STILLE
Annual Report 2024

Surgical perfection. For life.

Contents

This English version of the Annual Report is a translation of the Swedish original. If there are any differences the latter shall prevail.

THIS IS STILLE

Surgical perfection. For life.

Stille is a well-established pioneer in the development and manufacture of premium-quality surgical instruments, and a market leader in advanced mobile tables for fluoroscopic surgery, with a differentiated offering in fast-growing niche markets for high-precision procedures.

6
offices in Sweden, the US, Germany, Switzerland and the United Arab Emirates

100+
distributors

75+
active markets

140+
employees

STILLE'S STRATEGY

Stille's strategy is centered around the delivery of profitable, attractive growth through product leadership, sales expansion, operational excellence and strategic acquisitions.

1 PRODUCT LEADERSHIP

- Premium products in cardiovascular surgery, microsurgery, thoracic surgery, neurosurgery, plastic surgery, and spine surgery.

2 SALES EXPANSION

- Continuous growth and sales development with strategic partners
- Maintain and develop strong global sales and service channels

3 OPERATIONAL EXCELLENCE

- Optimized value-based pricing
- Automation of manufacturing processes
- Disciplined cost control
- Investments in research and development

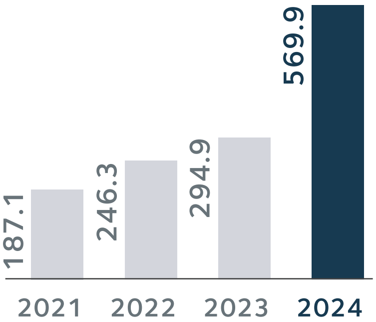
4 STRATEGIC ACQUISITIONS

- Further growth through strategic acquisitions of products and sales channels

Key performance indicators

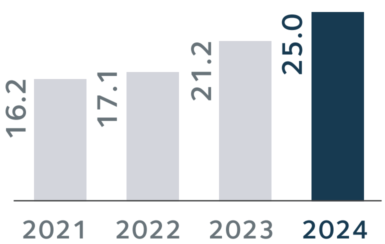
NET SALES

GROUP, MSEK



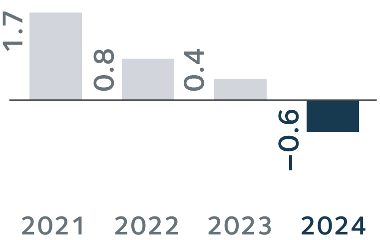
EBITDA MARGIN[1]

GROUP, %

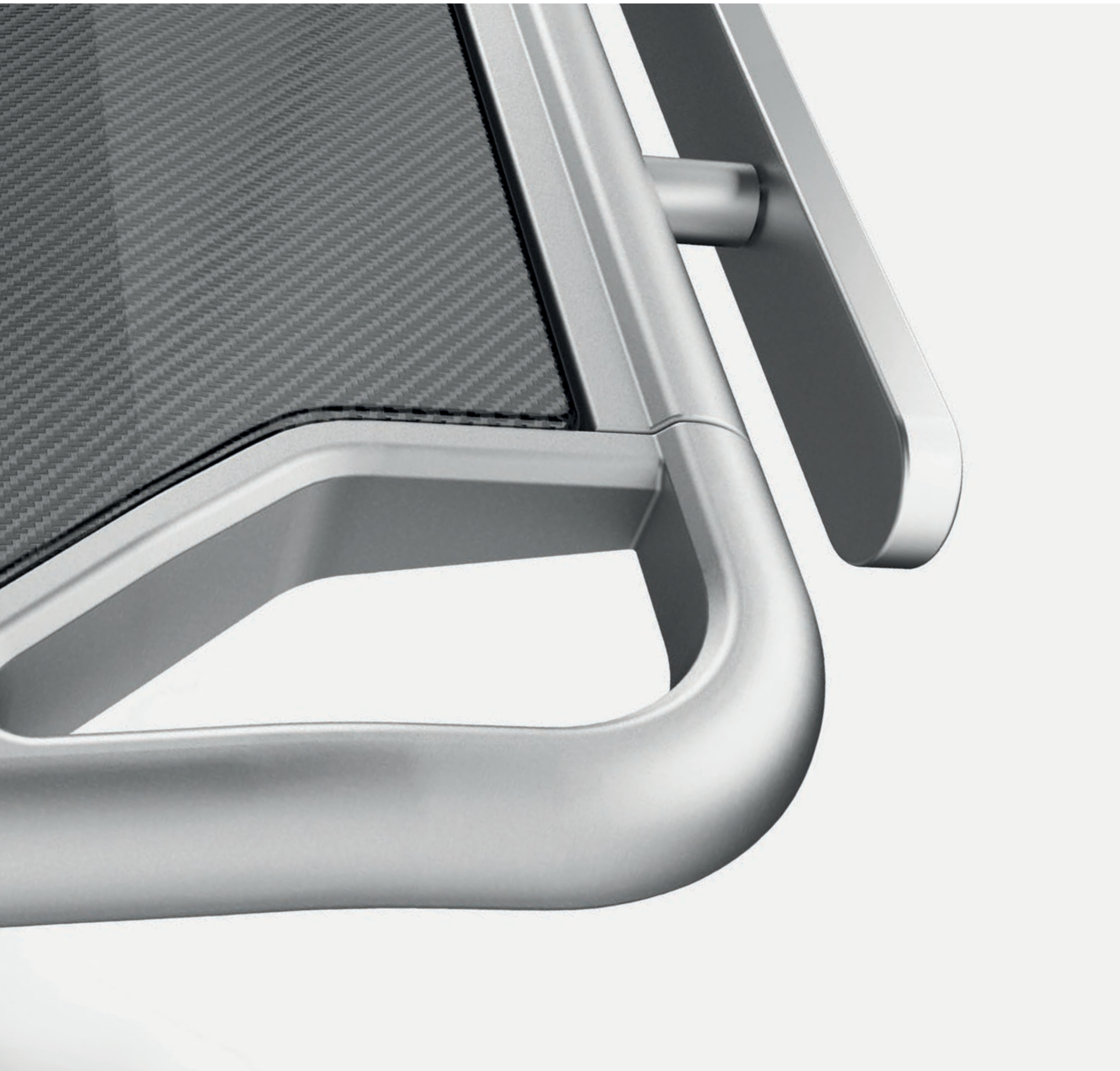


NET DEBT/EBITDA[1]

GROUP



[1] Before non-recurring items.



COMMENTS FROM THE CEO

Summary of a year of transformation

2024 was a highly successful financial year for Stille with increased sales, significantly improved profitability and the successful integration of Fehling Instruments. Stille's strong market position and brand are the result of its clear and long-term focus on premium products in surgical instruments and radiolucent surgical tables.

Integration of Fehling Instruments

The year began with the acquisition of Fehling Instruments, a German family-owned company that develops and sells high-quality surgical instruments focused on open and minimally invasive heart, thoracic, neuro and spine surgery. Through this acquisition, Stille has significantly expanded its product offering and further strengthened its position in key strategic markets in premium surgical instruments. In addition, Stille's already-strong shareholder base was also reinforced through the addition of new, long-term, sector-specific investors. The integration process, which concluded in the fourth quarter, was demanding, intensive and, in some cases, complex, but the results have been highly positive to date.

An intense year with profitable organic and acquired growth

In 2024, net sales amounted to MSEK 569.9, up MSEK 275.1 year-on-year, corresponding to organic growth of 11.5 percent and acquisition effects of MSEK 240.6 from Fehling Instruments. EBITDA

> **The company continued to streamline and invest in sales channels in the US, which is a key strategic market for Stille.**

before non-recurring items amounted to MSEK 142.4, up MSEK 79.8 or 127 percent. The EBITDA margin was 25.0 percent.

Demand for the Group's products was strong in all markets during the year, particularly for surgical instruments.The company continued to streamline and invest in sales channels in the US, a key strategic market for Stille. Due to high demand for the Group's surgical instruments, the company's own production and its suppliers could not fully meet the demand, resulting in a slightly higher order book, lower inventory and longer delivery times for some products. In the second half of 2024, our efforts to increase capacity and shorten lead times intensified, which is expected to take full effect in the second half of 2025.

Launch of imagiQ3 and streamlining of the product portfolio

In November, the third generation of Stille's flagship product, imagiQ3, was successfully launched at the Annual Meeting of the Radiological Society of North America (RSNA) and received very positive customer feedback.

Following a strategic review of our product portfolios at the end of the year, it was decided to phase out the GS2 platform in the Surgical Tables business unit. This decision is in line with Stille's focus on premium products in niche surgical segments where opportunities for profitable growth are greatest. The GS2 project was started in 2015 and the product was launched in 2021, but has not yet met commercial expectations. The product is designed for a price-sensitive and highly competitive customer segment where Stille's offering has struggled to compete. Instead, the company's resources will be allocated to further development of the imagiQ platform. A non-cash impairment of MSEK 24.1 was therefore charged to capitalized R&D and inventory, respectively, for the GS2 product line.

In 2025, a streamlined product portfolio will enable Stille to focus fully on sales, marketing and production of imagiQ3, which will further strengthen the company's position in the premium segment for radiolucent surgical tables.

Continuous improvements

During the year, the company maintained its focus on continuous improvements in pricing, quality, production, customer satisfaction, cost control and sustainability. Sustainability will be as integral to our operations as quality, enabling Stille not only to ensure regulatory compliance but also strengthen its customer offering with the most sustainable products on the market.

Revised financial targets

Following the successful acquisition of Fehling, our financial targets were revised in October to the following:

1. Organic growth of at least 10 percent,
2. An EBITDA margin before non-recurring items of at least 25 percent,
3. Net debt/EBITDA before non-recurring items of less than 3 over time.

Outlook for 2025

Stille's strategy is to grow organically and through acquisitions. Through our acquisitions of S&T and Fehling, Stille has created both customer and shareholder value. With a cash position of more than MSEK 150 and negative net debt, there is room for more value-creating acquisitions. As a result, the Board has proposed to the Annual General Meeting (AGM) that no dividends be distributed due to the acquisition opportunities that the company anticipates moving forward.

Stille's strategic focus remains firm. With high-quality products in surgical instruments and radiolucent surgical tables, the aim is to strengthen our position in niche clinical premium segments. The long-term future looks bright. 2024 ended on a high note – Stille's products are delivering real value to our customers which, in turn, is driving demand, growth and cash flow, and ultimately shareholder value.

I would like to thank all of Stille's customers, partners, suppliers and employees for a fantastic 2024. With a focused portfolio, a strong financial position and an ambitious growth strategy, the future looks bright for Stille.

Torshälla, April 4, 2025

Torbjörn Sköld
President and CEO

ABOUT STILLE

Surgical perfection. For life.

Founded in 1841, Stille AB (publ) is one of the world's oldest medtech companies. With a focus on the needs of surgeons and patients, the Group develops, manufactures and distributes medtech products that simplify and improve the healthcare process.

Over 180 years of premium quality

The Stille of today is the result of over 180 years of innovation in the service of healthcare. Since its founding by Albert Stille in 1841, the company has manufactured and marketed premium-quality surgical instruments that have made new types of surgery possible and facilitated the work of surgeons.

In 1887, Stille also began manufacturing and marketing surgical tables, and the company is now a market leader in the segment of surgical tables that are used together with C-arms during minimally invasive vascular procedures.

Surgical perfection and product leadership

Stille's vision is to provide products and solutions that enable perfect surgical procedures: Surgical perfection. For life. Product leadership – achieved, for example, through solid product development in close partnership with leading surgeons – is therefore central to the company's operations.

Brands associated with the highest quality

Surgeons around the world know Stille's brands thanks to the unique quality of their products. Backed up by a strong brand profile, the company has a unique position in the market and good opportunities to further develop its offering and increase its market presence in the segments that are profitable for both the company and its customers.

Strong distribution channels and global market presence

Stille currently has offices in Sweden, Switzerland, Germany, the US and the United Arab Emirates. Through these offices, and together with the Group's robust sales channels, the company's market presence reaches across large parts of the globe. It is through these partners that the company achieves its market expansion.

ACTIVE MARKETS

Stille's products are sold all over the world. The products can make the difference between a successful and a less successful surgical outcome.

75+

OFFICES

Stille's head office is located in Torshälla, outside Eskilstuna in Sweden. The subsidiaries' offices are in the US, Germany, Switzerland and the United Arab Emirates.

6

DISTRIBUTORS

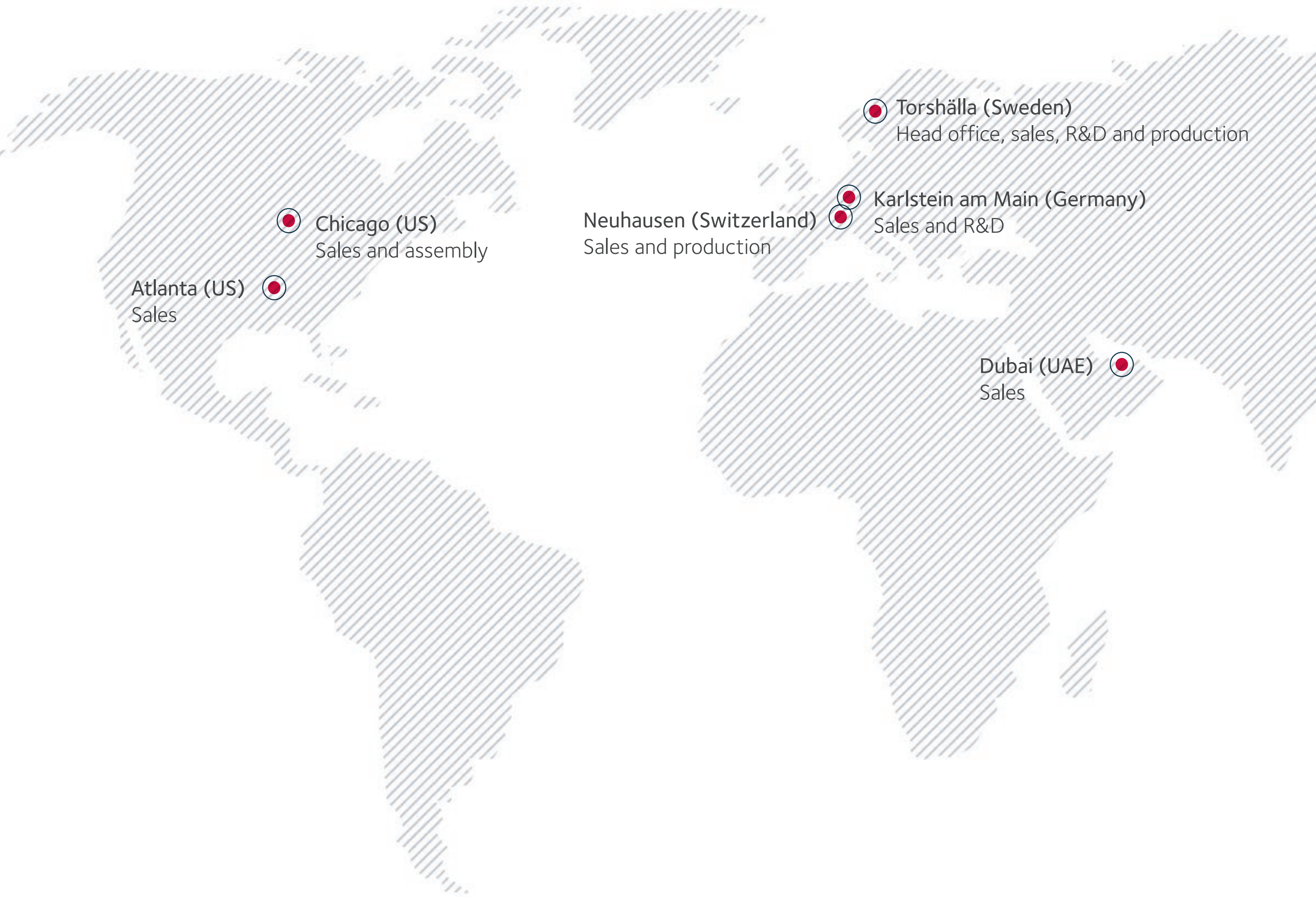
From local medtech companies to global partners, there is a global network of thousands of representatives to market Stille's products.

100+

EMPLOYEES

Perfection, passion and reliability are the cornerstones that unite our employees in the pursuit for surgical perfection.

140+



NORTH AMERICA
215
MSEK

EMEA
270
MSEK

REST OF WORLD
85
MSEK

Our customers

End customers in the healthcare sector use Stille's premium products when there is no room for compromise and they want the best conditions for a successful surgical outcome. End customers are reached via the company's strong distribution channels, which form the foundation of Stille's global market presence.

Distribution channels

Stille conducts its main sales through three separate channels: partners, distributors and direct sales.

Partners
Partners are companies that integrate and sell Stille's devices in their own operating room offering. These are usually manufacturers of mobile C-Arms, such as GE Healthcare, Ziehm Imaging, Siemens Healthineers and Philips. These channels enable Stille to reach the entire global market.

Distributors
Distributors are companies that sell medtech products to national healthcare providers. These are primarily distributors with a complementary product offering that drives Stille's growth, such as Synovis Micro Companies Alliance in the US market.

Direct sales
Products are sold directly to end customers in Sweden and, to a certain extent, in the US, Germany, the United Arab Emirates and India.

End customers

Stille's sales are aimed at several different healthcare segments. The most important segments are hospitals, clinics and outpatient surgery units.

Hospitals
Hospitals account for the largest proportion of Stille's sales. The majority of planned and emergency surgeries, including cardiovascular procedures, take place in a hospital and the number of surgeries is also growing steadily.

Clinics
Privately owned, independent clinics are common, especially in fields such as aesthetic plastic surgery, gynecology and orthopedics. Orthopedic clinics often specialize in specific medical conditions and the number of surgical procedures performed at independent clinics is growing. The market for aesthetic plastic surgery is also showing strong growth.

Outpatient surgery units
Outpatient surgery units are healthcare facilities focused on procedures that only require a short or limited period of postoperative care in the hospital. Due to technological advancements and new surgical techniques, such as minimally invasive procedures, more and more types of surgery can be performed in outpatient surgery units, allowing more patients to receive treatment.

There is a trend in Europe and the US where standard planned surgical procedures are being moved from hospitals to outpatient surgery units. The number of surgical procedures[1] carried out in outpatient surgery units is projected to grow 6–7 percent annually between 2025 and 2029.

[1] Statista Market Insights Apr 2024 "Outpatient Care," Grand View Research 2024 "US & Europe Ambulatory Surgery Centers Market Size, Share & Trends 2025-2030," and internal estimates.

Healthcare market

The global healthcare market is growing. New surgical techniques and increased average life expectancy are some of the factors affecting healthcare and, consequently, the conditions for Stille's business operations.

More and more resources are being allocated to health and medical care globally, and the number of hospitals and medical facilities is growing. About 350 million surgical procedures[1] are performed in a typical year, and this number is expected to continue rising due to an aging population, rising rates of cardiovascular diseases, a higher prevalence of chronic conditions and improved economic conditions both in society as a whole and at the individual level.

The number of hospitals is growing and will continue to dominate the global market for highly specialized and advanced healthcare.

