NWC adjustment) of USD 5.5 million, and contingent purchase consideration calculated at net present value of maximum USD 0.9 million. The acquisition of USNet includes a put/call option to acquire the remaining 5 percent after 2027. Both parties have the right to exercise the option and it is considered likely that the option will be exercised, hence the acquisition is recognized at 100 percent with no non-controlling interest. The expected purchase price for the remaining 5 percent is recognized as a liability with any changes in value through the income statement.

The table below summarises the purchase price for the acquisitions and the fair value of the acquired assets and assumed liabilities for the acquisitions made during 2023.

Purchase price (SEK m)	
Cash and cash equivalents	865
Contingent purchase consideration (not paid)	108
Holdback purchase consideration (not paid)	2
Option to buy remaining 5 % of USNet (not paid)	14
Total purchase price	**988**

Recognised amounts for identifiable acquired assets and taken-over liabilities	
Cash and cash equivalents	75
Tangible and intangible fixed assets	225
Customer contracts and Customer relations	168
Financial assets	-
Accounts receivables	173
Inventory	168
Other receivables	44
Financial liabilites	-132
Other payables	-251
Total identifiable net assets	**470**
Non-controlling interests	-
Goodwill	**518**

Acquisition-related costs of SEK 23 million are included in other external costs in the consolidated statement of comprehensive income for the 2023 financial year. Total cash flow, excluding acquisition-related costs, attributable to the business combinations amounted to SEK 790 million. Goodwill is attributable to the earning capacity that the companies are expected to bring.

Subject to the agreement of contingent purchase consideration, the Group will pay a maximum of SEK 98 million for Fibron based on EBITDA for the full year 2023 and SEK 10 million for USNet based on EBITDA for the full year 2023 and 2024.

The fair value of account receivables totals SEK 173 million. Doubtful accounts receivables amount to SEK 3 million and are reserved.

The value of tax-deductible goodwill amounts to SEK 158 million.

Since the acquisition date, net sales of SEK 688 million have been included in the consolidated income statement from the acquired companies during 2023. The acquired companies generated an EBITDA of SEK 80 million during the same period.

If the acquired companies had been consolidated from January 1, 2023, the consolidated income statement for the period January to December would have increased with net sales of SEK 1,178 million and EBITDA of SEK 158 million.

Note 37 Group structure

Name	Corp. ID no.	Registered office	The Group’s participating interest
Hexatronic Australia Pty Ltd	643648122	Brisbane, Australia	100%
The Fibre Optic Shop Pty Ltd	98 885 048	Brisbane, Australia	100%
Optical Connections Pty Ltd	98 737 930	Brisbane, Australia	100%
Optical Solutions (Sydney City) Pty Ltd	116 504 904	Brisbane, Australia	100%
Optical Solutions (Victoria) Pty Ltd	111 683 357	Brisbane, Australia	100%
Optical Solutions (WA) Pty Ltd	123 208 177	Brisbane, Australia	100%
Optical Solutions Australia (ACT) Pty Limited	126 872 400	Brisbane, Australia	100%
Optical Solutions Australia (Queensland) Pty Limited	102 444 806	Brisbane, Australia	100%
Optical Solutions Australia Pty Limited	98 737 949	Brisbane, Australia	100%
Layer 1 Pty Ltd	155 675 568	Brisbane, Australia	100%
Apticom Srl	789 765 981	Gosselies, Belgium	90%
Hexatronic Danmark ApS	40639101	Copenhagen, Denmark	100%
Hexatronic UK Ltd	6329180	Gosport, England	100%
PQMS Ltd.	3696868	Bedworth, England	100%
Smart Awards Ltd.	9079735	Solihull, England	100%
Tech Optics Ltd	6726737	Tonbridge, England	100%
Mpirical Ltd	4393797	Lancaster, England	100%
Impact Data Solutions Ltd	7038550	London, England	87%
Cypress Topco Limited	11694332	Hoddesdon, England	100%
Cypress Bidco Limtied	11694440	Hoddesdon, England	100%
Cypress Debtco Limited	11694517	Hoddesdon, England	100%
Cypress Midco Limited	11694553	Hoddesdon, England	100%
Fibron Cable	2094347	Hoddesdon, England	100%
MConnect Ltd	11232731	Borehamwood, England	97%
Hexatronic Baltic OÜ	11164070	Tallinn, Estonia	100%
Hexatronic OÜ	10729558	Tallinn, Estonia	100%
KNET INDONESIA	03.064.666.5-014.000	Jakarta, Indonesia	100%
Impact Data Solution ehf	590924-1130	Selfoss, Iceland	100%
Qubix S.p.A.	3575150283	Padua, Italy	95%
Hexatronic Canada, Inc.	2358854	Toronto, Canada	100%
Hexatronic (Tianjin) Trading Co., Ltd	1,20116E+14	Tianjin, China	100%
Hexatronic SIA	40003583738	Riga, Latvia	100%
Hexatronic UAB	1117679610	Vilnius, Lithuania	100%
H. Weterings-Plastics B.V.	27219131	Gravenzande, Netherlands	100%
Impact Data Solutions BV	55655858	Utrecht, Netherlands	87%
Hexatronic AS	998 804 795	Engelsviken, Norway	100%