Stille's focus includes solutions for cardiovascular surgery, a field that is growing due to more people living longer, which is increasing the need for both preventive and treatment procedures. Stille is also focused on solutions for microsurgery and minimally invasive heart surgery, where growth is being driven by increasing demand for more advanced surgical procedures and instruments.

General market growth for all of the product categories in Stille's product range is therefore expected.

[1] Dobson, G. 2020. "Trauma of major surgery: A global problem that is not going away," and internal estimates.

INSTRUMENTS FOR OPEN SURGERY[1,2,5]

MUSD 6,500

CAGR 4-7%

MICRO INSTRUMENTS[3,5]

MUSD 250

CAGR 5-8%

MOBILE SURGICAL TABLES[4,5]

MUSD 400

CAGR 4-8%

[1] Grand View Research, 2024, Hand-held Surgical Instruments Market Size, Share & Trends Analysis Report 2025–2030.
[2] Industry ARC, 2023, Surgical Instruments Market – Global Opportunity Analysis & Industry Forecast, 2023–2030.
[3] Grand View Research, 2022, Microsurgery Market Size, Share & Trends Analysis 2023–2030.
[4] Global Market Insights, 2023, Surgical Table Market – Global Forecast 2024–2032.
[5] Internal estimates.

Financial targets and strategy

Stille's strategy is centered around the delivery of profitable, attractive growth through product leadership, sales expansion, operational excellence and acquisitions. An investment in Stille is to provide stable long-term returns for our shareholders. We ensure this by focusing on Stille's foundation: premium products for niche clinical segments.

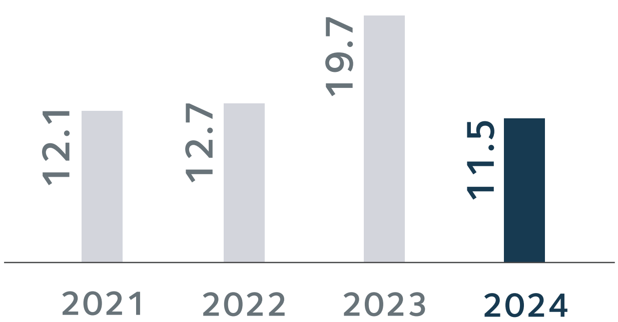
Growth and profitability

Stille has a clear growth agenda, and this growth will be delivered with sustained high profitability.

The financial targets include organic growth exceeding 10 percent, an EBITDA margin[1] exceeding 25 percent and net indebtedness (net debt/EBITDA ratio[1]) of less than 3.

ORGANIC GROWTH

GROUP, %



FINANCIAL TARGETS (OUTCOME 2024)

>10% (11.5)	>25% (25.0)[1]	<3.0x (–0.6)
organic growth	EBITDA margin[1] over time	net debt/EBITDA[1] over time

[1] Before non-recurring items.

Stability

To remain a profitable long-term investment, the company's ambitious growth targets need to be achieved while also ensuring financial stability.

This is reflected in our objective to maintain a net debt/EBITDA ratio[1] of less than 3. For acquisitions or major investments, bank loans may be relevant. Shares may be issued in connection with major acquisitions.

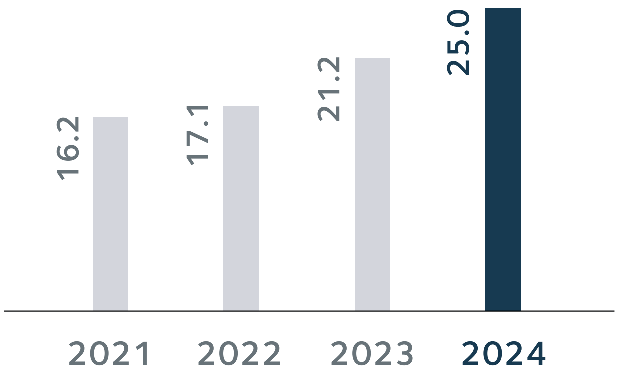
Strategy to achieve our targets

Stille's strategy is based on four pillars: product leadership, sales expansion, operational excellence and acquisitions. A fundamental aspect of the strategy is a clear focus on high-quality premium products in selected clinical niche segments.

The starting point of the action plan is that the company will continue to produce premium products with a focus on selected clinical niche segments.

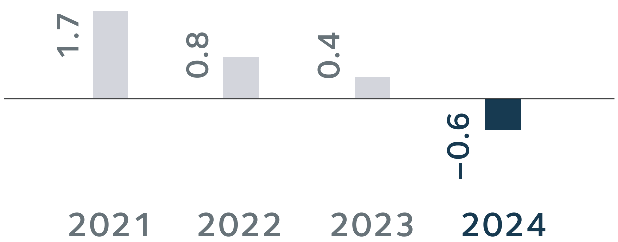
EBITDA MARGIN[1]

GROUP, %



NET DEBT/EBITDA[1]

GROUP



[1] Before non-recurringitems.

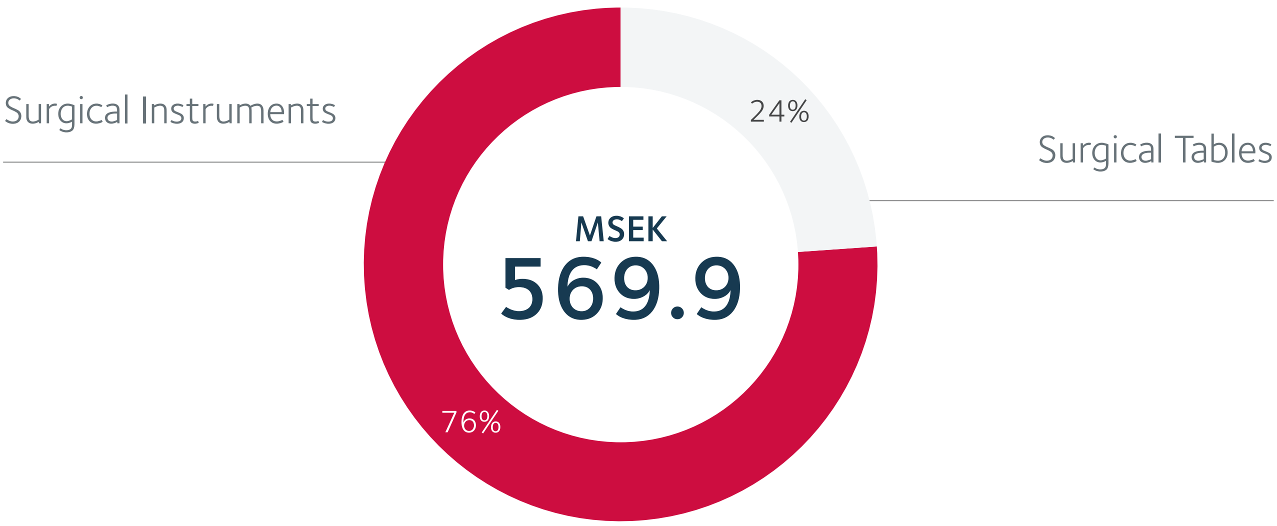
PILLARS OF STILLE'S STRATEGY

1. **Product leadership:** Offer and develop products of the highest quality with a focus on clinical niche segments.
2. **Sales expansion**: Gain market share in the most attractive market segments via sales channel synergies and development.
3. **Operational excellence:** Profitable growth via value-based pricing, selective automation of production, product innovation and disciplined cost control.
4. **Strategic acquisitions:** Acquisitions of complementary operations and products.


BUSINESS UNITS

Our business units

No matter the product portfolio, product leadership and innovation have been part of Stille's business concept since 1841. Today, the operations are divided into two business units: Surgical Tables and Surgical Instruments.



Surgical Instruments

A portfolio of surgical instruments in the premium segment for open surgery, including microsurgery.

Precision, durability and feel

Precision, durability and feel are characteristic qualities of all Stille's instruments. This has made Stille's premium instruments both well known and appreciated among leading surgeons the world over.

The portfolio includes everything from ordinary surgical scissors to unique SuperCut scissors, forceps, clamps and retractors to a broad range of micro instruments.

Product development and world-class innovation

Stille was founded as a solution to the shortage of product development and innovation in surgical instruments. Since 1841, the company has pursued technological development that has made new types of surgical procedures possible. Stille revolutionized the market, for example, in 1923 as the first company in the world to manufacture its instruments in stainless steel.

In 1982, Stille also invented the SuperCut scissors. In contrast to their predecessors, these scissors had specially designed cutting surfaces – a combination of scissor and knife edges – allowing them to cut with very high precision all the way to the tip. To this very day, STILLE SuperCut is considered by leading surgeons to be the best scissors in the world.

Market development

The global surgical instrument market is experiencing strong growth. The market size is an estimated USD 6.5 billion and projected to grow by 4–7 percent per year. In this market, sales of micro instruments are estimated at MUSD 250 and projected to grow between 5 and 8 percent per year. Growth in micro instruments, where Stille holds a strong position due to the acquisition of S&T, is partially being driven by increased demand in cardiac and vascular surgery as well as plastic surgery.

The global cardiac surgical instruments market generated sales of USD 1.6 billion in 2018 and is projected to grow by 6–8 percent by 2026. This can be attributed to the increase in preventive, planned and emergency procedures due to various diseases such as diabetes, obesity and hypertension as well as an aging population. According to the World Health Organization (WHO), an estimated 17.9 million people die annually from cardiovascular diseases, representing 31 percent of all global deaths.

At the same time, the global plastic surgery market, where the Stille Group's instruments are used, is expected to grow at a CAGR of 7–9 percent by 2027. This is due to increased demand for aesthetic surgical procedures, accessibility through medical tourism and the availability of disposable income per capita.

The cardiac and vascular surgery and plastic surgery segments are therefore experiencing strong growth. Common for these surgical disciplines is that surgeons often need to suture both blood vessels and nerves, which requires very fine and precise instruments.

Surgeons choose instruments from the Stille Group when they need durable premium instruments with high precision and feel. Outside the Nordic region, Stille currently holds a market share of less than 1 percent which, combined with a strategic focus on specific surgical disciplines experiencing growth, indicates strong growth potential.

Market competitors include Aesculap (B. Braun Medical) Medical, KLS Martin, Medicon and Scanlan.

THE GROUP'S BRANDS

STILLE instruments have been manufactured since 1841. Today, they are the only instruments forged from round steel by the company itself. This is a manufacturing method that yields exceptional durability and feel.

S&T is the leading brand in the global micro instrument market. Since the beginning, these products have enabled the development of microsurgery and are today considered to be the world's best micro instruments.

FEHLING offers a broad range of premium products to surgeons, with a focus on demanding specialties such as open and minimally invasive cardiac, thoracic and neurosurgery.

KEY CUSTOMERS

Our key customers in surgical instruments include end customers and major distribution channels in the export market.

GADELIUS

GEM
Global Excellence in Microsurgery
Synovis MCA

KEY MARKETS

The business unit's key markets are mainly the US and Sweden, but also countries such as Germany, Japan, India and the UK.

US | Sweden | Germany

Japan | India | UK

Development during the financial year

The surgical instruments business unit continued to develop favorably in 2024. Growth was 166 percent year-on-year. Profitability rose 158 percent, driven by the Fehling acquisition, volume growth, price increases, and a favorable market and product mix.

By offering three of the most prominent surgical instruments in terms of quality – STILLE, S&T and Fehling – we create value for distributors and end customers. End customers continue to seek a broad product portfolio to address a wide array of clinical challenges. The Stille Group's offering is crucial in this regard for both minimally invasive and open surgery.

By offering three of the most prominent surgical instrument lines in terms of quality – STILLE, S&T and Fehling – we create value for distributors and end customers. Stille Group's premium portfolio now spans cardiovascular, plastic, spine and microsurgery disciplines, where leading surgeons the world over choose Stille, S&T and Fehling.

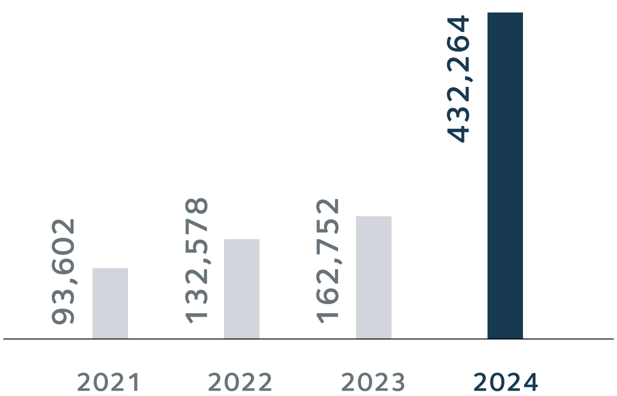
Development in North America

During the year, demand for surgical instruments was strong for the entire portfolio. The development in the US was very positive, with a focus on streamlining and investing in sales channels that still have major potential to increase the Group's market share.

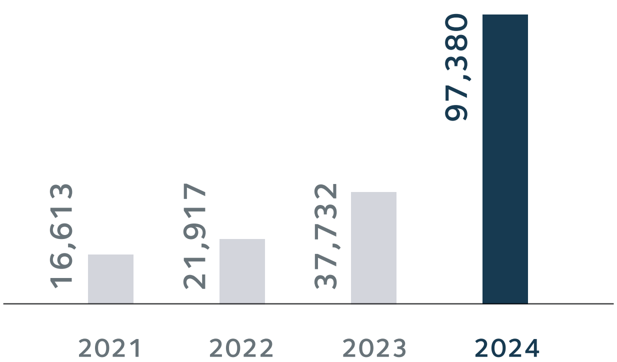
158%

Increased EBIT[1] year-on-year.

REVENUE
KSEK



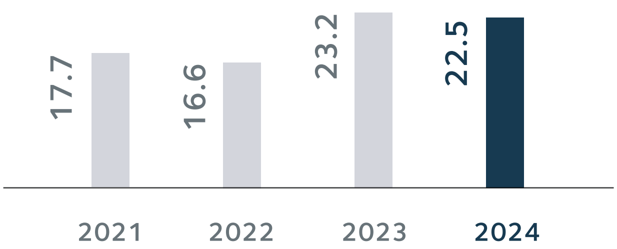
EBIT[1]
KSEK



[1] Before non-recurring items.

Development in Rest of World
The development outside North America was overall positive for Stille's entire instrument portfolio. Following the Fehling acquisition, Germany is the most important market after the US. Due to Fehling's strong presence and growth in China and India, these markets have also become more important for the Group. During the year, the Group continued to initiate changes in its sales channels to better position the company for future growth, primarily through a broad portfolio and increased geographic presence.

EBIT MARGIN[1]
%



"Stille's instruments just work – every time. You never have to worry about their quality or whether you can rely on them."

Dr. Mark Jewell, M.D., P.C.
Plastic Surgeon

Surgical Tables

Market-leading radiolucent surgical tables designed for use with C-arms during minimally invasive procedures where image quality, low radiation dose and precision are critical.

Time-saving multidisciplinary surgical tables

Stille's portfolio of surgical tables is used in a number of different surgical disciplines, including cardiovascular surgery, pain management, ERCP and urological procedures.

The surgical tables are characterized by their high level of functionality that reduces surgery time and increases the likelihood of a good outcome. This makes them an attractive choice for surgeons and the OR team.

Taking minimally invasive development forward

Product development is the cornerstone of the business unit, which is Stille's vehicle for taking minimally invasive surgery forward.

Development of new surgical tables always takes place in close collaboration with leading surgeons and our partners. One example is the imagiQ3 C-arm table that was launched in November 2024.

THE GROUP'S BRANDS

imagiQ is the leading brand in the fluoroscopic surgery market. The surgical table is characterized by its unique radiolucency and functionality that reduce both surgery time and radiation exposure.

In 2024, the third generation, imagiQ3 Legacy, was launched, building on the successful legacy of previous generations combined with imagiQ3 Service Integration, which helps to troubleshoot and diagnose problems remotely.

Medstone supplements the product portfolio by being a cost-efficient table for simpler procedures, for example, in pain management and ERCP, where good radiolucency is necessary.

KEY PARTNERS

Customers for our surgical tablesinclude some of the world's largest companies. The products are often sold packaged with customers' X-ray equipment.

PHILIPS

ziehm imaging

SIEMENS Healthineers

GE Healthcare

Market development

The size of the global market for mobile surgical tables is an estimated USD 400 million with a CAGR of 4–8 percent. The US is the largest market, followed by the European countries of the UK, France, Italy and Germany.

The share of minimally invasive surgical procedures is continuously growing. The global market generated sales of USD 33 billion in 2024 and is projected to reach USD 63 billion by 2030. Compared with traditional open surgery, minimally invasive procedures result in a shorter hospital stay, reduced patient trauma and faster recovery. The growth of these procedures is being driven, in turn, by the increasing prevalence of diseases such as osteoarthritis, cancer, and cardiovascular diseases, which typically require surgical treatment. The underlying factor is increased life expectance and a higher proportion of elderly in the global population.

The shift from open to minimally invasive surgery requires visualization for the surgeon to perform the procedure. This visualization is achieved using X-ray equipment that can either be stationary or mobile (C-arm), i.e. built on wheels. The C-arm can therefore be moved between operating rooms, providing extra flexibility. Stille's surgical tables belong to this category and are designed for use with a C-arm.

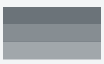
The growing need for minimally invasive procedures combined with the need for flexible solutions means that the prevalence of specialized imaging in operating rooms with either hybrid or mobile C-arms is expected to increase. These types of operating rooms will require the development of platforms that can integrate and create synergies between imaging technologies and various types of surgical equipment.

KEY MARKETS

In addition to the US, the business unit's key markets include the largest countries in Europe. The surgical disciplines for which the surgical tables are then used can vary from market to market.


US


France


Germany


Italy


Japan

The value of the hybrid operating room market is projected to reach USD 1.8 billion by 2026, at a CAGR of 12 percent between 2019 and 2026.

The Asia-Pacific region (including Japan) is expected to show the largest growth due to improved healthcare infrastructure, creating an attractive market over time. Stille is already a market leader in mobile radiolucent surgical tables for minimally invasive vascular surgery in Japan with imagiQ.

Overall, the current market conditions present a major business opportunity, based on the fact that Stille is a leader in mobile surgical tables for vascular procedures designed for use with C-arms.

Competitors in the market include Steris, Biodex, Image Diagnostics Inc, Mizuho, Surgical Tables Inc, Oakworks Inc, Medifa and Famed.

Development during the financial year

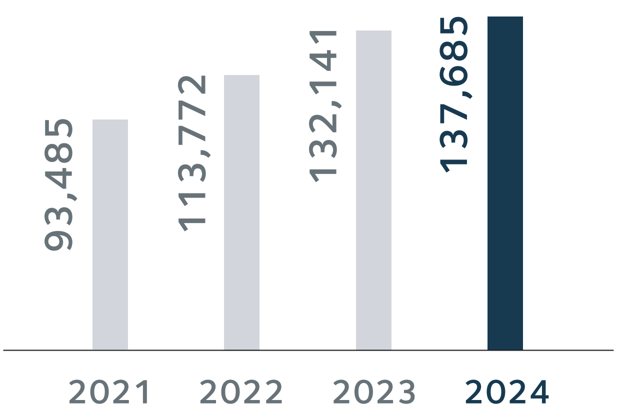
The Surgical Tables business unit continued to develop favorably in 2024. Growth was 4 percent year-on-year and operating profit increased 67 percent. The earnings improvement was due to a combination of a favorable product and market mix, improved pricing and efficiencies in manufacturing.

At the end of the year, the third generation of our flagship product imagiQ3 was launched, receiving very positive customer feedback. In 2025, a streamlined product portfolio will enable us to focus fully on imagiQ3 sales, marketing and production, which will further strengthen our position in the premium segment for radiolucent surgical tables.

Development in North America
In 2024, sales in North America remained stable with positive growth for Medstone and imagiQ, but limited demand for GS2. During the year, growth for imagiQ was 4 percent year-on-year.

REVENUE

KSEK



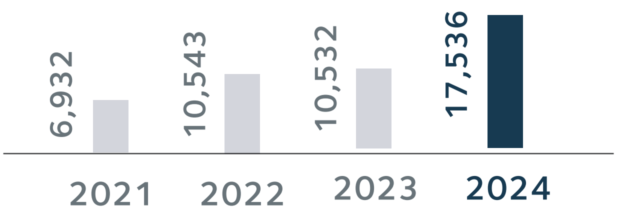
Following a strategic review of the table portfolio, it was decided to phase out the GS2 platform. The decision is in line with Stille's focus on premium products in niche surgical segments where opportunities for profitable growth are greatest. The GS2 project did not meet our initial commercial expectations. The product is designed for a price-sensitive and highly competitive customer segment where Stille's offering has struggled to compete. Instead, the company's resources will be allocated to the imagiQ platform. During the quarter, a non-cash impairment of MSEK 24.1 was therefore charged to capitalized R&D and inventory, respectively, for the GS2 product line.

Development in Rest of World

In Rest of World, demand for the company's products was in line with the record-breaking year of 2023. In Europe, for example, imagiQ grew 25 percent year-on-year, while sales in South America declined compared to 2023, which included large one-time orders.

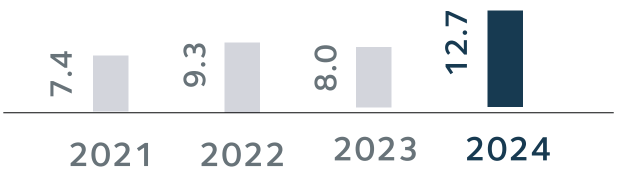
EBIT[1]

KSEK



EBIT MARGIN[1]

%



[1] Before non-recurring items.

67%

Increase in EBIT[1] year-on-year.

> **The Free Float technology in imagiQ™ allows me to move the tabletop as if it were an extension of my own arm.**

Dr. Peter Goverde, M.D.
Senior Endovascular & Vascular Surgeon

THE SHARE AND SHAREHOLDERS

Share capital

According to the Articles of Association for Stille AB, the share capital shall amount to at least MSEK 33 and to no more than MSEK 132. At the end of 2023, a private placement of new shares was implemented, increasing the number of shares and votes from 5,013,484 to a total of 8,985,447. The new shares were issued at a price of SEK 107.00 per share. The number of new shares issued amounted to 3,971,963. The new share issue was registered with the Swedish Companies Registration Office on January 10, 2024.

All shares – 8,985,447 with a quotient value of SEK 5 – are fully paid and entitle the holder to an equal share in the company's assets.

Dividend

Stille's policy is that the dividend is based on the Group's earnings trend, growth opportunities and financial position.

The Board proposes to the AGM that no dividend be distributed (0.00) for the 2024 financial year.

SHAREHOLDERS	NUMBER	OWNERSHIP SHARE
Impilo AB	2,056,075	22.9%
Linc AB	2,056,075	22.9%
Lannebo Kapitalförvaltning	633,030	7.0%
SEB Investment Management	575,750	6.4%
ShapeQ GmbH	418,884	4.7%
Aktia Asset Management	380,353	4.2%
Ramhill AB	328,145	3.7%
Berenberg Funds	245,374	2.7%
Avanza Pension	244,403	2.7%
Fondita Fund Management	180,000	2.0%
Total	**7,118,089**	**79.2%**

Stille's share is listed on the Nasdaq OMX First North Growth Market under the ticker "STIL" with ISIN code SE0000998650. Eminova Fondkommission AB is the Certified Adviser, +46 8 684 211 10, adviser@eminova.se.

SHARE AND OWNERSHIP DATA

DECEMBER 31, 2024

MSEK 1,868
MARKET CAP

STIL 40% | OMXSPI 6%
SHARE DEVELOPMENT
(JAN 1–DEC 31)

8,985,447
SHARES

SEK 208
SHARE PRICE

2,452
SHAREHOLDERS

SEK 143–250
LOW/HIGH
(JAN 1–DEC 31)

SUSTAINABILITY REPORT

Stille has been working with high-quality surgical products for over 180 years. The company's long history is built on craftsmanship, quality, innovation and responsibility – not only towards surgeons and patients but also towards the community and the environment in which the company operates.

In 2024, the Stille Group grew both organically and through the acquisition of Fehling. This growth triggered a need to better structure and harmonize our sustainability initiatives, including the collection and consolidation of sustainability data across the Group.

Sustainability is important to Stille for several reasons.

1. Competitive advantage

Stille operates in the premium segment for surgical instruments and surgical tables. As well as high quality, customers also expect responsible production. Sustainability gives the company an opportunity to further differentiate its offering and ensure continued leadership in craftsmanship, sustainability and environmental responsibility.

2. Long-term resource optimization

Sustainable methods are not only about compliance, they also improve our efficiency. Reducing waste, optimizing energy use and improving supply chain sustainability contribute to long-term cost savings and resilience, especially in a world with increasing resource constraints and unpredictable market conditions. Ensuring access to sustainable raw materials, minimizing our environmental impact and partnering with responsible suppliers is therefore crucial.

3. Market expectations

The healthcare sector is undergoing major changes, with stricter environmental regulations, rising customer expectations and new compliance requirements (such as the Corporate Sustainability Reporting Directive (CSRD) and the Medical Device Regulation (MDR)). Hospitals and care providers are actively seeking partners who support their sustainability goals, making this a key factor in procurement decisions.

4. Customers, employees and partners

The next generation of engineers, medical experts and business leaders is increasingly prioritizing companies that take sustainability seriously. Similarly, strong sustainability efforts strengthen relationships with hospitals, distributors and industry players who are focused on sustainability in their decision-making.

Stille has a pragmatic and focused approach to sustainability. The company balances a commitment to high-quality manufacturing and regulatory compliance, while continuing to meet the needs of customers, partners and investors.

Our sustainability journey in 2024

The following is a summary of important sustainability-related activities that the Group carried out in 2024:

- Sustainability training for managers
- Context and stakeholder analysis
- Double materiality assessment
- Creation of a Sustainability Roadmap – a working document that will be further refined in 2025

The context analysis showed that sustainability rules and trends will affect Stille's operations, market position and long-term success, especially in the company's key European markets. Three key focus areas emerged: 1) Transition to a circular economy, emphasizing product lifespan and recycling, 2) Social sustainability, focusing on fair working conditions and patient impact, and 3) Supply chain transparency and traceability, including reporting.

Additionally, consumers' growing awareness of sustainability, the shift to renewable energy, and the increasing demand for sustainable supply chain management are shaping market expectations. Procurement processes are increasingly prioritizing the carbon footprint of products, leading to a heightened interest in reuse, repairs, and closed-loop systems in the medical technology sector. Responding to this trend presents both challenges and opportunities for the Group to differentiate itself and strengthen its long-term growth.

Stakeholder perspectives

Stille is active in several markets, and the priorities of stakeholders vary by region. The stakeholder analysis mainly focused on customers, employees, investors, and local communities. Here are some of the key insights:

Customers
Customers, especially in the Nordic region and the UK, are increasingly requesting sustainability in their purchasing processes. Plans to reduce CO_2 emissions are becoming increasingly common and customers generally welcome Stille's increased focus on sustainability.

Employees
Social sustainability, especially working conditions, is a top priority for employees. While environmental considerations are deemed relevant, they are not usually a decisive factor for employees in connection with recruitment. There are regional variations however. Employees in Germany, for example, seem to value sustainability more than their Swedish colleagues. While some see room for improvement, the employees generally view Stille's sustainability efforts as positive, especially in regard to internal communication and environmental awareness. A common source of pride is the lifespan of the products and their patient impact.

Investors
Sustainability has become an important focus for investors, with an emphasis on climate impact, employee well-being and a sustainable supply chain.

Reporting is expected to improve as regulatory requirements increase.

Local communities

In Torshälla, where the company's main production facility is located, Stille is recognized as a valued employer. Municipal representatives highlight Stille's contribution to public health through high-quality, sustainable products.

Double materiality assessment and Sustainability Roadmap

The double materiality assessment that was carried out in autumn 2024 will provide the basis for data collection and reporting during 2025–2026. Although the results have not been fully presented in this report, the materiality assessment has served as the foundation for both the company's Sustainability Roadmap and the assessment of sustainability-related risks. These will be continuously updated.

The double materiality assessment is not only a tool for determining what should be reported, but also a control instrument that will eventually be further developed.

The Roadmap identifies five key focus areas for the Group:

1. **Environment and climate**
2. **Suppliers** with a focus on reviewing partnerships and identifying risks
3. **Social sustainability** with a focus on employees
4. **Governance and anti-corruption**
5. **Enabling better health** for those who benefit from the Group's products

Environment and climate

Stille's long history gives insight into what it means to run a sustainable business. Like all manufacturing companies, Stille also has an environmental impact, and there is still work to be done to set better targets and measure them. The data presented below should be viewed as a starting point for measuring and tracking our impact.

Stille has elected to use the Greenhouse Gas (GHG) Protocol as the basis for our climate-related data points. Over time, the company intends to develop additional and more in-depth targets – and data.

In recent years, efforts have been made to improve energy efficiency at various facilities. This has included the installation of solar panels and time-controlled ventilation, for example. While no major efficiency improvements were made in 2024, it is worth noting that nearly all energy used in production processes is renewable.

Waste

In 2024, the company's total volume of registered waste was approximately 50 tonnes. Excluding hazardous waste (3.2 tonnes), 19 tonnes were deemed non-recyclable. The waste volume, including hazardous waste, increased compared with 2023. The increase was attributable to the Group's growth, but the quality of the waste registration process may also have improved.

The Group does not generate any revenue from the fossil-fuel sector.

	SCOPE 1[1]	SCOPE 2[2]	SCOPE 3[3] (AIR TRAVEL+HOTEL)	ENERGY CONSUMPTION (KWH)	HAZARDOUS WASTE[4]	OTHER WASTE
Group	35.5 tCO_2eq	50 tCO_2eq	121+3.5 tCO_2eq	460,591 renewable of 537,300 in total (86%)	3.2 tonnes	Approx. 50 tonnes, approx. 19 tonnes for incineration or landfill

[1] Refers to own and leased vehicles. The figure is an estimate and mainly based on activity and fuel-based data and, in some cases, was extrapolated when specific data was unavailable. An emission factor 2.4 $kgCO_2eq$ per 10 km was used.

[2] Energy and heating/cooling was calculated as location-based. Electric vehicles not charged at workplaces were not included this time, but are assumed to be negligible.

[3] Refers to air travel and hotel stays. Air travel is partially calculated by our travel agent in Sweden. For those cases where we were unable to obtain reliable data from travel agencies, the number and type of flights were estimated, and emissions were calculated using the ICAO methodology and emission factors.
Hotel data is based on registered information for Sweden, which was then extrapolated by the company. Moving forward, there are plans to expand the sources of Scope 3 emissions to include more information about the supply chain and transportation of goods.

[4] Emulsions, e-waste, used oil, solvents and aerosols.

Social sustainability and human rights

Well-being in the workplace

Job satisfaction and well-being at work are important. Stille has been carrying out employee satisfaction surveys since 2020. As new acquisitions have been made, new subsidiaries have also been included in the employee satisfaction surveys. The results are measured per subsidiary, but also at the Group level. Due to acquisitions, however, the results at the Group level are not comparable across years.

The relatively low attrition rate, combined with what is often described as a strong corporate culture in which employees take pride in the quality of the Group's products, suggests a high level of well-being in the workplace. At the same time, there are no comparable statistics over time or between various parts of the company.

Diversity and inclusion

The company has a higher proportion of men than women in both production and management, and on the Board. Women make up around 20 percent of the management team. It is in the company's interest to continuously promote diversity.

The analysis of gender pay gaps currently refers to Stille AB only. Adjusted for the over-representation of men in senior management, there is no gender pay gap in the company.

Work-related injuries	Four work-related injuries[1] and a total of 10.2 days lost due to injuries. No fatalities.
Gender pay gaps	8.7% (Stille AB/Sweden only)
Gender breakdown	43% women Two of 11 members of the extended management team are women
Attrition rate	5–6%
Employee Net Promoter Score (eNPS)	Employee satisfaction surveys have been conducted annually since 2020. The current eNPS is -5, which is slightly lower than in previous years.

[1] Requiring medical treatment, possible reassignment of duties, sick leave, etc. due to injury. If a "broader definition is used," the number would increase to 18 injuries for the entire Group in 2024.

Collective agreements

Stille AB is a member of Teknikarbetsgivarna (Swedish association for employers of engineers) and the Confederation of Swedish Enterprise. Through its membership in Teknikarbetsgivarna, the company is bound by collective agreements between Teknikarbetsgivarna and IF Metall (the Swedish metalworkers union), and collective agreements between Teknikarbetsgivarna and Unionen (the Swedish white-collar trade union), the Swedish Association of Graduate Engineers and the Swedish Association of Management and Professional Staff. Through its membership in the Confederation of Swedish Enterprise, the company is bound by mandatory agreements regarding insurance and pension plans. The subsidiaries do not have any collective agreements, but employees are neither prevented nor discouraged from organizing themselves into unions.

Stille's experience is that collective agreements provide structure and therefore facilitate a constructive dialogue in the workplace.

Supply chain

A systematic sustainability assessment of the company's supply chain has not yet been carried out. However, the company's assessment is that it adheres to the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct and the Ten Principles of the UN Global Compact.[1] More efforts are planned to systematically assess and focus on value chain sustainability in the coming years.

End users

The feedback that the company receives from surgeons and other users is that Stille, Fehling and S&T offer high-quality products that are highly valued. Since the company also provides service for both surgical instruments and surgical tables, it can be concluded that the products that are manufactured are both durable and often used for several decades.

Governance and anti-corruption

Ensuring that the company's structures and culture uphold high business ethics has always been a priority for us. Stille is committed to maintaining the same business standards across the Group. The whistleblowing system can be used by everyone in the Group. There have been no convictions or allegations of corrupt or illegal behavior.

[1] Stille is not a member of the UN Global Compact.

Sustainability -related risks

When the double materiality assessment was performed in 2024, it became clear that Stille has an impact in eight of the ten ESG topics identified in the European Sustainability Reporting Standards (ESRS). However, the risks associated with the company's negative impacts are relatively manageable. The identified risks can involve both impact materiality ("inside-out" perspective) and financial materiality ("outside-in" perspective) in relation to the risk of increased energy prices and risks in the value chain. The latter applies primarily to sub-suppliers (such as raw material suppliers or potential workers in the value chain). This issue is associated with limited knowledge and is not therefore a confirmed risk.

Materiality

The results of the double materiality assessment conducted in 2024 indicate that Stille's impacts offer considerable potential, deriving from the positive effects on patients due to high-quality instruments and devices as well as the durability of the products, enabling instruments to be repaired and thereby become part of a circular business model. Stille's most material "negative impacts" are related to climate change, its own workforce, water and workers in the value chain.

Directors' Report

The Board of Directors and CEO of Stille AB (publ), 556249-4848, hereby submit the annual report and consolidated financial statements for 2024. The results of the Group's and Parent Company's operations for the year are presented in the following income statements, balance sheets, cash flow statements, statements of changes in equity and notes.

General information about the business

Founded in 1841, Stille AB (publ) is one of the world's oldest medtech companies. With a focus on the needs of surgeons and patients, the Group develops, manufactures and distributes medtech products that simplify and improve the healthcare process.

Operations are conducted in Sweden, Switzerland, Germany, the US and UAE, with Group-wide functions in research and development, marketing, quality management, risk management and financial control.

The end customers are mainly hospitals, clinics and outpatient surgery units. Products are mainly sold via distributors, except in Sweden, and, to a certain extent, in the US, Germany, UAE and India.

Net sales and earnings

In 2024, a positive sales trend was noted in both business units. Compared with 2023, net sales rose 93 percent (12 percent organically) or MSEK 275 (MSEK 34 organically) to MSEK 569. The increase was positively impacted by exchange-rate effects of MSEK 1.3.

The gross margin for the financial year was 51.9 percent (44.8). The gross margin improvement was mainly due to the acquisition of Fehling and the market and product mix.

Total expenses for the Group amounted to MSEK 225.2 (87.2), of which MSEK 130.1 (67.0) was related to selling expenses. MSEK 53.4 (17.5) was related to administrative expenses. Other operating expenses amounted to MSEK 46.2 (4.6), comprising costs of MSEK 20.4 related to the acquisition of

MULTI-YEAR REVIEW

MSEK	2024	2023	2022	2021	2020	2019
Net sales	569.9	294.9	246.3	187.1	142.6	156.7
Gross profit, %	51.9	44.8	45.3	44.6	40.3	42.6
EBITDA before non-recurring items	142.4	62.6	42.1	30.3	18.9	33.6
EBITDA before non-recurring items, %	25.0	21.2	17.1	16.2	13.2	21.5
EBITDA	98.0	59.3	42.1	26.8	18.9	33.6
EBITDA, %	17.2	20.1	17.1	14.3	13.3	21.5
EBITDA before non-recurring items	114.9	48.3	32.5	23.6	14.5	28.5
EBIT before non-recurring items, %	20.2	16.4	13.2	12.6	10.2	18.2
EBIT	70.5	45.0	32.4	20.1	14.5	28.5
EBIT, %	12.4	15.2	13.2	10.7	10.2	18.2
Profit after tax	58.2	26.6	27.3	16.1	8.3	22.9
Earnings per share, SEK	6.48	5.31	5.45	3.21	1.71	4.74
Equity/assets ratio, %	69.9	78.6	55.4	48.0	67.3	63.4
Net debt/EBITDA * LTM	–0.6	0.4	0.8	1.7	–0.7	—

Fehling, and impairment costs of MSEK 24.1 related to the discontinuation of the GS2 table. Other operating income and expenses amounted to MSEK 2.7 (2.7), mainly comprising exchange-rate fluctuations and contributions.

Consolidated depreciation and amortization for the financial year amounted to MSEK 27.5 (14.4). Depreciation amounted to MSEK 3.2 (2.1) for tangible assets and MSEK 4.9 (4.8) for right-of-use assets. Amortization of intangible assets amounted to MSEK 19.5 (7.3).

For 2024, the Group's net financial items amounted to MSEK –1.3 (–13.4), of which MSEK 3.5 (–4.2) related to exchange-rate effects. Consolidated profit before tax amounted to MSEK 69.2 (31.6). Consolidated income tax for the year amounted to MSEK 11.0 (4.9). Consolidated net profit for the year amounted to MSEK 58.2 (26.6). Earnings per share amounted to SEK 6.48 (5.31).

Surgical Instruments business unit

In 2024, sales in the Surgical Instruments business unit increased a total of 166 percent or MSEK 269.5 to MSEK 432.3 (162.8). The corresponding organic growth amounted to MSEK 191.7, up 17.8 percent. Total instrument sales were strong in all markets.