Name	Corp. ID no.	Registered office	The Group's participating interest
ATG	902415	Porirua, New Zealand	100%
Hexatronic New Zealand Ltd	5937353	Porirua, New Zealand	100%
Hexatronic Cables & Interconnect AB	556514-9118	Gothenburg, Sweden	100%
Hexatronic Fiberoptic AB	556252-0352	Örebro, Sweden	100%
Proximion AB	556915-7323	Stockholm, Sweden	100%
Edugrade AB	556985-3152	Hudiksvall, Sweden	100%
Hexatronic Security and Surveillance AB	559271-6921	Gothenburg, Sweden	75%
Apticom AB	559333-0938	Stockholm, Sweden	90%
EC Sweden AB	559183-0350	Stockholm, Sweden	100%
KNET Co., Ltd	307-81-19772	Seoul, South Korea	100%
Hexatronic GmbH	111674	Frankfurt, Germany	100%
Opternus GmbH	4567	Bargteheide, Germany	100%
Opternus Components GmbH	4934	Bargteheide, Germany	33%
TK-Kontor-Freitag GmbH	18207	Neumünster, Germany	70%
homeway GmbH	HR B 35 42	Coburg, Germany	82%
Impact Data Solutions GmbH	HR B 251768	Munich, Germany	100%
Hexatronic US Inc	475193577	Quitman, USA	100%
Blue Diamond Industries LLC	20-1023457	Lexington, USA	100%
The Light Brigade, Inc.	601232465	Kent, USA	100%
Hexatronic US Holding, Inc.	6243400	Wilmington, USA	100%
Hexatronic Data Center Group Us, Inc	2418620	Delaware, USA	95%
Hexatronic Data Center US Inc	800444772	Dallas, USA	95%
Hexatronic Rochester Cables	92-0753685	Delaware, USA	100%
Fibron LLC	84-3803662	Texas, USA	100%
KNET America	450982200	New Jersey, USA	100%
Hexatronic Österreich GmbH	548181 z	Neulengbach, Austria	100%
Hexatronic Property GmbH	548183 b	Neulengbach, Austria	100%

Note 38 Events after the balance sheet date

Hexatronic Group's Board of Directors has appointed Rikard Fröberg as the new President and CEO, effective March 1, 2025. He succeeds Henrik Larsson Lyon who left the company on 8 February. The Board appointed Deputy CEO Martin Åberg as acting CEO of Hexatronic Group until Rikard Fröberg assumed the lead.

Hexatronic introduces new segment reporting as of the first quarter of 2025 and make changes to the Executive Management Team.

Hexatronic decided to begin manufacturing its industry-leading fiber optic cables in the United States. The new production lines are expected to be operational in the second quarter of 2026.

The Board proposes to the Annual General Meeting that no dividend will be distributed for the financial year 2024

The consolidated income statement and balance sheet will be presented at the AGM on April 1, 2025 for adoption.

The Board of Directors and the CEO certify that the annual financial statements and consolidated financial statements have been prepared in accordance with the international accounting standards referred to in the European Parliament and Council Regulation (EC) No. 1606/2002 of July 19, 2002, on the application of international accounting standards, as well as generally accepted accounting principles, and provide a true and fair view of the financial position and results of the Parent Company and the Group.

The Board of Directors' Report for the Group and Parent Company provides a true and fair overview of the development of the business, financial position and results, and describes significant risks and uncertainty factors that the Parent Company and the companies forming the Group are facing.

Gothenburg, 1 April 2025

Magnus Nicolin
Chairman of the Board

Diego Anderson
Board Member

Jaakko Kivinen
Styrelseledamot

Linda Hernström
Board Member

Helena Holmgren
Board Member

Erik Selin
Board Member

Åsa Sundberg
Board Member

Rikard Fröberg
CEO

Our auditor's report was submitted on 1 April 2025

Öhrlings PricewaterhouseCoopers AB

Johan Malmqvist
Authorised Public Accountant

Auditor’s report

To the general meeting of the shareholders of Hexatronic Group AB (publ), corporate identity number 556168-6360.