Surgical Tables business unit

In the Surgical Tables business unit, sales increased a total of 4.2 percent, or MSEK 5.5, to MSEK 137.7 (132.1). Table sales had a more challenging year following growth of more than 16.1 percent in the previous year.

Employees

The average number of full-time employees (FTEs) in the Group was 147 (105). At December 31, the Group had 142 employees (106). The proportion of women was 43.5 percent (31.2).

Health and safety

Stille works actively to minimize work-related injuries for our employees in production. This can include rotation in production in order to prevent repetitive strain injuries resulting from monotonous tasks. Active safety work is continuously taking place in production with representatives from management, employees and external consultants. Employees in production in Torshälla are connected to Smedhälsan occupational health services, which includes regular health checks and a wellness program for employees.

The company has adopted and adheres to a Code of Conduct. The Code set out the principles for how everyone in the Group should behave in their relationships with employees, business contacts, other stakeholders and shareholders. The Code is based on Stille's values and vision, and ensures that the company is run with integrity and complies with laws and regulations.

More information about health and safety can be found in the sustainability section.

Responsibilities

Stille's duty of responsibility covers product quality, process quality, environmental and climate impact, and working conditions.

The company strives to meet external expectations for high quality and flawless production in accordance with current laws, regulations and ethical standards. This ensures that the company maintains a strong market position and retains a high level of trust among customers, partners, authorities and employees.

Quality

Stille has implemented a quality management system that is established and ISO 13485:2016-certified. All employees, regardless of their function in the organization, follow the procedures and rules prescribed in the quality management system in their daily work.

The company's surgical table and non-invasive surgical devices are compliant with Regulation (EU) 2017/745 on medical devices (MDR), while its reusable surgical instruments, implants and devices with a measuring function are compliant with the Medical Device Directive – Council Directive 93/42/EEC and Post-market Surveillance (PMS) under Article 83 of Regulation (EU) 2017/745 on medical devices (MDR).

Efforts with CE marking of the company's reusable surgical instruments, implants and devices with a measuring function are ongoing in accordance with Regulation (EU) 2017/745 on medical devices (MDR). These are "legacy devices" and covered by the transitional provisions in Regulation (EU) 2017/745 on medical devices (MDR) and, under the MDD, can be marketed in the EU until December 31, 2028. From a regulatory perspective, this ensures that these devices can also be delivered to new and existing customers while preparing them for certification under Regulation (EU) 2017/745 on medical devices (MDR) as well as during the subsequent assessment period with the Notified Body.

All medical devices also comply with the requirements of the US Food and Drug Administration's (FDA) 21 CFR Part 820 Quality System Regulation.

Environmental and climate impact

In its operations, Stille is required to comply with environmental laws and regulations, and also strives to minimize its environmental and climate impact in relation to energy, chemicals and transportation. Chemical use is managed via an active chemical register, where the aim is to control and minimize the use of various chemicals and thereby reduce emissions. Waste and by-products from production processes are sorted in a manner that maximizes their potential for recycling. The transportation and environmentally friendly disposal of chemicals and waste is carried out by approved transport companies.

More information about health and safety can be found in the sustainability section.

Financial position

The Group's equity/assets ratio was 69.9 percent (78.6). At the end of the period, consolidated equity totaled MSEK 699.4 (632.3). The Group has a bank overdraft facility of MSEK 15, of which MSEK 0.0 (1.8) had been utilized as of December 31.

Assets

The Group's tangible assets amounted to MSEK 36.6 (33.4), and were mainly related to land and buildings, personal computers, machinery and equipment. The Group's intangible assets amounted to MSEK 503.9 (155.7), and were mainly related to customer relationships, brands and capitalized costs for product development, software and goodwill. Right-of-use assets amounted to MSEK 35.1 (26.1) and related to leases for vehicles and premises.

Consolidated inventory amounted to MSEK 144.7 (66.6), corresponding to 52.8 percent (40.9) of the cost of goods sold. At the end of the period, consolidated accounts receivable amounted to MSEK 76.2 (31.3), corresponding to 13.4 percent (10.6) of consolidated net sales. The Group's prepaid expenses and accrued income amounted to MSEK 5.3 (24.2). Other receivables amounted to MSEK 25.6 (223.9). In the preceding year, other receivables pertained to a subscribed but not yet paid share issue of MSEK 220, which was paid in early January 2024.

Investments

In 2024, net investments in tangible and intangible assets amounted to MSEK 14.3 (excluding acquisitions of operations) (12.9). Of this amount, MSEK 7.0 (11.2) was capitalized as development costs for new products. Of capitalized development costs, MSEK 1.8 (0.9) pertained to capitalized personnel expenses and MSEK 5.2 (10.3) to capitalized external development costs.

Liabilities

Liabilities related to right-of-use assets totaled MSEK 37.1 (27.2), of which MSEK 31.0 (23.1) was non-current and MSEK 6.1 (4.1) current.

Liabilities for right-of-use assets arise from the capitalization of leases for vehicles and rent for premises under IFRS 16. This item has its counterpart on the asset side of the right-of-use assets line item.

Cash flow statement

Cash flow from operating activities before changes in working capital for the year amounted to MSEK 103.7 (47.8), after changes of MSEK 73.7 (37.3) in working capital. Changes in working capital amounted to MSEK –30.1 (–10.5).

Including acquisitions of operations (MSEK –316.1), cash flow from investing activities for the financial year amounted to MSEK –330.4 (–12.9) and, in addition to the business acquisition, consisted of investments in new products and new production equipment. The change in cash flow from financing activities was largely due to the new share issue for the purchase of Fehling Instruments (MSEK 209.2) and repayments of MSEK 50 for the loan raised in 2021 (part of the financing for the purchase of S&T). Cash flow for the period totaled MSEK –85.4 (203.4). Consolidated cash and cash equivalents at the end of the period totaled MSEK 158.5 (241.4).

Parent Company

For the 2024 financial year, net sales in the Parent Company amounted to MSEK 179.9 (173.5). Profit after tax totaled MSEK 3.6 (9.8). The balance sheet total amounted to MSEK 773.9 (742.6). Equity amounted to MSEK 558.3 (554.7).

Related-party transactions

Stille's related parties and transactions with related parties are described in Note 10 of the Annual Report. No transactions between Stille and related parties that had a material impact on the company's position and earnings were conducted during the year.

Future development

The company is committed to achieving its long-term growth targets. The future development of the company will therefore continue on the same track as in previous years.

The company's product development remains a priority to ensure future product leadership. Strong product development is fundamental to Stille's organic growth. Throughout its more than 180-year operating history, the company has enabled numerous new types of surgical procedures due to its innovation capabilities. The company will also continue to actively evaluate potential acquisitions in strategic market segments to complement its organic growth strategy.

Significant events after the end of the financial year

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

Disputes

Stille was not involved in any disputes during the 2024 financial year.

Board composition and work

Information about the company's management and the Board's work during the year can be found in the Corporate Governance Report on pages 89–95 of the Annual Report.

Proposal for appropriation of profit at the 2024 AGM

The following profit is at the disposal of the AGM:

PARENT COMPANY, SEK

Share premium reserve	462,492,337
Retained earnings	6,114,318
Profit reported for the year	3,646,030
Total	**472,252,685**
The Board's proposed appropriation of profit	
Dividend	—
To be carried forward	472,252,685

Dividend

The Board proposes to the AGM that no dividend be distributed per share (0) for the 2024 financial year. The total dividend is proposed to be MSEK 0.0 (0.0).

Income statement and statement of comprehensive income

GROUP

KSEK	NOTE	2024	2023
Net sales	5	569,950	294,893
Cost of goods sold	7, 8, 9,11	–274,308	–162,722
Gross profit		**295,641**	**132,171**
Other operating income	6	4,454	1,883
Selling expenses	7, 8, 9,11	–130,088	–67,006
Administrative expenses	7, 8, 9,11	–53,386	–17,476
Transaction costs	7,8,9,11,15	–20,384	—
Non-recurring items		–24,082	—
Other operating expenses	6	–1,705	–4,621
EBIT		**70,450**	**44,952**
Financial income	12	14,293	971
Financial expenses	13	–15,573	–14,337
Profit before tax		**69,170**	**31,585**
Income tax	14	–10,964	–4,939
Net profit for the year of which attributable to Parent Company shareholders		**58,206**	**26,646**
Items that may be reclassified to profit or loss:		8,949	19,398
– translation differences in foreign operations		—	—
COMPREHENSIVE INCOME FOR THE YEAR of which attributable to Parent Company shareholders		**67,155**	**46,044**
Earnings per share, SEK before and after dilution		**6.48**	**5.31**
Comprehensive income per share, SEK before and after dilution		**7.47**	**9.18**

Balance sheet

GROUP

KSEK	NOTE	DEC 31, 2024	DEC 31, 2023
ASSETS			
Non-current assets			
Goodwill	16	136,777	23,328
Brands	17	149,467	43,893
Customer register	18	170,692	30,962
Other intangible assets	19	47,008	57,502
Intangible assets		**503,944**	**155,685**
Land and buildings	20	28,442	28,427
Other tangible assets	21	8,177	4,935
Right-of-use assets	22	35,147	26,138
Tangible assets		**71,765**	**59,501**
Deferred tax assets	14	12,072	377
Total non-current assets		**587,781**	**215,562**
Current assets			
Inventory	24	144,683	66,553
Accounts receivable	25	76,225	31,251
Tax assets	14	2,958	1,953
Other receivables		25,640	223,941
Prepaid expenses and accrued income	26	5,336	24,188
Cash and cash equivalents	27	158,485	241,446
Total current assets		**413,327**	**589,331**
TOTAL ASSETS		**1,001,108**	**804,893**
EQUITY AND LIABILITIES			
Equity attributable to Parent Company shareholders			
Share capital		44,927	25,067
Other contributed capital		462,493	482,352
Translation reserves		44,863	35,917
Retained earnings, including net profit for the year		147,122	88,916
Total equity	**28**	**699,405**	**632,254**
Non-current liabilities			
Deferred tax liability	14	89,507	17,614
Other provisions	30	39,970	37,008
Liabilities to credit institutions	4,31,33	5,000	15,000
Liabilities related to right-of-use assets	4,31	30,983	23,066
Total non-current liabilities		**165,460**	**92,689**
Current liabilities			
Liabilities to credit institutions	4,31,33	20,957	20,784
Liabilities related to right-of-use assets	4,31	6,149	4,092
Accounts payable	4	16,821	20,760
Tax liability	14	14152	—
Other liabilities		44,367	2,885
Accrued expenses and deferred income	32	33,797	31,429
Total current liabilities		**136,242**	**79,951**
TOTAL EQUITY AND LIABILITIES		**1,001,108**	**804,893**

Statement of changes in equity

GROUP

KSEK	SHARE CAPITAL	OTHER CON-TRIBUTED CAPITAL	TRANSLATION RESERVE	RETAINED EARNINGS INCL. NET PROFIT FOR THE YEAR	EQUITY
Opening balance, January 1, 2024	**25,067**	**482,352**	**35,917**	**88,916**	**632,254**
Comprehensive income					
Net profit for the year	—	—	—	58,206	58,206
Exchange differences	—	—	8,946	—	8,946
Comprehensive income	**—**	**—**	**8,946**	**58,206**	**67,152**
Transactions with shareholders					
New share issue	19,860	–19,860	—	—	—
Change in carrying amount of assets	—	—	—	—	—
Total transactions with shareholders	**19,860**	**–19,860**	**—**	**—**	**—**
CLOSING BALANCE, DECEMBER 31, 2024	**44,927**	**462,493**	**44,863**	**147,122**	**699,405**

Cash flow statement

GROUP

KSEK	NOTE	2024	2023
Operating activities			
EBIT		70,450	44,952
Adjustment for non-cash items	34	45,531	15,164
Interest received		287	851
Interest paid		−3,048	−2,830
Tax paid		−9,478	−10,377
Cash flow from operating activities before change in working capital		**103,742**	**47,759**
Changes in working capital			
Change in inventory		−9,261	−7,889
Change in operating receivables		−9,228	−17,181
Change in operating liabilities		−11,589	14,588
Changes in working capital		**−30,078**	**−10,482**
Cash flow from operating activities		**73,664**	**37,277**
Investing activities			
Acquisition of intangible assets	17,18,19	−11,975	−11,495
Acquisition of tangible assets	20,21,22	−3,109	−1,408
Divestments of tangible assets		788	—
Acquisition of operations	15	−316,148	—
Cash flow from investing activities		**−330,444**	**−12,903**
Financing activities			
Dividend to shareholders		—	−9,024
Repayment of debt	31	−37,819	−16,983
New share issue, net		209,219	205,000
Loans raised	31	—	—
Cash flow from financing activities		**171,400**	**178,993**
CASH FLOW FOR THE YEAR		**−85,380**	**203,367**
Cash and cash equivalents at start of year		241,446	36,677
Translation difference		2,420	1,402
Cash and cash equivalents at end of year	27	158,486	241,446

Income statement

PARENT COMPANY

KSEK	NOTE	2024	2023
Net sales	5	179,939	173,534
Cost of goods sold	7,8,9,11	–118,094	–110,890
Gross profit		**61,846**	**62,643**
Other operating income	6	12,810	1,399
Selling expenses	7,8,9,11	–26,909	–24,958
Administrative expenses	7,8,9,11	–21,108	–17,066
Non-recurring items	15	–20,875	—
Other operating expenses	6	–953	–4,392
EBIT		**4,811**	**17,627**
Interest income and similar profit items	12	18,729	1,868
Interest expense and similar loss items	13	–16,388	–15,418
Profit after financial items		**7,153**	**4,077**
Appropriations	29	–2,390	8,456
Profit before tax		**4,763**	**12,534**
Tax on profit for the year	14	–1,117	–2,781
NET PROFIT FOR THE YEAR		**3,646**	**9,752**

Balance sheet

PARENT COMPANY

KSEK	NOTE	DEC 31, 2024	DEC 31, 2023
ASSETS			
Non-current assets			
Intangible assets	**19**	**43,015**	**57,460**
Tangible assets	**21**	**3,409**	**3,463**
Participations in Group companies	23	532,937	132,276
Financial assets		**532,937**	**132,276**
Total non-current assets		**579,361**	**193,199**
Current assets			
Inventory	24	51,767	44,892
Accounts receivable	25	20,505	7,068
Receivables from Group companies	10	88,702	31,211
Tax assets	14	2,958	4,072
Other receivables		440	222,886
Prepaid expenses and accrued income	26	3,140	22,004
Cash and cash equivalents	27	26,984	217,302
Total current assets		**194,496**	**549,434**
TOTAL ASSETS		**773,857**	**742,633**
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital		44,927	25,067
Unregistered share capital[1]		—	19,860
Development expenditure fund		41,121	56,230
Restricted equity		**86,048**	**101,157**
Non-restricted equity			
Share premium reserve[1]		462,493	462,493
Retained earnings		6,114	–18,747
Net profit for the year		3,646	9,752
Non-restricted equity		**472,253**	**453,498**
Equity	**28**	**558,301**	**554,655**
Untaxed reserves	**29**	**15,467**	**13,077**
Liabilities			
Non-current liabilities			
Other provisions	30	38,458	35,810
Liabilities to credit institutions	31,33	5,000	15,000
Liabilities to Group companies	10,31	73,046	71,896
Non-current liabilities		**116,505**	**122,706**
Current liabilities			
Liabilities to credit institutions	31,33	10,000	10,000
Accounts payable		11,617	14,857
Liabilities to Group companies	10	27,288	41
Tax liability	14	—	—
Other liabilities		19,644	1,721
Accrued expenses and deferred income	32	15,036	25,577
Current liabilities		**83,585**	**52,196**
TOTAL EQUITY AND LIABILITIES		**773,857**	**742,633**

[1] An ongoing new share issue of MSEK 425 was registered with the Swedish Companies Registration Office on January 10, 2024, and increased the share capital by MSEK 19.9.

Statement of changes in equity

PARENT COMPANY

KSEK	SHARE CAPITAL	UNREG. SHARE CAPITAL	DEVELOPMENT EXPENDITURE FUND	SHARE PREMIUM RESERVE	RETAINED EARNINGS	NET PROFIT FOR THE YEAR	TOTAL EQUITY
Opening balance	**25,067**	**19,860**	**56,230**	**462,492**	**–18,747**	**9,752**	**554,655**
Appropriation according to AGM decision:	—	—	—	—	9,752	—	—
Transfers to/from development expenditure fund	—	—	–15,109	—	15,108	—	—
Registration of new share issue	19,860	–19,860	—	—	—	—	—
Net profit for the year	—	—	—	—	—	3,646	3,646
CLOSING BALANCE	**44,927**	**—**	**41,121**	**462,492**	**6,114**	**3,646**	**558,300**

Cash flow statement

PARENT COMPANY

KSEK	NOTE	2024	2023
Operating activities			
EBIT		4,811	17,627
Adjustment for non-cash items	34	28,474	5,130
Interest received		4,776	1,749
Interest paid		–4,046	–3,953
Tax paid		–3	–4,516
Cash flow from operating activities before change in working capital		**34,012**	**16,037**
Changes in working capital			
Change in inventory		–6,876	–8,586
Change in operating receivables		–49,489	–11,672
Change in operating liabilities		–1,413	9,358
Changes in working capital		**–57,778**	**–10,900**
Cash flow from operating activities		**–23,766**	**5,137**
Investing activities			
Acquisition of intangible assets	19	–8,036	–11,495
Acquisition of tangible assets	21	–1,352	–423
Investments in/divestments of other financial assets	15	—	—
Investments in subsidiaries		–356,384	—
Cash flow from investing activities		**–365,772**	**–11,918**
Financing activities			
Dividend to shareholders		—	–9,024
New share issue, net		209,219	205,000
Loans raised	31	—	23,865
Repayment of debt	31	–10,000	–12,260
Cash flow from financing activities		**199,219**	**207,581**
CASH FLOW FOR THE YEAR		**–190,319**	**200,800**
Cash and cash equivalents at start of year		217,303	16,503
Cash and cash equivalents at end of year	27	26,984	217,303

Notes

NOTE 1 | General information

The Annual Report and consolidated financial statements for Stille AB for the financial year ended on December 31, 2024, were approved by the Board of Directors and CEO for publication on April 4, 2024, and will be presented to the AGM on May 7, 2024, for adoption. The Parent Company is a Swedish limited liability company (publ), with its registered office in Eskilstuna, Sweden, corporate registration number 556249-4848 and address Ekbacken 11, 644 30 Torshälla, Sweden.

NOTE 2 | Accounting policies

Basis of preparation of financial statements

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and Recommendation RFR 1, Supplementary Accounting Rules for Corporate Groups. The Parent Company applies the same accounting policies as the Group, with the exceptions and additions specified in Recommendation RFR 2, Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. This means that IFRS is applied with the exceptions set out below under Parent Company accounting policies.

The consolidated financial statements have been prepared using the cost method. The areas involving a higher degree of complex assessments, or those where assumptions and estimates are significant for the consolidated financial statements, are described in more detail in Note 3.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below.

New and revised standards to be applied by the Group

None of the new or revised standards that became effective in 2024 have had a material impact on the Group's earnings or financial position.

None of the standards, amendments or interpretations of existing standards that become effective in 2025 or later are expected to have a material impact on the Group's earnings or financial position.

Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are prepared in SEK, which is the Parent Company's functional currency and presentation currency.

Transactions and balances

Exchange differences relating to operating assets and liabilities are recognized in operating profit, while exchange differences relating to financial assets and liabilities are recognized in other financial income and expenses.

Translation of Group companies.

All foreign subsidiaries are translated into SEK using the current rate method. This means that the assets and liabilities of the foreign subsidiaries are translated at the closing rate, while all income statement items are translated at the respective monthly average rate. Translation differences are recognized in the consolidated statement of comprehensive income.

IFRS 3 Business combinations

Classification of acquisitions

Under IFRS 3, acquisitions of companies are classified as either business combinations or asset acquisitions. An individual assessment is made for each acquisition. When acquiring operations, an assessment is made of how to account for the acquisition based on the following criteria: the presence of employees and the complexity of internal processes. Furthermore, the number of activities and the existence of contracts with various degrees of complexity are taken into account. A high incidence of these criteria means that the acquisition is classified as a business combination, and a low incidence as an asset acquisition. Stille AB's assessment for all completed acquisitions meant that the transactions have been classified as business combinations.

Business combinations

In business combinations where the consideration transferred exceeds the fair value of net assets acquired and the liabilities assumed that are recognized separately, the difference is recognized as goodwill. If the difference is negative, the resulting gain is classified as a bargain purchase and recognized directly in profit or loss In the case of an acquisition, full deferred tax is payable on the temporary differences between the fair value and the tax base of the asset.

Consolidated financial statements

The consolidated financial statements include the Parent Company, Stille AB, and all companies and operations in which the Parent Company, directly or indirectly, has a controlling influence. The consolidated financial statements have been prepared using the acquisition method. The Group has a controlling influence in an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. For Stille's subsidiaries, refer to Note 23 Participations in Group companies.

Elimination of intra-Group transactions

Intra-Group transactions and balance-sheet items, as well as unrealized gains and losses on intra-Group transactions, are eliminated in their entirety.

Acquisition method

Characterized by the recognition of assets acquired, liabilities assumed and contingent liabilities at market value, taking deferred tax into account at the acquisition date. Acquired intangible assets are amortized over their estimated useful lives, except for goodwill and brands, which are instead tested annually for impairment. Brands with an indefinite useful life are not subject to amortization but rather tested for impairment when there is an indication of impairment.

The cost of an acquisition comprises the fair value of the assets transferred as consideration, equity instruments, and liabilities incurred or assumed as of the acquisition date. Acquisition costs are expensed as they arise.

Format of the income statement

The income statement is presented by function.

Classification in the balance sheet

Current assets include, in addition to cash and cash equivalents, all assets that are expected to be realized, sold or consumed within 12 months, or are held primarily for the purpose of trading. All other assets are recognized as non-current assets.

All liabilities that are due to be settled within 12 months or that are operating liabilities are classified in the balance sheet as current. All other liabilities are classified as non-current.

Segment reporting

Operating segments are reported in accordance with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the CEO of the Parent Company Stille AB.

The segments are Surgical Instruments and Surgical Tables, which are described in more detail in Note 5.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods sold.

The Group recognizes revenue when a performance obligation has been satisfied. Substantially all of the Group's revenue relates to performance obligations that are satisfied at a point in time. The Group develops, manufactures and distributes proprietary surgical instruments and surgical tables. A performance obligation with respect to the sale of goods is satisfied and revenue is recognized when the significant risks and rewards of ownership of the goods are transferred to the customer, normally when the customer takes possession of the goods.

Normal sales are derived from the sale of goods at a fixed price. A small proportion of revenue relates to services invoiced at a fixed price.

No financing component is deemed to exist as sales are made with a credit period of 30–60 days.

Stille's key markets are the US, the Nordic region, the UK, Germany and Japan. The Group's customer groups are hospitals, independent healthcare clinics specializing in aesthetic and reconstructive plastic surgery, and outpatient surgery units.

Agreements are signed with foreign distributors which then resell the Group's goods, but also directly with an end user. In the Swedish market, the Group sells directly to end customers.

The categories that Stille uses to break down revenue are those described in the segment reporting presented in Note 5 – Surgical Instruments and Surgical Tables. Combined experience is used to assess and reserve for returns.

Interest income is recognized using the effective interest method.

Employee benefits

Short-term benefits

Short-term employee benefits, such as salaries, vacation pay and bonuses, are employee benefits that fall due within 12 months of the balance sheet date in the year in which the employee earned the benefit. Short-term benefits are measured at the undiscounted amount that the Group expects to pay as a result of the unexercised right.

Pension obligations

Pension plans are funded by payments to insurance companies or trustee-administered funds, with payments determined by periodic actuarial calculations. The Group mainly has defined-contribution pension plans. One of the Group's plans is a defined-benefit pension plan – Alecta's ITP plan. However, Alecta has not been able to provide enough information to enable reporting as a defined-benefit plan, which is why the ITP plan is reported as a defined-contribution plan.

Once these contributions have been paid, the Group has no other payment obligations. The contributions are recognized as employee benefit expenses when they fall due. Prepaid contributions are recognized as an asset to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund.

Termination benefits

A provision is recognized in connection with termination of employment only when the entity is demonstrably committed to either terminate the employment before the normal retirement date or when benefits are offered to encourage employees to leave service voluntarily. If the company terminates an employment, a detailed formal plan must be drawn up, including the location, function, and approximate number of employees whose services are to be terminated as well as remuneration for each employment category or position, and the time at which the plan will be implemented.

Presentation of government grants

Government grants are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are recognized in other revenue.

Income tax

Income tax includes current tax and deferred tax. Income tax is recognized in profit or loss except when the underlying transaction is recognized directly in equity, in which case the associated tax effect is also recognized directly in equity.

Current tax

Current tax is the amount of income tax payable for the current financial year in respect of the taxable profit for the year and the unrecognized portion of income tax for the previous financial year. Current tax is measured at the amount expected to be paid using the rates/laws that have been enacted or substantively enacted on the balance sheet date and discounted to present value.

Deferred tax

Deferred tax is recognized for temporary differences arising between the tax base and the carrying amount of assets and liabilities. Deferred tax assets are recognized to the extent it is probable that the amounts can be realized against future taxable profit.

Intangible assets

All intangible assets with a finite useful life, including capitalized internally developed software, are measured based on the cost, whereupon capitalized expenditures are amortized on a straight-line basis over their estimated useful life. Useful lives are reviewed on each balance sheet date. Additionally, an impairment test is conducted once a year, or if there are indications of a decrease in the value of the intangible asset. Capitalized development projects that are not ready for their intended use are tested for impairment once a year.

Goodwill

Goodwill represents the amount by which the cost of an acquisition exceeds the fair value of the Group's share of the identifiable assets of the acquired subsidiary on the date of acquisition.

Goodwill represents future economic benefits that arise in conjunction with a business combination but are not identified individually and recognized separately.

Goodwill that is recognized separately is tested annually for impairment and is recognized at cost less accumulated impairment including translation adjustment. Impairment of goodwill is never reversed.

Brands

Brands that meet the conditions for separate disclosure in a business combination are recognized as intangible assets, initially at fair value. The brand attributable to the acquisition of S&T has an indefinite useful life that is tested annually for impairment.

Customer relationships

Customer relationships that meet the conditions for separate disclosure in a business combination are recognized as intangible assets, initially at fair value. Customer relationships have a finite useful life and are therefore measured at cost and amortized on a straight-line basis over their estimated useful life. Customer relationships attributable to acquisitions have an estimated life of 15–20 years.

Software

Acquired software licenses are capitalized on the basis of the costs incurred in acquiring and implementing the software. These costs are amortized over the estimated useful life, which is three to five years.

Patents and similar rights

Patents, distribution rights and other rights are recognized at cost less any accumulated amortization only when they are considered to meet the definition of an asset. They are amortized over their estimated useful life on a straight-line basis, over an amortization period of three to ten years.

Capitalization of development costs and similar

Costs for the research phase of a project to develop new products are expensed in the period in which they arise. Costs that are directly attributable to the development phase of a project are recognized as an intangible asset provided they meet the following requirements:

- It is technically feasible to complete the asset so that it will be available for use or sale.
- The Group intends to complete the asset and use or sell it.
- The Group has the ability to use or sell the asset.
- It is probable that the asset will generate future economic benefits.
- There are resources to complete the asset for use or sale.
- The development costs can be measured reliably.

Development costs that do not meet these criteria for capitalization are expensed as they arise.

Capitalized costs include the costs incurred to produce the asset. Directly attributable costs include the costs of employee benefits arising from the development of the asset, together with an appropriate share of indirect costs. Capitalized development costs are amortized over five to eight years. Amortization commences when the developed product is commercialized.

Useful lives

The following useful lives are applied:

• Brands	indefinite
• Customer relationships	15–20 years
• Software	3–5 years
• Patents and similar rights	3–10 years
• Capitalized development costs	5–8 years

Tangible assets

Tangible assets are recognized at cost less accumulated depreciation according to plan and any impairment.

Depreciation is based on the cost of non-current assets and allocated over their estimated useful lives. Subsequent costs are included in the asset's carrying amount, or recognized as a separate asset, as appropriate. The subsequent costs are only included in the asset's carrying amount when it is probable that future economic benefits associated with the asset will flow to the Group and the cost of the asset can be measured reliably. All other repairs and maintenance are recognized as a cost as they arise. In the year of investment, machinery and equipment are depreciated from their placed-in-service date.

At each balance sheet date, an assessment is made as to whether the original estimated useful life can still be considered valid. If circumstances change, the useful life also changes. At the balance sheet date, the company did not consider it necessary to change the useful lives of its assets.

Land

Land is measured at the Group's cost. The land is tested for impairment as soon as market factors indicate a substantial negative change. Impairment is recognized directly against earnings to the extent that the fair value has decreased. Any potential reversal of previous impairment is recognized as an increase in value directly against earnings. Since no finite useful life can be determined for land, the carrying amounts are not depreciated.

Buildings

Buildings are initially recognized at cost, and subsequently at cost less accumulated depreciation and impairment. Buildings are depreciated on a straight-line basis on the basis of cost less estimated residual value.

The cost of the assets is divided into material components and each component is depreciated separately over its estimated useful life, known as the component depreciation approach.

Leases

The Group has leases (right-of-use agreements) for the following types of assets:

- Premises, in which its activities are carried out
- Company cars
- Machinery

Otherwise, the existence of leases is limited to low-value or short-term leases. These are not recognized as an asset or a liability in the balance sheet.

Leases for the Group's premises generally run for a period of 36–120 months with an option to extend for 36–60 months. The extension period is not normally taken into account. Leases for company cars normally run for a period of 36 months.

A right-of-use asset is recognized as an asset with a corresponding liability from the date the leased asset is available to the Group. A lease payment is divided between a repayment of debt and an interest payment. The interest payment for each period is estimated using the annuity method. The right-of-use asset is depreciated according to plan over the lease term.

Assets and liabilities related to leases are initially measured at fair value.

The lease liability includes the present value of the following payments:

- Current fixed payments
- Variable fees based on an index or a price
- Call option if it is reasonably certain that this option will be exercised
- Amounts expected to be paid under a residual value guarantee contract

Future payments are discounted to their present value using the interest rate implicit in the lease or, if this rate cannot be readily determined, the Group's incremental borrowing rate for a similar asset with similar collateral. For current right-of-use assets, the discount rate used for future cash flows is 2.54–7.05 percent.

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

- The initial measurement of the lease liability
- Lease payments made on or before the start date of the lease, such as the first increased rent
- Direct costs and restoration costs

Right-of-use assets relating to rents for premises are depreciated over the expected term of the lease, while right-of-use assets relating to vehicles are depreciated over their useful lives.

Payments related to short-term or low-value leases are expensed on an ongoing basis in profit or loss.

A short-term lease has a lease term of 12 months or less. Low-value leases are assessed by management as leases where the value of a lease asset at the beginning of the lease term is less than SEK 50,000.

Useful lives

The following depreciation periods have been used:

• Leasehold improvements	3–5 years
• Capitalized development costs	5–8 years
• Machinery and equipment	3–10 years
• Production tools	3–5 years
• Right-of-use assets	3–10 years

Financial instruments

Financial instruments recognized in the balance sheet include assets such as cash and cash equivalents and accounts receivable, and liabilities such as accounts payable and loan liabilities. Financial instruments are initially recognized at fair value plus transaction costs, except for the categories of financial assets or liabilities measured at fair value through profit or loss. The accounting treatment subsequently differs depending on the classification of the financial instruments as described below.

Financial assets measured at amortized cost

Assets held in order to collect their contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost.

The carrying amount of these assets is adjusted for any expected credit losses recognized (refer to impairment below). Interest income from these financial assets is recognized using the effective interest method and included in financial income. The Group's financial assets measured to amortized cost include accounts receivable, other receivables, accrued income, and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents include cash, bank balances and other short-term investments with a maturity of three months or less.

Other financial liabilities

Non-current borrowing, accounts payable, other current liabilities and accrued expenses that are financial instruments are classified as other financial liabilities.

Liabilities in the category of other financial liabilities are initially recognized at fair value and subsequently at amortized cost using the effective interest method.

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the repayment amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs for the borrowings to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is recognized when the facility is drawn down. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is recognized as an advance payment for financial services and allocated over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Impairment of financial assets measured at amortized cost

For accounts receivable, the Group applies the simplified approach to the provision for credit losses, meaning that the provision must correspond to the expected loss over the entire duration of the account receivable. To measure the expected credit losses, accounts receivable have been classified on the basis of distributed credit risk characteristics and days past due. Stille also uses forward-looking variables for expected credit losses. Expected credit losses are recognized in the consolidated income statement under selling expenses.

Inventory

Inventory is measured using the lower of cost and net realizable value rule. Cost includes all expenses attributable to the production process and an appropriate proportion of the related manufacturing overheads, based on normal capacity. Cost is calculated using the first-in, first-out (FIFO) method.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale directly attributable to the sales transaction.

Deductions were made for obsolescence. In order to determine the value of the obsolescence, the stock is reviewed in connection with inventory and, in addition, ongoing reviews are carried out to make the best assessment of what the value of the obsolescence should be.

Receivables and liabilities in foreign currency

Receivables and liabilities in foreign currency are translated at the closing rate. Exchange-rate gains and losses on operating assets and liabilities are recognized in operating profit or loss.

Provisions

Provisions for product warranties, legal proceedings, onerous contracts or other claims are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated.

The date or amount of the outflow may still be uncertain. A restructuring provision is recognized only when there is an agreed and detailed formal plan for the restructuring, or the main features of the plan have at least been announced to those affected. Provisions are not recognized for costs associated with future operations. Provisions are initially measured at the best estimate of the amount required to settle the present obligation, based on the most reliable information available on the balance sheet date. Provisions are discounted to their present value where the time value of money is material. Any reimbursement that the Group is virtually certain to receive from an external party in respect of the obligation is recognized as a separate asset. However, this asset cannot exceed the amount of the related provision.

The provision should only be used for the purpose for which it was originally recognized. The provision is reviewed at each balance sheet date. Adjustments are recognized in profit or loss.

Cash flow statement

The cash flow statement was prepared using the indirect method. The recognized cash flow only includes transactions that result in cash receipts or cash payments. Cash and cash equivalents are cash and bank balances with maturities of less than three months that present an insignificant risk of changes in value. The Group does not hold any short-term investments, only bank balances with no fixed term.

Parent Company accounting policies

The accounting policies of the Parent Company are in all material respects consistent with the consolidated financial statements. The Parent Company's accounts have been prepared in accordance with RFR 2, Accounting for Legal Entities, and the Swedish Annual Accounts Act. RFR 2 sets out exemptions and additions to the standards issued by the International Accounting Standards Board (IASB) and the statements issued by the IFRS Interpretations Committee (IFRIC). The exemptions and additions shall be applied from the date on which the legal entity applies the specified standard or statement in its consolidated financial statements. The Parent Company does not apply IFRS 16 Leases in accordance with the exemption in RFR 2.

The Parent Company uses the formats specified in the Swedish Annual Accounts Act, which means that a different presentation of equity is applied.

Shares in subsidiaries are measured at amortized cost less impairment, if any. When there is an indication that shares and participations in subsidiaries have decreased in value, the recoverable amount is calculated. If this is lower than the carrying amount, impairment is recognized. Impairment is recognized under profit/loss from participations in Group companies. The cost of participations in subsidiaries includes transaction costs.

Amounts allocated as untaxed reserves constitute taxable temporary differences. Due to the relationship between accounting and taxation, a legal entity recognizes the deferred tax liability on untaxed reserves as part of the untaxed reserves. The appropriations in the income statement are also recognized inclusive of deferred taxes.

NOTE 3 | Key assessments in applying the Group's accounting policies

The Group makes estimates and assumptions about the future. The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. The estimates and assumptions posing a significant risk of material adjustment to the carrying amount of assets and liabilities in the upcoming financial year are outlined below.

Recognition of inventory

Inventory is measured using the lower of cost and net realizable value rule. When calculating net realizable value, an assessment is made of discontinued items, surplus items, damaged goods, slow-moving goods, etc.

Impairment testing of goodwill and brands

The Group tests whether its goodwill and brands have suffered any impairment on an annual basis. The recoverable amounts of cash-generating units have been determined by calculating value-in-use. Estimates must be made for these calculations. These are defined in Note 16. The budget for the coming year is used as a basis for the test.

NOTE 4 | Risks and risk management

Being exposed to risks to a lesser or greater extent is part of doing business. Stille's risk management consists of identifying, measuring and preventing these risks from materializing, while constantly making improvements to reduce potential risks.

Risk prevention is Stille's main focus – preventing a potential risk from developing into damage and/or loss. In cases where the company does not fully succeed in doing this, it is important to mitigate the effects of damage that has already occurred.

The risks that Stille may be exposed to are operational, financial and legal risks, but reputational risk is also a threat to the reputation of our business. Nor are we immune to the risk of being affected by natural disasters, pandemics, acts of terrorism and other types of conflict.

Business risks

Demand for Stille's products is influenced by changes in customers' investment plans, and not even the medical technology sector has remained completely unaffected by financial crises and, more recently, pandemics. Prices for medtech products on the world market are largely controlled by large international companies trading mainly in the world's major currencies. USD and EUR exchange rates therefore affect pricing and competitiveness. In the wake of the pandemic and, most recently, wars in our neighboring countries, supply and component shortage risks have increased. Active efforts to identify and secure critical components reduce risk. Other risks, such as market risks, suppliers, technological developments, key-person dependency, cybersecurity threats and business ethics risks, are continuously analyzed. Where necessary, measures are taken to reduce the Group's risk exposure.

Regulatory and legal risks

The company's products are sold to many markets, which sometimes have different requirements. Regulatory changes in large key markets mean that the company must adapt itself and its products to new conditions in order to sell.

Strategic risks

These risks could arise if the company's strategy is incorrect, including in relation to new products, new markets and new sales channels. To minimize risk when developing new products, the company consults with leading experts in the field. In many cases, the company has very long-lasting relationships with distributors that know their markets well. Stille is now present in all major markets.