Report on the annual accounts and consolidated accounts

Opinions

We have performed an audit of the annual accounts and consolidated accounts of Hexatronic Group AB for year 2024. The annual accounts and consolidated accounts of the company are included on pages 94-150 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act.

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

We therefore recommend that the Annual General Meeting adopt the consolidated statement of comprehensive income, the parent company’s income statement and the balance sheet for the parent company and the group.

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

Basis for Opinions

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

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

Our audit approach

Focus and scope of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They 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 consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole.

These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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.

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.

Key Audit Matters	Audit response to Key Audit Matter
Valuation of intangible assets	
As a result of the acquisitions in recent years, the group has acquired intangible assets such as customer relations, brands and goodwill to an amount of MSEK 3 002. The group evaluates annually or whenever there is an indication, if there is a need for impairment of goodwill. Customer relations and brands with definite useful life are subject to amortisation and when there is an indication of impairment an impairment test is performed. Impairment testing is performed by estimating the recoverable amount, which is the highest of the value in use and the fair value less costs to sell, which is compared with the book value of the assets within each cash generating unit. Impairment tests of goodwill and when applicable also other intangible assets, are essential in the audit because intangible assets represent significant amounts in the balance sheet and management have to make significant estimates and judgments about the future in the impairment tests. Refer to disclosures 2 and 17 for a description of these items.	The impairment test, which is based on a calculation of the value in use, has been subject to the following audit procedures: • A reconciliation of the cash flow forecasts against approved budget for 2025 and the long-term forecasts. • Assessment whether the valuation model is compliant with recognized valuation techniques. • Challenging management on the reasonability of the assumptions applied that have the most significant impact on the impairment tests, including the long-term growth rate, the sustainable operating margin and the discount rate. • Challenging management's assumptions by performing sensitivity testing and evaluating the headroom in the tests and the risk for potential impairments.
Valuation of inventory	
Inventory valuation is essential for our audit since the valuation is based on several estimates and judgments and the inventory balance of MSEK 1 442 represents a significant amount. An important assessment for management when determining the value of inventory, is to evaluate if the group can sell the inventory at a price higher than the acquisition cost, and to evaluate potential obsolescence in inventor If the estimated sales value is lower than the acquisition cost, an allowance for inventory obsolescence is recorded. This allowance is calculated based on a policy for inventory valuation. The allowance is based on each inventory item's turnover ratio combined with an individual assessment of the specific product value. Refer to disclosures 2 and 4 for a description of these items.	To examine the group's allowance for inventory obsolescence, we perform the following audit procedures: • Assessment of whether the approved policy for inventory valuation gives a reasonable estimate of the actual inventory obsolescence. • Verify the mathematical accuracy of the calculated inventory allowance based on the approved policy. • Evaluate management's position when a deviation from the policy has been applied for specific inventory items. • Analyse slow moving stock in inventory with assistance from data analytics and reconcile the outcome from these analyses to the actual inventory obsolescence. • Discuss with management to identify forecasted changes in future sales that could have an impact on inventory obsolescence.

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.

Other information than the annual accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-37 and the sustainability report on pages 54-93. Other information also includes the remuneration report that we obtained prior to the date of this auditor’s report. The Board of Directors and the Managing Director are responsible for this other information.

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

In connection with my 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.

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

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

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.

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

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.

Report on other legal and regulatory requirements

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

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

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

Basis for Opinions

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

Responsibility 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 and group's type of operations, size and risks place on the size of the parent company's equity, consolidation requirements, liquidity and position in general.

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

Auditor's responsibility

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

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

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

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

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

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.

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 and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Hexatronic Group AB (publ) for the year 2024.

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

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

Basis for Opinions

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

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

Responsibility of the Board of Directors and the Managing Director

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

Auditor's responsibility

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

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

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

The firm applies International 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. 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 XHMTL 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.

Öhrlings PricewaterhouseCoopers AB, [address], was appointed as Hexatronic Group AB's auditor by the general meeting on May 7th 2024 and has been the company's auditor since 18th December 2013.

Göteborg 1 April 2025
Öhrlings PricewaterhouseCoopers AB

Johan Malmqvist
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.

Reconciliation between IFRS and terms for key figures

In this Annual Report, Hexatronic presents certain financial measures that are not defined in accordance with IFRS, known as alternative performance measures. The Group considers that these measures provide valuable additional information to investors as they enable an evaluation of the company's results and position. As not all companies calculate financial measures the same way, they are not always comparable with measures used by other companies. Investors should view these financial measures as a complement to, rather than a substitute for, financial reporting in line with IFRS.