Product risk

This risk relates to the costs the Group may incur if a product it has supplied causes harm to people or property. Necessary product liability insurance has been taken out, and procedures to eliminate the risk of harm are in place and being developed.

Currency risk

Currency risk refers to the risk that adverse movements in exchange rates may have a negative impact on the Group's earnings and financial position. The Group is exposed to currency risk through current business transactions in various currencies, i.e. transaction exposure. In addition, the Group is affected by translation effects when the results and net assets of foreign subsidiaries in foreign currencies are translated into SEK, i.e. translation exposure.

In October 2022, the Parent Company decided to hedge its internal currency flows of USD, which means that the Parent Company has locked its exchange rate on future anticipated USD flows to its US subsidiary. This transaction means that for 38 months starting in November 2022, the company will never exchange USD for less than SEK 10.55 or more than SEK 11.70.

In May 2023, the Parent Company decided to hedge its net currency flows of EUR, which means that the Parent Company has locked its exchange rate on future anticipated EUR flows. This transaction means that for 31 months starting in June 2023, the company will never exchange EUR for less than 11.19 or more than 11.90 (for 2023), 12.25 (for 2024) or 12.50 (for 2025).

Transaction exposure

Transaction exposure arises when a company has cash flows in foreign currency. Exchange-rate fluctuations affect cash flows in foreign currencies, which could have a negative effect on the Group's profitability. The Group's subsidiaries mainly operate in their local markets with revenues and expenses in local currency, which reduces transaction exposure. The transaction exposure arises mainly in CHF, EUR and USD. The company mitigates the effects of exchange-rate fluctuations through its pricing strategy.

Translation exposure

Exchange-rate fluctuations have an impact on the Group's earnings through the translation of foreign subsidiaries' earnings to SEK. Effects mainly relate to the currencies EUR, CHF and USD. Net assets in foreign subsidiaries, when consolidated into the Group's presentation currency (SEK), give rise to a translation difference that affects the Group's equity.

Liquidity, interest rate and financing risk

Liquidity risk is the risk that Stille will incur increased costs due to a lack of liquidity. The aim of the Group's capital structure is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for its shareholders and maintain an optimal capital structure to minimize its cost of capital.

Interest rate risk refers to the risk that changes in market rates will have a negative impact on the Group's net interest income. The speed of the impact of an interest rate change on net interest income depends on the duration of the loans. Stille has variable rate loans and a 1 percentage point increase in interest rates would lead to a decrease of KSEK 530 in profit before tax.

Stille's business is partially seasonal, which has an impact on cash flow. Cash flow is generally weak at the beginning of the year and after the summer.

The Group had no problems meeting any payments during the year. At December 31, 2024, there was a liability of KSEK 25,957 (35,784) to credit institutions. At year-end, unutilized credit amounted to KSEK 15,000 (15,000).

Stille's activities are financed by equity and externally provided capital. Financing and liquidity risk refers to the risk that costs will increase and that the refinancing of loans will be difficult or costly, and that payment obligations cannot be met due to insufficient liquidity. Stille's direct financing and liquidity risk is considered low due to an equity/assets ratio of 69.9 percent and stable liquidity.

Debt/equity ratio

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Liabilities to credit institutions	25,957	35,784
Other non-current liabilities	—	—
Liabilities related to right-of-use assets	37,132	27,158
Less: cash and cash equivalents	–158,485	–241,446
Net debt	**–95,396**	**–178,503**
Equity	**699,405**	**632,254**
Total capital	**604,009**	**453,751**
DEBT/EQUITY RATIO	**–16%**	**–39%**

Adjusted for paid-in issue costs in cash and cash equivalents and adjustment of the then-ongoing new share issue in equity, the Group's debt/equity ratio at December 31, 2024 was 16 percent.

Financial assets and liabilities per measurement category

	FAIR VALUE THROUGH PROFIT OR LOSS		AMORTIZED COST		TOTAL CARRYING AMOUNT	
BALANCE SHEET ITEMS, KSEK	**DEC 31, 2024**	**DEC 31, 2023**	**DEC 31, 2024**	**DEC 31, 2023**	**DEC 31, 2024**	**DEC 31, 2023**
Financial assets						
Accounts receivable	—	—	76,225	31,251	76,225	31,251
Cash and cash equivalents	—	—	158,485	241,446	158,485	241,446
Total	**—**	**—**	**234,710**	**272,697**	**234,710**	**272,697**
Financial liabilities						
Loan liabilities	—	—	25,957	35,784	25,957	35,784
Accounts payable	—	—	16,821	20,760	16,821	20,760
Contingent consideration	36,519	37,008	—	—	36,519	37,008
Total	**36,519**	**37,008**	**42,778**	**56,545**	**79,297**	**93,553**

Information about financial instruments measured at fair value on the balance sheet

The following shows how financial instruments are measured at fair value in the balance sheet. The fair value measurements are categorized into a three-level hierarchy:

- Level 1: Fair value is based on prices quoted in active markets for identical instruments.
- Level 2: Fair value is based on either directly (such as prices) or indirectly (derived from prices) observable market data that is not included in Level 1.
- Level 3: Fair value is based on inputs that are not observable in the market.

All of Stille's financial instruments that are measured at fair value are included in Level 2, except for contingent consideration, which is included in Level 3.

Fair value measurements

The following summarizes the methods and assumptions that are primarily used to determine the fair value of the financial instruments presented in the table below: The fair value of the contingent consideration arrangement has been calculated using the weighted average cost of capital approach. All valuation techniques used are accepted by the market and account for all parameters that the market would take into account in pricing. The techniques are regularly reviewed to ensure their reliability. The assumptions applied are monitored against actual outcomes to identify any need for adjustments to valuations and forecasting tools. For cash and cash equivalents, receivables and liabilities with variable interest rates, and current receivables and liabilities (such as accounts receivable and accounts payable), the fair value is considered equal to the carrying amount.

NOTE 5 | Operating segments

The CEO and management assess the operations and make strategic decisions for each operating segment. The Group's operating segments, Surgical Instruments and Surgical Tables, are presented below.

In the Surgical Instruments business unit, the Group offers a broad portfolio of surgical instruments in the premium segment for open surgery. The instruments are mainly marketed under the Group's three proprietary brands: STILLE, Fehling and S&T. Fehling, which was acquired in January 2024, is reported under the Surgical Instruments segment.

The Surgical Tables business unit offers procedure-specific special tables designed for use with C-arms during minimally invasive procedures where high precision and image quality are required. The Surgical Tables business unit has two product groups: the imagiQ and Medstone series.

GROUP, KSEK	2024	2023
Surgical Instruments		
Net sales	432,264	162,752
EBIT before non-recurring items	97,380	37,732
EBIT before non-recurring items, %	22.5	23.2
Surgical Tables		
Net sales	137,685	132,141
EBIT before non-recurring items	17,536	10,532
EBIT before non-recurring items, %	12.7	8.0
Total		
Net sales	569,950	294,893
EBIT before non-recurring items	114,916	48,264
EBIT before non-recurring items, %	20.2	16.4
Non-recurring items	–20,384	—
Items affecting comparability	–24,082	3,312
EBIT	70,450	44,952
EBIT margin, %	12.4	15.2

In each of the business units, Surgical Tables and Surgical Instruments, a single customer accounted for more than 10 percent of each operating segment's sales in 2024.

In Surgical Instruments, the customer also accounted for more than 10 percent of the Group's total sales. Due to the acquisition of Fehling, the geographic markets have changed compared with previous years.

Revenue per geographic market

GROUP, KSEK	2024	2023
Sweden	50,350	34,347
Germany	73,901	19,039
France	12,012	13,407
Switzerland	38,365	4,993
UK	22,311	15,851
US	215,363	129,961
China	21,782	—
India	18,818	4,414
Rest of Nordic region	3,325	3,180
Rest of Europe, Middle East and Africa	70,121	34,138
Rest of North America	1,718	1,419
Rest of World	41,884	34,144
TOTAL	**569,950**	**294,893**

Non-current assets per geographic market

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Sweden	46,424	60,923
Germany	365,453	404
Switzerland	123,546	122,956
US	5,140	4,765
TOTAL	**540,563**	**189,048**

NOTE 6 | Other operating income and expenses

GROUP, KSEK	2024	2023
Other operating income		
Exchange-rate gains on operating receivables/ liabilities	1,727	1,050
Other revenue	2,727	833
Other operating income	**4,454**	**1,883**
Operating expenses		
Exchange-rate losses on operating receivables/ liabilities	1,705	4,621
Other operating expenses	**1,705**	**4,621**

PARENT COMPANY, KSEK	2024	2023
Other operating income		
Exchange-rate gains on operating receivables/liabilities	921	1,050
Other revenue	11,889	349
Other operating income	**12,810**	**1,399**
Other operating expenses		
Exchange-rate losses on operating receivables/liabilities	953	4,392
Other operating expenses	**953**	**4,392**

NOTE 7 | Operating expenses by nature

GROUP, KSEK	2024	2023
Material costs		
Raw materials and consumables	197,653	90,431
Material costs	**197,653**	**90,431**
Expenses		
Other external costs	116,782	50,442
Employee benefit expense	144,759	96,595
Depreciation/amortization and impairment	44,759	14,357
Expenses	**306,301**	**161,394**
OPERATING EXPENSES	**503,954**	**251,825**

PARENT COMPANY, KSEK	2024	2023
Material costs		
Raw materials and consumables	65,692	58,387
Material costs	**65,692**	**58,387**
Expenses		
Other external costs	36,667	38,216
Employee benefit expense	61,692	54,158
Depreciation and amortization	23,887	6,544
Expenses	**122,247**	**98,918**
OPERATING EXPENSES	**187,938**	**157,305**

NOTE 8 | Auditor's remuneration

Audit costs for the subsidiaries Stille Surgical Inc. and S&T Medical GmbH are included in the Parent Company's costs. S&T AG and Fehling Instruments GmbH engage external audit firms, Mannhart & Fehr Treuhand AG and BakerTilly. Remuneration of auditors is included in administrative expenses. Fehling Instruments GmbH engages an external audit firm BakerTilly.

Audit assignment refers to the review of the annual report and interim reports, the review of the current accounts and the review of the management by the Board of Directors and the CEO as well as other tasks that are incumbent on the company's auditor to perform and, in addition, advice or other assistance prompted by observations made during such review or the performance of such other tasks.

GROUP, KSEK	2024	2023
Rådek KB		
Audit assignment	399	344
Other assignments	—	77
Rådek KB	**399**	**421**
Mannhart & Fehr Treuhand AG		
Audit assignment	243	455
Other assignments	341	111
Mannhart & Fehr Treuhand AG	**584**	**566**
BakerTilly		
Audit assignment	149	—
Other assignments	210	—
BakerTilly	**359**	**—**
REMUNERATION OF AUDITORS	**1,342**	**987**

PARENT COMPANY, KSEK	2024	2023
Rådek KB		
Audit assignment	399	344
Other assignments	—	77
Rådek KB	**399**	**421**
REMUNERATION OF AUDITORS	**399**	**421**

NOTE 9 | Personnel, salaries, other remuneration and social security contributions

Salaries, other remuneration, social security contributions, pension costs including special employer's contribution and other employee benefit expenses comprise the amounts expensed during the year, including accrued expenses at year-end where applicable. The Group recognizes the cost of defined-contribution pensions, as well as defined-benefit pensions, as defined-contribution pensions. The definition of senior executives has been established as employees who have a direct impact on the operations and financial position of the Group or the Parent Company.

Employee benefit expense

GROUP, KSEK	2024	2023
Salaries and other remuneration		
Board, CEO and senior executives	20,462	16,178
Other employees	85,243	51,447
Salaries and other remuneration	**105,705**	**67,625**
Pension costs incl. special employer's contribution		
Board, CEO and senior executives	2,218	2,391
Other employees	4,441	2,256
Pension costs incl. special employer's contribution	**6,658**	**4,647**
Other expenses		
Social security contributions	24,526	18,332
Other employee benefit expenses	7,870	5,991
Other expenses	**32,396**	**24,323**
EMPLOYEE BENEFIT EXPENSE	**144,759**	**96,595**

PARENT COMPANY, KSEK	2024	2023
Salaries and other remuneration		
Board, CEO and senior executives	9,543	8,260
Other employees	31,100	26,771
Salaries and other remuneration	**40,643**	**35,031**
Pension costs incl. special employer's contribution		
Board, CEO and senior executives	1,600	1,700
Other employees	3,033	2,351
Pension costs incl. special employer's contribution	**4,634**	**4,051**
Other expenses		
Social security contributions	13,992	12,884
Other employee benefit expenses	2,424	2,193
Other expenses	**16,416**	**15,077**
EMPLOYEE BENEFIT EXPENSE	**61,692**	**54,158**

Country breakdown

GROUP, KSEK	2024	2023
Board, CEO and senior executives		
Sweden	10,841	9,628
Switzerland, Germany and the US	11,415	8,474
Board, CEO and senior executives	**22,256**	**18,102**
Other employees		
Sweden	46,462	40,237
Rest of Europe	55,058	4,293
US	19,265	12,786
Rest of World	1,718	21,178
Other employees	**122,503**	**78,493**
TOTAL, GROUP	**144,759**	**96,595**

PARENT COMPANY, KSEK	2024	2023
Board, CEO and senior executives		
Sweden	10,841	9,628
Board, CEO and senior executives	**10,841**	**9,628**
Other employees		
Sweden	46,462	40,237
Europe	4,390	4,293
Other employees	**50,851**	**44,530**
TOTAL, PARENT COMPANY	**61,692**	**54,158**

Salaries and other remuneration paid to the Board of Directors, CEO and senior executives

Salaries and other remuneration, as well as pension costs including special employer's contribution, paid to the Board of Directors, CEO and other senior executives are distributed as follows:

GROUP, KSEK	2024 Basic salary/fees	2024 Variable remuneration	2024 Other benefits	2024 Pension costs	2024 Total	2023 Basic salary/fees	2023 Variable remuneration	2023 Other benefits	2023 Pension costs	2023 Total
Board of Directors										
Lars Kvarnhem	363	—	—	—	363	352	—	—	—	352
Yonna Olsson	142	—	—	—	142	140	—	—	—	140
Per Carlsson[1]	142	—	—	—	142	90	—	—	—	90
Victor Steien[2]	142	—	—	—	142	—	—	—	—	—
Jens Viebke[3]	97	—	—	—	97	—	—	—	—	—
Stefan Tell[4]	45	—	—	—	45	140	—	—	—	140
Thomas Anderzon[4]	45	—	—	—	45	140	—	—	—	140
Karin Fischer[5]	—	—	—	—	—	50	—	—	—	50
Board of Directors	**976**	**—**	**—**	**—**	**976**	**912**	**—**	**—**	**—**	**912**
CEO and other senior executives										
Torbjörn Sköld[6], CEO	2,283	845	161	248	3,537	1,410	552	47	225	2,234
Hanna Ernestam Wilkman[7], CEO	—	—	—	—	—	1,918	—	153	506	2,577
Other senior executives	13,151	2,193	852	1,537	17,733	9,139	1,441	616	1,193	12,389
CEO and senior executives	**15,434**	**3,038**	**1,013**	**1,785**	**21,270**	**12,467**	**1,993**	**816**	**1,924**	**17,200**
TOTAL	**16,410**	**3,038**	**1,013**	**1,785**	**23,582**	**13,379**	**1,993**	**816**	**1,924**	**18,112**

PARENT COMPANY, KSEK	2024 Basic salary/fees	2024 Variable remuneration	2024 Other benefits	2024 Pension costs	2024 Total	2023 Basic salary/fees	2023 Variable remuneration	2023 Other benefits	2023 Pension costs	2023 Total
Board of Directors										
Lars Kvarnhem	363	—	—	—	363	352	—	—	—	352
Yonna Olsson	142	—	—	—	142	140	—	—	—	140
Per Carlsson[1]	142	—	—	—	142	90	—	—	—	90
Victor Steien[2]	142	—	—	—	142	—	—	—	—	—
Jens Viebke[3]	97	—	—	—	97	—	—	—	—	—
Stefan Tell[4]	45	—	—	—	45	140	—	—	—	140
Thomas Anderzon[4]	45	—	—	—	45	140	—	—	—	140
Karin Fischer[5]	—	—	—	—	—	50	—	—	—	50
Board of Directors	**976**	**—**	**—**	**—**	**976**	**912**	**—**	**—**	**—**	**912**
CEO and other senior executives										
Torbjörn Sköld[6], CEO	2,283	845	161	248	3,537	1410	552	47	225	2234
Hanna Ernestam Wilkman[7], CEO	—	—	—	—	—	1,918	—	153	506	2,577
Other senior executives	3,688	1,204	386	1,040	6,318	2,445	542	291	637	3,915
CEO and senior executives	**5,971**	**2,049**	**547**	**1,288**	**9,855**	**5,773**	**1,094**	**491**	**1,368**	**8,726**
TOTAL	**6,947**	**2,049**	**547**	**1,288**	**10,831**	**6,685**	**1,094**	**491**	**1,368**	**9,638**

[1] Board member from May 5, 2023.
[2] Board member from December 29, 2023.
[3] Board member from May 8, 2024.
[4] Board member from May 8, 2024.
[5] Board member until May 5, 2023.
[6] CEO from March 20, 2023.
[7] CEO until January 19, 2023.

Average no. of FTEs and gender breakdown in the Group

	2024			2023		
GROUP	**WOMEN**	**MEN**	**TOTAL**	**WOMEN**	**MEN**	**TOTAL**
Employees						
Sweden	18	52	70	17	50	67
Germany	25	12	37	—	1	1
US	8	9	17	4	7	11
Belgium	—	1	1	—	1	1
Italy	1	—	1	1	—	1
France	1	—	1	1	—	1
Switzerland	8	8	16	8	9	17
UAE	2	—	2	—	—	—
India	—	1	1	—	—	—
Malaysia	1	—	1	—	—	—
Employees	**64**	**83**	**147**	**31**	**68**	**99**
Other						
Consultants	1	4	5	1	5	6
Other	**1**	**4**	**5**	**1**	**5**	**6**
TOTAL	**65**	**87**	**152**	**32**	**73**	**105**

	2024			2023		
PARENT COMPANY	**WOMEN**	**MEN**	**TOTAL**	**WOMEN**	**MEN**	**TOTAL**
Employees						
Sweden	18	52	70	17	50	67
Germany	—	1	1	—	1	1
Belgium	—	1	1	—	1	1
Italy	1	—	1	1	—	1
France	1	—	1	1	—	1
Employees	**20**	**54**	**74**	**19**	**52**	**71**
Other						
Consultants	1	3	4	1	3	5
Other	**1**	**3**	**4**	**1**	**3**	**5**
TOTAL	**21**	**57**	**78**	**20**	**55**	**76**

Gender breakdown of the Board of Directors, Management and senior executives

	2024		2023	
	WOMEN	MEN	WOMEN	MEN
Board members, excluding deputies	33%	67%	40%	60%
Management	0%	100%	17%	83%
Senior executives incl. CEO	0%	100%	20%	80%

Board of Directors

The remuneration of the Board of Directors is resolved at the AGM and remains in force until the next AGM. At the AGM on May 8, 2024, it was resolved that remuneration of KSEK 375 would be paid to the Chairman of the Board and KSEK 145 to each of the Board members.

CEO and other senior executives

The CEO receives a basic salary, variable remuneration, a pension corresponding to 15 percent of the CEO's gross salary, and other benefits.

The variable remuneration can be a maximum of 4.66 times the monthly salary, subject to EBIT outcome based on the budget set by the Board. The CEO has a mutual notice period of six months. The Group does not offer severance pay.

The definition of senior executives has been established as employees who have a direct impact on the operations and financial position of the Group or the Parent Company. All senior executives have a mutual notice period of three to 12 months. The Group's senior executives (five people) include the CFO, business unit managers and CEOs of the largest subsidiaries. The Parent Company's senior executives (five people) include the CEO, CFO and business unit managers.

NOTE 10 | Related-party transactions

The Parent Company has direct control over its subsidiaries. The Parent Company's transactions and balances with subsidiaries consist of intra-Group sales of goods and intra-Group services.

Transactions with subsidiaries

GROUP, KSEK	2024	2023
Goods	62,593	62,899
Administrative expenses	11,101	10,339
Selling expenses	—	—

Receivables from, and liabilities to, subsidiaries

PARENT COMPANY, KSEK	2024	2023
Current receivables	88,702	31,211
Non-current liabilities	73,046	71,896
Current liabilities	27,288	41

Current and former Board members, as well as members of Management and their respective related parties, are considered related parties.

In general, transactions with related parties have been conducted on terms equivalent to those carried out on an arm's length basis. In 2024 and 2023, there were no transactions between Stille and related parties that had a material impact on the company's position and earnings.

NOTE 11 | Amortization/ depreciation and impairment of intangible and tangible assets

Amortization and depreciation of intangible and tangible assets is based on historical cost and estimated useful lives for various groups of assets. Residual values are considered negligible and have not been taken into account when determining the depreciable/amortizable amount, except for finance leases where residual values are taken into account.

GROUP, KSEK	2024	2023
Intangible assets	19,503	7,439
Tangible assets	3,150	2,091
Right-of-use assets related to vehicles	2,101	1,713
Right-of-use assets related to premises	2,765	3,113
Impairment of intangible assets	17,240	—
TOTAL	**44,759**	**14,357**

PARENT COMPANY, KSEK	2024	2023
Intangible assets	5,595	5,590
Tangible assets	1,052	954
Impairment of intangible assets	17,240	—
TOTAL	**23,887**	**6,544**

NOTE 12 | Financial income

GROUP, KSEK	2024	2023
Exchange differences	13,904	—
Other financial income	389	970
TOTAL	**14,293**	**970**

PARENT COMPANY, KSEK	2024	2023
Internal interest income	4,264	907
External interest income	614	961
Exchange differences	13,851	—
TOTAL	**18,729**	**1,868**

NOTE 13 | Financial expenses

GROUP, KSEK	2024	2023
External interest expense	5,038	10,099
Exchange differences	10,535	4,237
TOTAL	**15,573**	**14,336**

PARENT COMPANY, KSEK	2024	2023
Internal interest expense	2,679	1,977
External interest expense	3,347	6,990
Exchange differences	10,362	6,451
TOTAL	**16,388**	**15,418**

NOTE 14 | Income tax

The income statement item "Income tax" includes current and deferred income tax for Swedish and foreign Group companies. The Group's companies are subject to tax according to the current legislation in Sweden, the US and Switzerland.

In 2024, the state income tax rate in Sweden was 20.6 percent (20.6). In the US, the income tax rate was 21 percent. In Switzerland, the rate was 13.92 percent. In Germany, the rate was 27.2 percent. The tax is calculated by applying a nominal rate to gross profit plus non-deductible items. In addition, any deficits from previous assessments are taken into account. In 2024, the effective tax rate for the Group was 15.9 percent (15.6).

In the consolidated balance sheet, deferred tax assets amount to KSEK 12,072 (377), of which KSEK 12,072 (377) relates to the elimination of intra-Group profit-in-inventory.

The tax expense recognized is broken down as follows:

GROUP, KSEK	2024	2023
Current tax on profit for the year	−18,737	−6,663
Change in deferred tax assets[1]	2,980	−199
Change in deferred tax liabilities[2]	5,029	1,914
Change in preceding year's tax	−235	8
Income tax	**−10,964**	**−4,939**
Specification of income tax		
Profit before tax	69,170	31,585
Tax according to applicable tax rate in Sweden	−14,249	−6,507
Tax effects		
Differences in foreign tax rates	2,549	667
Non-deductible expenses	−147	−220
Non-taxable income	10	5
Other tax adjustments	—	134
Change in preceding year's tax	—	8
Utilization of loss carryforwards from previous years on which no deferred tax asset has been capitalized	872	974
TAX ON PROFIT FOR THE YEAR	**−10,964**	**−4,939**

[1] Refer to the table "Deferred tax asset"
[2] Refer to the table "Deferred tax liability"

PARENT COMPANY, KSEK	2024	2023
Current tax on profit for the year	−1,117	−2,797
Change in preceding year's tax	—	16
Income tax	**−1,117**	**−2,781**
Specification of tax on profit for the year		
Profit before tax	4,763	12,534
Tax according to applicable tax rate in Sweden	−981	−2,582
Tax effects		
Non-deductible expenses	−147	−220
Non-taxable income	10	5
Other tax adjustments	—	—
Change in preceding year's tax	—	16
TAX ON PROFIT FOR THE YEAR	**−1,117**	**−2,781**

Established tax loss carryforwards

GROUP, KSEK	2024	2023
Opening balance	**7,491**	**12,226**
Change in loss carryforwards	1,601	4,735
CLOSING BALANCE	**9,092**	**7,491**

The loss carryforward relates to Stille Surgical Inc. in the US. The loss carryforward has no time limit. From 2021 and onward, only 80 percent of the losses can be used to offset any taxable income earned in future years. None of the loss carryforward is attributable to the Parent Company.

The gross change in deferred taxes is broken down into the following current and non-current items:

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Deferred tax asset		
Expected to be settled within 12 months	12,072	377
Expected to be settled after 12 months		—
Deferred tax asset	**12,072**	**377**
Deferred tax liability		
Expected to be settled within 12 months	−1,715	−287
Expected to be settled after 12 months	−87,791	−17,328
Deferred tax liability	**−89,506**	**−17,614**
NET	**−77,434**	**−17,238**

The gross change in deferred taxes is as follows:

Leases, deferred tax gross

GROUP, KSEK	2024	2023
Deferred tax asset	5,385	5,706
Deferred tax liability	−4,923	−5,350
NET	**463**	**356**

Deferred tax asset

GROUP	INTRA-GROUP PROFIT-IN-INVENTORY	LEASES	RECLASSIFICATION	TOTAL
Closing balance, 2023	**377**	356	−356	377
Recognized in profit or loss	2,980	—	—	2,980
Exchange-rate effect	254	—	—	254
CLOSING BALANCE, 2024	**3,611**	**356**	**−356**	**3,611**

Deferred tax liability

GROUP	BR ANDS	CUSTOMER REGISTER	BUILDINGS	UNTAXED RESERVES	LEASES	OTHER ITEMS	TOTAL
Closing balance, 2023	**7,242**	5,109	2,085	2,694	**−356**	**841**	17,615
Recognized in profit or loss	−1,153	−4,086	−363	492	—	81	−5,029
Exchange-rate effect	714	943	33	—	—	−108	1,582
CLOSING BALANCE, 2024	**51,275**	**32,830**	**1,755**	**3,186**	**−356**	**816**	**89,506**

NOTE 15 | Acquisition of Fehling Instruments

In January 2024, Stille acquired all shares outstanding in Fehling Instruments GmbH & Co. KG and Fehling Verwaltungs GmbH with associated subsidiaries (jointly designated "Fehling"). Fehling is a German company, founded in 1996, that develops and sells premium-quality medical instruments. Fehling has a strong market position with direct operations in Germany, Switzerland, the US, Singapore, the United Arab Emirates and Malaysia.

With over 30 years of industry experience, Fehling strives to provide a broad range of premium products for surgeons, with a focus on demanding specialties such as open and minimally invasive cardiac, thoracic and neurosurgery. Fehling has a global sales presence combined with direct sales and distributors. As a result of the acquisition, the combined Group is expected to increase its presence in these markets.

Fehling has been included in the consolidated financial statements as of January 1, 2024.

Acquisition analysis

Information on purchase consideration, net assets acquired and goodwill is presented in the final acquisition analysis below:

PURCHASE CONSIDERATION	KSEK
Cash consideration	363,239
Purchase consideration reserved	17,026
PURCHASE CONSIDERATION	**380,265**

FAIR VALUE OF ASSETS AND LIABILITIES ACQUIRED	KSEK
Assets	
Brands	103,667
Customer relationships	149,375
Intangible assets	253,042
Other non-current assets	22,250
Inventory	66,359
Accounts receivable and other receivables[1]	35,755
Cash and bank balances	47,091
Liabilities	
Non-current liabilities	–8,764
Provision for deferred tax, net	–75,915
Current liabilities	–70,959
Acquired identifiable net assets	268,858
Goodwill	111,407
Acquired net assets	**380,265**

[1] Contracted gross amounts correspond in all material respects to the fair values of acquired receivables above.

Goodwill is attributable to the employees and the high levels of profitability in the operations acquired. No part of recognized goodwill is expected to be tax-deductible.

Impact of the acquisition on the Group's cash and cash equivalents

	KSEK
Purchase consideration settled in cash	–363,239
Cash and cash equivalents in subsidiaries acquired	47,091
Net outflow of cash and cash equivalents Investing activities	**–316,148**

Acquisition-related costs

Acquisition-related costs of MSEK 20.4 are included in "Transaction costs" in the income statement as well as in operating activities in the cash flow statement.

Other

In conjunction with the acquisition, Stille repaid previous shareholder loans in Fehling totaling MSEK 80.0 (MEUR 4.8 + MUSD 2.5) through its own shareholder loan to Fehling.

Sales and earnings in the acquisition

The acquired business contributed revenue of MSEK 65.5 and net profit of MSEK 9.2 to the Group for the quarter. Earnings include acquisition-related amortization of MSEK 2.8 related to customer relationships.

For the full year, the acquired business contributed revenue of MSEK 240.6 and net profit of MSEK 33.6. Earnings include acquisition-related amortization of MSEK 10.0 related to customer relationships.

These amounts were calculated using the subsidiary's earnings adjusted for differences in accounting policies between the Group and the subsidiary.

NOTE 16 | Goodwill

The item "Goodwill" only exists in the Group, and relates to acquisition of the Medstone product area in the Surgical Tables segment and to the acquisitions of S&T and Fehling.

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Medstone		
Opening cost	**4,619**	**4,801**
Business combinations	—	—
Exchange differences	440	–182
Carrying amount	**5,059**	**4,619**
S&T		
Opening cost	**18,709**	**17,652**
Investments for the year	—	—
Exchange differences	306	1,057
Carrying amount	**19,015**	**18,709**
Fehling		
Business combinations	110,768	—
Exchange differences	1,935	—
Carrying amount	**112,703**	**—**
Total		
Opening cost	**23,328**	**22,453**
Business combinations	110,768	—
Exchange differences	2,681	875
CARRYING AMOUNT	**136,777**	**23,328**

Impairment testing of goodwill and other intangible assets with an indefinite useful life

Impairment testing of goodwill and other intangible assets with an indefinite useful life takes place in the fourth quarter of every year, or more frequently if there is any indication of impairment. Goodwill is allocated to, and tested in, the Group's cash-generating units (CGUs) identified per operating segment. In addition to goodwill, the Group also has acquired brands that are considered to have an indefinite useful life. The useful life is considered indefinite as these are well-established brands that the Group intends to maintain and further develop. For more information about brands, refer to Notes 2 and 16.

The recoverable amount of a CGU is determined based on value-in-use calculations. Cash flow forecasts are based on an assessment of the expected growth rate and development of the EBIT margin based on the budget for 2024 adopted in December, forecasts for the next four years, Management's long-term expectations for the business and historical developments. Cash flows beyond the five-year period are extrapolated using an estimated growth rate as indicated below. The growth rate is not expected to exceed the long-term growth rate of the market in which the relevant CGU operates.

Estimated values-in-use are highly sensitive to changes in key assumptions such as the growth rate, EBIT margin and relevant discount rate (weighted average cost of capital, WACC), which are used to discount the future cash flows.

Key assumptions used for calculations of value-in-use are summarized as shown below.

	S&T	MED-STONE	FEHLING
Growth in the first 5 years	9%	10%	9%
Growth in the period beyond the first 5 years	2%	2%	2%
Gross profit margin	47%	55%	51%
Pre-tax discount rate	17.1%	11.4%	16.6%

Sensitivity analysis

For all CGUs, a 2 percentage point increase in the discount rate, a 1 percentage point decrease in the assumed long-term growth rate, or a 2 percentage point decrease in the EBIT margin would not individually result in any impairment loss. Based on historical performance and Management's estimates of the future, Stille has assessed that the above range covers reasonable possible changes in the key assumptions identified. These calculations are hypothetical and should not be taken as an indication that these factors are more or less likely to change. The sensitivity analysis should therefore be interpreted with caution. Based on the impairment tests performed, there was no indication of impairment of goodwill or other intangible assets with indefinite useful lives at December 31, 2024.

NOTE 17 | Brands

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Opening cost	**43,893**	**41,361**
Business combinations	102,879	—
Exchange-rate effect	2,695	2,532
CARRYING AMOUNT	**149,467**	**43,893**

The brands are considered to have an indefinite useful life.
For impairment testing, refer to Note 15.

NOTE 18 | Customer relationships

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Opening cost	**35,385**	**33,344**
Business combinations	148,239	—
Exchange-rate effect	3,438	2,041
Closing accumulated cost	**187,062**	**35,385**
Opening accumulated amortization	**−4,423**	**−2,501**
Amortization for the year	−11,802	−1,744
Exchange-rate effect	−145	−179
Closing accumulated amortization	**−16,370**	**−4,423**
CLOSING RESIDUAL VALUE ACCORDING TO PLAN	**170,692**	**30,962**

NOTE 19 | Other intangible assets

Other intangible assets are mainly related to capitalized development costs and, to a lesser extent, software. Capitalized development costs predominantly relate to the Surgical Tables business unit. All capitalized costs relate to proprietary products. For 2024, the Group's total research and development costs amounted to KSEK 0 (0). During 2024, SEK 6,995 (11,161) was capitalized.

Capitalized development costs

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Opening cost	**76,460**	**65,299**
Investments for the year	6,995	11,161
Reclassifications		—
Impairment for the year	−22,975	—
Exchange-rate effect	49	—
Closing accumulated cost	**60,529**	**76,460**
Opening accumulated amortization	**−20,231**	**−15,034**
Amortization for the year	−5,166	−5,196
Impairment for the year	5,989	—
Disposals	—	—
Closing accumulated amortization	**−19,408**	**−20,231**
CLOSING RESIDUAL VALUE ACCORDING TO PLAN	**41,121**	**56,230**

PARENT COMPANY, KSEK	DEC 31, 2024	DEC 31, 2023
Opening cost	**76,629**	**65,468**
Investments for the year	7,045	11,161
Reclassifications	—	—
Impairment for the year	−22,975	—
Closing accumulated cost	**60,699**	**76,629**
Opening accumulated amortization	**—**	**−15,204**
Amortization for the year	−20,400	−5,196
Reclassifications	−5,166	—
Impairment for the year	5,988	—
Closing accumulated amortization	**−19,578**	**−20,400**
CLOSING RESIDUAL VALUE ACCORDING TO PLAN	**41,121**	**56,229**

Software

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Opening cost	**2,626**	**2,447**
Business combinations	27	—
Investments for the year	4,980	334
Reclassifications	—	−158
Disposals	—	—
Exchange-rate effect	−21	3
Closing accumulated cost	**7,612**	**2,626**
Opening accumulated amortization	**−1,353**	**−956**
Amortization for the year	−372	−397
Disposals	—	—
Closing accumulated amortization	**−1,725**	**−1,353**
CLOSING RESIDUAL VALUE ACCORDING TO PLAN	**5,887**	**1,273**

PARENT COMPANY, KSEK	DEC 31, 2024	DEC 31, 2023
Opening cost	**2,376**	**2,201**
Investments for the year	—	334
Reclassifications	992	−158
Disposals	—	—
Exchange-rate effect	—	—
Closing accumulated cost	**3,368**	**2,376**
Opening accumulated amortization	**−1,146**	**−854**
Amortization for the year	−328	−292
Disposals		—
Closing accumulated amortization	**−1,474**	**−1,146**
CLOSING RESIDUAL VALUE ACCORDING TO PLAN	**1,894**	**1,230**

NOTE 20 | Land and buildings

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Opening cost	**29,337**	**27,645**
Exchange-rate effect	469	1,692
Closing accumulated cost	**29,806**	**29,337**
Opening accumulated depreciation	**−1,232**	**−697**
Depreciation for the year	−494	−486
Exchange-rate effect	−27	−50
Closing accumulated depreciation	**−1,753**	**−1,232**
CLOSING RESIDUAL VALUE ACCORDING TO PLAN	**28,053**	**28,105**

When the difference in the consumption of the key components of a tangible asset is deemed material, the asset is allocated to those components. The depreciation of tangible assets is recognized as a cost so that the value of the asset is depreciated on a straight-line basis over its estimated useful life. Land is not depreciable. For the relevant depreciation periods, refer to Note 2 Accounting policies.

Leasehold improvements

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Opening cost	**2,191**	**2,191**
Investments for the year	—	—
Business combinations	286	—
Disposals	—	—
Exchange-rate effect	6	
Closing accumulated cost	**2,483**	**2,191**
Opening accumulated depreciation	**−1,869**	**−1,656**
Depreciation for the year	−225	−213
Closing accumulated depreciation	**−2,094**	**−1,869**
CLOSING RESIDUAL VALUE ACCORDING TO PLAN	**388**	**323**

PARENT COMPANY, KSEK	DEC 31, 2024	DEC 31, 2023
Opening cost	**2,191**	**2,191**
Investments for the year	—	—
Business combinations	—	—
Disposals	—	—
Exchange-rate effect	—	—
Closing accumulated cost	**2,191**	**2,191**
Opening accumulated depreciation	**−1,869**	**−1,656**
Depreciation for the year	−210	−213
Closing accumulated depreciation	**−2,079**	**−1,869**
CLOSING RESIDUAL VALUE ACCORDING TO PLAN	**112**	**323**

NOTE 21 | Tangible assets

Machinery and equipment

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Opening cost	**19,400**	**18,426**
Investments for the year	3,016	1,133
Reclassifications	296	−252
Disposals	−766	—
Acquired through acquisition of subsidiaries	3,020	—
Exchange-rate effect	428	95
Closing accumulated cost	**25,394**	**19,400**
Opening accumulated depreciation	**−14,466**	**−12,979**
Depreciation for the year	−2,532	−1,494
Reclassifications	−296	—
Disposals	172	—
Exchange-rate effect	−95	7
Closing accumulated depreciation	**−17,217**	**−14,466**
CLOSING RESIDUAL VALUE ACCORDING TO PLAN	**8,177**	**4,934**

PARENT COMPANY, KSEK	DEC 31, 2024	DEC 31, 2023
Opening cost	**14,577**	**13,995**
Investments for the year	1,352	423
Reclassifications	93	158
Disposals	−434	—
Acquired through acquisition of subsidiaries	—	—
Exchange-rate effect	—	—
Closing accumulated cost	**15,588**	**14,577**
Opening accumulated depreciation	**−11,437**	**−10,594**
Depreciation for the year	−943	−843
Reclassifications	−93	—
Disposals	181	—
Exchange-rate effect	—	—
Closing accumulated depreciation	**−12,292**	**−11,437**
CLOSING RESIDUAL VALUE ACCORDING TO PLAN	**3,296**	**3,140**

NOTE 22 | Right-of-use assets

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Opening cost	**39,731**	**34,199**
Expired agreements	–2,013	–738
Cost on acquisition of subsidiaries	10,289	—
New agreements	5,093	6,700
Divestment	—	—
Exchange-rate effect	1,064	–430
Closing accumulated cost	**54,164**	**39,731**
Opening accumulated depreciation	**–13,594**	**–9,745**
Expired agreements	1,837	760
Cost on acquisition of subsidiaries	–129	—
Depreciation for the year related to vehicles	–2,101	–1,712
Depreciation for the year related to premises	–4,828	–3,100
Exchange-rate effect	–202	203
Closing accumulated depreciation	**–19,017**	**–13,594**
CLOSING RESIDUAL VALUE ACCORDING TO PLAN	**35,147**	**26,137**

Right-of-use assets consist of finance leases for vehicles and rental agreements.