Organic growth, MSEK, %	Full year 2024	Full year 2023
Net sales	7,581	8,150
Exchange-rate effects	26	-294
Acquisition driven	-528	-1,454
Comparable net sales	**7,079**	**6,402**
Net sales the corresponding period of the previous year	8,150	6,574
Organic growth	**-1,071**	**-172**
Organic growth %	-13%	-3%

Annual growth, rolling 12 months, %	Full year 2024	Full year 2023
Net sales rolling 12 months	7,581	8,150
Annual growth, rolling 12 months	**-7%**	**24%**

Quick asset ratio, %	31/12/2024	31/12/2023
Current assets	3,355	3,470
Inventories	-1,442	-1,393
Current assets less inventories	1,913	2,077
Current liabilities	1,491	1,493
Quick asset ratio	**128%**	**139%**

Core working capital, MSEK	31/12/2024	31/12/2023
Inventories	1,442	1,393
Accounts receivable	1,121	1,124
Accounts payable	-679	-510
Core working capital	**1,884**	**2,008**

Net debt, MSEK	31/12/2024	31/12/2023
Non-current liabilities to credit institutions	2,361	2,774
Current liabilities to credit institutions	152	150
Overdraft facilities	-	-
Cash and cash equivalents	-633	-813
Interest-bearing net debt	**1,880**	**2,111**
Non-current lease liabilities	425	476
Current lease liabilities	132	91
Net debt	**2,438**	**2,678**

Auditor's report

EBITDA and EBITDA (proforma) R12, MSEK	Full year 2024	Full year 2023
Operating profit (EBIT), R12	680	1,122
Amortisation of intangible assets, R12	123	113
EBITA, R12	**803**	**1,234**
Depreciation of tangible assets, R12	297	228
EBITDA, R12	**1,099**	**1,462**
Proforma, R12	6	112
EBITDA (proforma), R12	**1,106**	**1,574**

Leverage ratio	Full year 2024	Full year 2023
Net debt	2,438	2,678
EBITDA (proforma), R12	1,106	1,574
Net debt / EBITDA (proforma), R12	**2,2**	**1.7**

Definition alternative key metrics

Gross profit
Net sales minus costs for raw materials and goods for resale.

Gross profit margin
Gross profit as a percentage of net sales.

EBITDA (proforma), R12
Operating profit before depreciation and amortization plus pro forma acquired EBITDA, before closing, for the last twelve months.

EBITA
Operating profit before amortization of intangible non-current assets.

EBITA margin
EBITA as a percentage of net sales.

EBIT
Operating profit. Revenue minus all costs related to operations, but excluding net financial items and income tax.

EBIT margin
Operating profit as a percentage of net sales.

Equity asset ratio
Total equity as a percentage of total assets.

Number of shares
Number of outstanding shares at the end of the period.

Organic growth
Organic growth is calculated as net sales adjusted for exchange rate effects and acquired businesses in relation to the previous year's net sales adjusted for acquired businesses.

Acquisition-driven growth
Net sales from acquired businesses during the following twelve months after the acquisition date.

Annual growth
Average annual growth is calculated as the Group's total net sales during the period compared with the corresponding period last year.

Quick asset ratio
Calculated as current assets minus inventories divided by current liabilities.

Core-working capital
Calculated as inventory plus accounts receivable minus accounts payable.

Net debt
Interest-bearing liabilities, including lease liabilities, minus cash and cash equivalents.

Leverage
Net debt to EBITDA (pro forma), R12.

Average number of outstanding shares
Weighted average of the number of outstanding shares during the period.

Average number of outstanding shares after dilution
Weighted average of the number of shares outstanding during the period plus a weighted number of shares that would be added if all potential shares were converted into shares.

Earnings per share before dilution
Profit for the period attributable to parent company sharehol-ders divided by the average number of outstanding shares before dilution.

Earnings per share after dilution
Profit for the period attributable to parent company sharehol-ders divided by the average number of outstanding shares after dilution.

Equity per share
Total equity is divided by the number of shares outstanding.

Number of employees
Number of employees at the end of the period.

Information to shareholders

Annual General Meeting(AGM)

The AGM for 2025 will be held on Monday, 5 May at 3:00 PM at Gothia Towers, Mässans gata 24 in Gothenburg. Shareholders have the opportunity to exercise their voting rights by voting in advance before the AGM. Information about the right to participate and how to register is provided in the notice for the AGM. The notice was published on April 2, 2025, when registration for the meeting opened. All documentation for the AGM, such as the notice and the proposals from the Board of Directors and the Nomination Committee, can be found on Hexatronic's website under the Corporate Governance section.

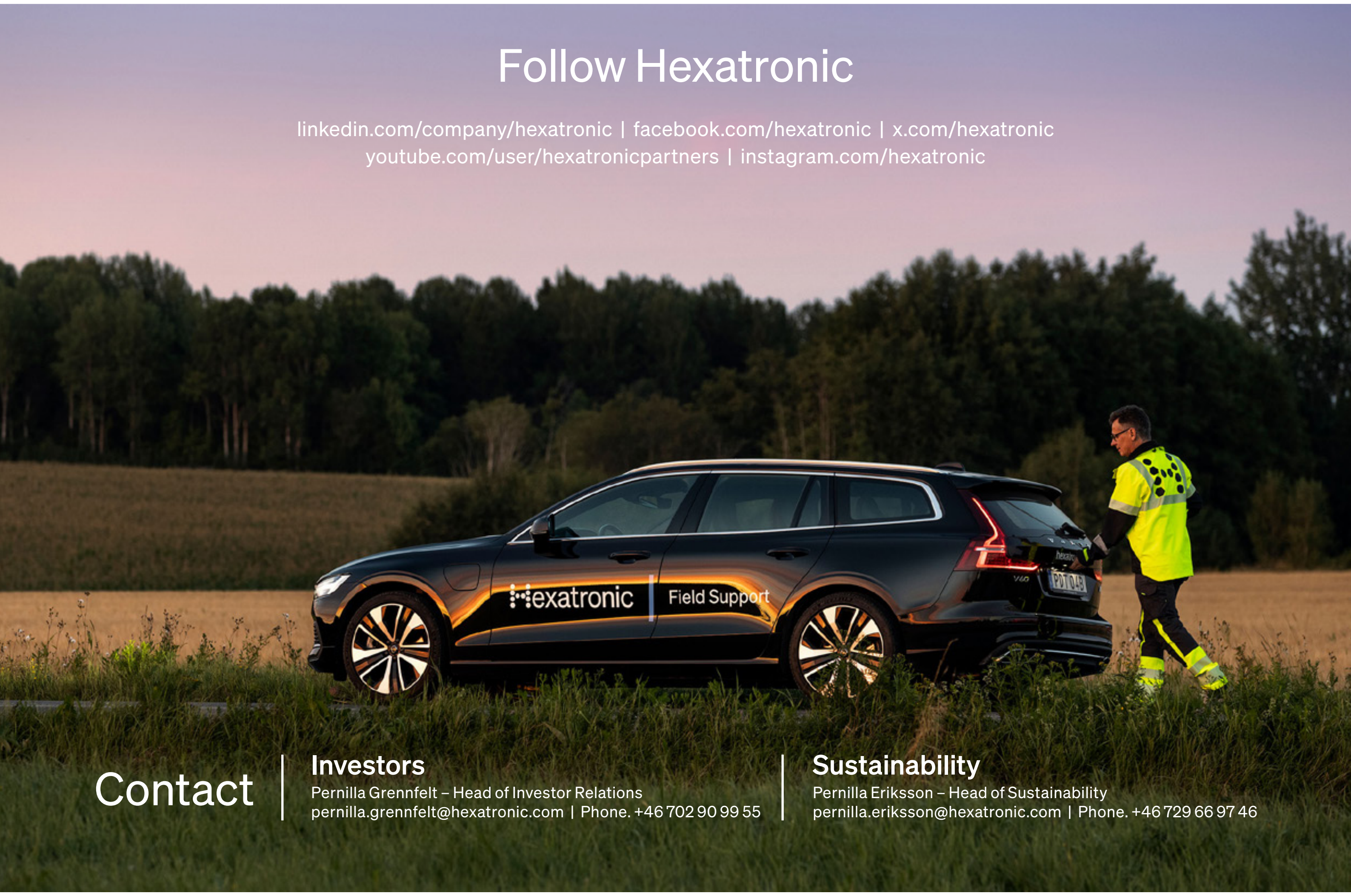
Financial information

Hextaronic's financial reports are published in Swedish and English and are available digitally on the company's website under the Investors section. The annual report is also available in printed format and can be ordered at info@hexatronic.com.

Hexatronic regularly publishes press releases and news on the company's website. By registering your e-mail address, you can subscribe to press releases, financial reports and other news. The company also organizes webcast presentations in connection with the quarterly reports.

Financial calendar

29 April 2025	Interim report January–March 2025
5 May 2025	AGM for the 2024 financial year
14 July 2025	Interim report April–June 2025
24 October 2025	Interim report July–September 2025
5 February 2026	Year-end report 2025



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