In 2024, the total impact on cash flow from right-of-use assets was KSEK 5,500 (5,688).

NOTE 23 | Participations in Group companies

PARENT COMPANY, KSEK	SHARE OF EQUITY	DEC 31, 2024	DEC 31, 2023
STILLE Incentive AB 556805-6575 Solna, Sweden	100%	50	50
STILLE Surgical Inc. 164 82 79 Delaware, US	100%	13,472	13,472
S&T AG CHE-102.116.223 Neuhausen, Switzerland	100%	115,554	115,554
S&T Medical GmbH HRB 721420 Jestetten, Germany	100%	3,200	3,200
Fehling Instruments GmbH	100%	400,661	—
Carrying amount		**532,937**	**132,276**

	2024		2023	
KSEK	EARNINGS	EQUITY	EARNINGS	EQUITY
STILLE Incentive AB	–1.2	41.5	–1.2	41.5
STILLE Surgical Inc.	5,143	8,723	4,730	3,492
S&T AG	27,717	130,227	23,435	100,454
S&T Medical GmbH	–7	715	94	595
Fehling Instruments GmbH	40,587	118,838	—	—

NOTE 24 | Inventory

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Raw materials inventory[1]	663	524
Work in progress	6,244	3,950
Components	45,015	34,193
Finished goods inventory	92,761	27,886
TOTAL	**144,683**	**66,553**

[1] The raw materials inventory comprises only raw materials that are used in the manufacture of products.

PARENT COMPANY, KSEK	DEC 31, 2024	DEC 31, 2023
Raw materials inventory	663	524
Work in progress	5,383	3,153
Components	33,090	23,244
Finished goods inventory	12,631	17,971
TOTAL	51,767	44,892

A reserve for obsolescence is included in the value of inventory. Apart from the normal obsolescence reserve and the impairment of the GS2 table (MSEK 6.8), there was no significant impairment during the year. Only an insignificant portion of inventory is measured at net realizable value.

NOTE 25 | Accounts receivable

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Accounts receivable	49,933	32,617
Loss allowance	–1,110	–759
Exchange rate adjustments	27,402	–608
TOTAL	76,225	31,251

PARENT COMPANY, KSEK	DEC 31, 2024	DEC 31, 2023
Accounts receivable	20,969	7,482
Loss allowance	–428	–262
Exchange rate adjustments	–35	–152
TOTAL	20,505	7,068

Accounts receivable are amounts due from customers for goods sold or services performed in the ordinary course of business. Accounts receivable are generally due for settlement within 30 days and are all, therefore, classified as current assets. Accounts receivable are initially recognized at their transaction price. The Group holds the accounts receivable with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortized cost using the effective interest method.

Details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 2.

The Group has recognized recovered bad debts of MSEK 102 (157) for the provision of receivables from customers.Accounts receivable are written off when there is no reasonable expectation of recovery. Changes in the bad debt provision for the year are as follows:

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Opening balance	**759**	**752**
Allowance/reversal for loss allowance	351	7
CLOSING BALANCE	1,110	759

PARENT COMPANY, KSEK	DEC 31, 2024	DEC 31, 2023
Opening balance	**262**	**180**
Allowance/reversal for doubtful accounts	167	81
Receivables written off during the year that are irrecoverable	—	—
CLOSING BALANCE	428	262

Accounts receivable by age

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Not due accounts receivable	58,925	24,769
Less than 3 months	17,261	8,132
More than 3 months	1,149	–892
Loss allowance	–1,110	–759
TOTAL	76,225	31,251

PARENT COMPANY, KSEK	DEC 31, 2024	DEC 31, 2023
Not due accounts receivable	14,644	7,050
Less than 3 months	7,313	1,380
More than 3 months	–1,024	–1,101
Loss allowance	–428	–262
TOTAL	20,505	7,068

NOTE 26 | Prepaid expenses and accrued income

The carrying amount corresponds to the fair value as payment will take place in the near future.

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Prepaid insurance expenses	1,586	1,827
Prepaid pension costs	150	—
Prepaid expenses, business combinations[1]	—	18,447
Other items	3,600	3,914
TOTAL	**5,336**	**24,188**

PARENT COMPANY, KSEK	DEC 31, 2024	DEC 31, 2023
Prepaid rent	850	590
Prepaid insurance expenses	600	474
Prepaid expenses, business combinations[1]	150	18,447
Other items	0	2,493
TOTAL	**1,550**	**22,004**

1 Refer to the information in the notes about business combinations

NOTE 27 | Cash and cash equivalents

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Cash and bank balances	158,485	241,446
TOTAL	**158,485**	**241,446**

PARENT COMPANY, KSEK	DEC 31, 2024	DEC 31, 2023
Cash and bank balances	26,984	217,302
TOTAL	**26,984**	**217,302**

NOTE 28 | Equity

According to the Articles of Association for Stille AB, the share capital shall amount to at least MSEK 33 and to no more than MSEK 132. At the end of 2023, a private placement of new shares was implemented, increasing the number of shares and votes from 5,013,484 to a total of 8,985,447. The new shares were issued at a price of SEK 107.00 per share. The number of new shares issued amounted to 3,971,963. The new share issue was registered with the Swedish Companies Registration Office on January 10, 2024.

All shares – 8,985,447 with a quotient value of SEK 5 – are fully paid and entitle the holder to an equal share in the company's assets. No shares are held by the company itself or by its subsidiaries.

NOTE 29 | Untaxed reserves

PARENT COMPANY, KSEK	DEC 31, 2024	DEC 31, 2023
Tax allocation reserves	13,807	12,057
Excess depreciation/amortization	1,660	1,020
TOTAL	**15,467**	**13,077**

Tax allocation reserve

PARENT COMPANY, KSEK	DEC 31, 2024	DEC 31, 2023
Opening balance	**12,057**	**20,793**
Provisions for the year	1,750	
Reversed tax allocation reserve	—	–8,736
CLOSING BALANCE	**13,807**	**12,057**

Excess depreciation/amortization

PARENT COMPANY, KSEK	DEC 31, 2024	DEC 31, 2023
Opening balance	**1,020**	**740**
Provisions for the year	640	280
Reversed provision	—	—
CLOSING BALANCE	**1,660**	**1,020**

NOTE 30 | Provisions

Provisions consists of contingent considerations and other provisions. Other provisions consist of warranty provisions for our products. Based on an historical outcome of warranty commitments, a reserve is then set aside for future commitments according to the warranty period as well as the company's commitment to service products included in the purchase of new instruments. The contingent consideration arrangement includes a hold-back payment to the owners that is released after certain requirements and targets have been met.

	OTHER PROVISIONS		CONTINGENT CONSIDERATION		TOTAL	
GROUP, KSEK	DEC 31, 2024	DEC 31, 2023	DEC 31, 2024	DEC 31, 2023	DEC 31, 2024	DEC 31, 2023
Opening balance	**4,068**	**2,880**	**32,940**	**29,334**	**37,008**	**32,214**
Amounts utilized	—	—	—	—	—	—
Added through acquisitions	289	—	—	—	289	—
Exchange-rate effect	60	110	555	1,758	616	1,868
Amounts reserved	78	1,079	1,980	1,848	2,058	2,927
CLOSING BALANCE	**4,495**	**4,068**	**35,475**	**32,940**	**39,970**	**37,008**

	OTHER PROVISIONS		CONTINGENT CONSIDERATION		TOTAL	
PARENT COMPANY, KSEK	DEC 31, 2024	DEC 31, 2023	DEC 31, 2024	DEC 31, 2023	DEC 31, 2024	DEC 31, 2023
Opening balance	**2,870**	**1,751**	**32,940**	**29,334**	**35,810**	**31,085**
Amounts utilized	—	—	—	—	—	—
Cost on acquisition of subsidiaries	—	—	—	—	—	—
Exchange-rate effect	36	—	555	1,758	591	1,758
Amounts reserved	78	1,119	1,980	1,848	2,058	2,967
CLOSING BALANCE	**2,984**	**2,870**	**35,475**	**32,940**	**38,459**	**35,810**

NOTE 31 | Liabilities related to right-of-use assets and borrowing from credit institutions

Non-current liabilities

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Liabilities related to right-of-use assets	30,983	23,066
Liabilities to credit institutions	5,000	15,000
Other liabilities	—	—
TOTAL	**35,983**	**38,066**

PARENT COMPANY, KSEK	DEC 31, 2024	DEC 31, 2023
Liabilities to credit institutions	5,000	15,000
TOTAL	**5,000**	**15,000**

Current liabilities

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Liabilities related to right-of-use assets	6,149	4,092
Borrowing from credit institutions	20,957	20,784
TOTAL	27,106	24,877
Overdraft granted	15,000	15,000
Utilized portion	—	—

PARENT COMPANY, KSEK	DEC 31, 2024	DEC 31, 2023
Borrowing from credit institutions	10,000	10,000
TOTAL	10,000	10,000
Overdraft granted	15,000	15,000
Utilized portion	—	—

Stille AB's borrowing from banks is subject to covenants, which Stille AB meets in full. These are measured quarterly on a rolling 12-month basis.

The carrying amount of the Group's non-current liabilities measured at amortized cost corresponds to their fair value, in all material respects, as the interest rate is at parity with current market rates. The carrying amount of the Group's non-current liabilities measured at amortized cost corresponds to their fair value, in all material respects, as the effect of discounting is not material.

Lease liabilities are recognized at amortized cost and no fair value is assigned.

In 2024, interest expense for liabilities related to right-of-use assets amounted to KSEK 745 (752) and cash flow was affected by KSEK 5,500 (5,688). In 2024, expensed low-value leases and leases with a term of less than 12 months amounted to KSEK 796 (0).

The tables below show the current and non-current liabilities of the Group and the Parent Company, and which of these items affect cash flow.

GROUP	<1 YEAR	1–2 YEARS	2–5 YEARS	>5 YEARS	TOTAL CONTRACTUAL CASH FLOWS	CARRYING AMOUNT LIABILITIES
2024						
Financial liabilities						
Accounts payable	16,821	—	—	—	16,821	16,821
Borrowings	11,030	5,400	—	—	16,430	25,957
Lease liabilities	5,310	5,030	10,258	7,007	27,605	37,132
Provision	3,451	1,107	36,523	1093	42,174	39,970
TOTAL	36,612	11,537	46,781	8,100	103,030	119,881
2023						
Financial liabilities						
Accounts payable	20,760	—	—	—	20,760	20,760
Borrowings	22,945	12,000	6,000	—	40,945	35,784
Lease liabilities	4,743	4,394	11,312	9,415	29,864	27,158
Provision	3,059	—	35,948	—	39,007	37,008
TOTAL	51,508	16,394	53,260	9,415	130,577	120,711

2024

GROUP, KSEK	OPENING BALANCE	CASH FLOWS: LOANS RAISED	CASH FLOWS: REPAYMENT OF LOANS	NON-CASH ITEMS: LOANS RAISED	NON-CASH ITEMS: RECLASSIFICATIONS	NON-CASH ITEMS: ADDED THROUGH ACQUISITIONS	NON-CASH ITEMS: UNREALIZED EXCHANGE-RATE EFFECTS	CLOSING BALANCE
Non-current liabilities to credit institutions	15,000	—	−10,000	—	—	—	—	5,000
Non-current liabilities to right-of-use assets	23,095	—	−758	2,131	−2,788	8,698	605	30,983
Current liabilities to credit institutions	20,784	—	—	—	—	—	172	20,957
Current liabilities to right-of-use assets	4,092	—	−5,090	2,253	2,788	1,516	590	6,149
Financial liabilities through business combinations	—	—	−21,970	—	—	21,970	—	—
TOTAL	**62,942**	**—**	**−37,819**	**4,384**	**—**	**32,184**	**1,368**	**63,089**

PARENT COMPANY, KSEK	OPENING BALANCE	CASH FLOWS: LOANS RAISED	CASH FLOWS: REPAYMENT OF LOANS	NON-CASH ITEMS: LOANS RAISED	NON-CASH ITEMS: RECLASSIFICATIONS	NON-CASH ITEMS: UNREALIZED EXCHANGE-RATE EFFECTS	CLOSING BALANCE
Non-current liabilities to credit institutions	25,000	—	−10,000	—	—	—	15,000
Liabilities to Group companies	45,166	23,865	—	—	—	2,865	71,896
Current liabilities to credit institutions	10,000	—	—	—	—	—	10,000
TOTAL	**80,166**	**23,865**	**−10,000**	**—**	**—**	**—**	**96,896**

2023

GROUP, KSEK	OPENING BALANCE	CASH FLOWS: LOANS RAISED	CASH FLOWS: REPAYMENT OF LOANS	NON-CASH ITEMS: LOANS RAISED	NON-CASH ITEMS: RECLASSIFICATIONS	NON-CASH ITEMS: ADDED THROUGH ACQUISITIONS	NON-CASH ITEMS: UNREALIZED EXCHANGE-RATE EFFECTS	CLOSING BALANCE
Non-current liabilities to credit institutions	35,162	—	–10,000	—	–10,679	—	517	15,000
Non-current liabilities to right-of-use assets	22,638	—	—	108	508	—	189	23,065
Current liabilities to credit institutions	10,000	—	—	—	10,679	—	105	20,784
Current liabilities to right-of-use assets	2,966	—	–5,062	6,761	–508	—	–65	4,092
TOTAL	**70,767**	**—**	**–15,062**	**6,869**	**—**	**—**	**368**	**62,942**

PARENT COMPANY, KSEK	OPENING BALANCE	CASH FLOWS: LOANS RAISED	CASH FLOWS: REPAYMENT OF LOANS	NON-CASH ITEMS: LOANS RAISED	NON-CASH ITEMS: RECLASSIFICATIONS	NON-CASH ITEMS: UNREALIZED EXCHANGE-RATE EFFECTS	CLOSING BALANCE
Non-current liabilities to credit institutions	25,000	—	–10,000	—	—	—	15,000
Liabilities to Group companies	45,166	23,865	—	—	—	2,865	71,896
Current liabilities to credit institutions	10,000	—	—	—		—	10,000
TOTAL	**80,166**	**23,865**	**–10,000**	**—**	**—**	**—**	**96,896**

NOTE 32 | Accrued expenses and deferred income

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Accrued salaries and vacation pay	13,498	6,228
Accrued social security contributions	4,579	3,245
Deferred income	—	—
Other accrued expenses	15,720	21,956
TOTAL	**33,797**	**31,429**

PARENT COMPANY, KSEK	DEC 31, 2024	DEC 31, 2023
Accrued salaries and vacation pay	8,759	6,214
Accrued social security contributions	4,340	3,245
Deferred income	—	—
Other accrued expenses	1,937	16,118
TOTAL	**15,036**	**25,577**

NOTE 33 | Pledged assets

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Floating charges	65,000	65,000
Property mortgages	24,576	24,576
TOTAL	**89,576**	**89,576**

PARENT COMPANY, KSEK	DEC 31, 2024	DEC 31, 2023
Floating charges	65,000	65,000
TOTAL	**65,000**	**65,000**

Floating charges have been pledged as security for Stille's commitments with Danske Bank. The Group had no utilized bank overdraft facilities at the balance sheet date in 2024 or 2023.

The tables below show liabilities for which assets have been pledged.

GROUP, KSEK	DEC 31, 2024	DEC 31, 2023
Non-current liabilities to credit institutions	5,000	15,000
Current liabilities to credit institutions	20,957	20,784
TOTAL	**25,957**	**35,784**

PARENT COMPANY, KSEK	DEC 31, 2024	DEC 31, 2023
Non-current liabilities to credit institutions	5,000	15,000
Current liabilities to credit institutions	10,000	10,000
TOTAL	**15,000**	**25,000**

NOTE 34 | Adjustment for non-cash items

GROUP, KSEK	2024	2023
Depreciation and amortization	44,759	14,357
Provisions	—	—
Exchange rate adjustment	806	399
Other items	−34	409
TOTAL	**45,531**	**15,165**

PARENT COMPANY, KSEK	2024	2023
Depreciation and amortization	23,887	6,544
Provisions	—	—
Exchange rate adjustment	4,343	−1,605
Other items	244	191
TOTAL	**28,474**	**5,130**

NOTE 35 | Significant events after the balance sheet date

No significant events occurred after the balance sheet date.

NOTE 36 | Dividend

Dividends are recognized in the Parent Company as a reduction of unrestricted equity only at the time of payment to shareholders. Dividends are proposed by the Board in accordance with the provisions of the Swedish Companies Act, and approved by the AGM.

Proposed distribution of profit

The following profit is at the disposal of the AGM:

PARENT COMPANY, SEK	
Share premium reserve	462,492,337
Retained earnings	6,114,318
Profit reported for the year	3,646,030
Total	**472,252,685**
The Board's proposed appropriation of profit	
Dividend	—
To be carried forward	472,252,685

Corporate governance

Stille AB (publ.), 556249-4848, is a Swedish limited liability company with its registered office in Eskilstuna, Sweden. The company's Class B share is listed on Nasdaq OMX First North Growth Market. Stille AB is included in the Health Care index.

Stille's corporate governance is based on Swedish legislation and follows the Swedish Corporate Governance Code. The purpose of corporate governance, including the risk management described in Note 4, is to facilitate sustainable, responsible, effective and prudent management of the company. Stille AB is governed by the General Meeting, the Board of Directors and the CEO, in accordance with the Swedish Companies Act, the company's Articles of Association and the terms of reference for the Board of Directors. The Articles of Association are available on Stille's website under the heading Corporate Governance.

Corporate governance is tailored to the Group's activities and needs to support business success and profitability. Good corporate governance involves clear delegation of responsibilities and clarity towards shareholders and the market. It also involves effective management and control of the Group's activities to ensure they comply with targets, legislation and regulations. Management and control of Stille is divided between shareholders at the AGM, the Board of Directors and the CEO, and is governed by legislation, the company's Articles of Association, the Nordic Main Market Rulebook for Issuers of Shares and the Swedish Corporate Governance Code. The purpose of the Swedish Corporate Governance Code is to maintain the confidence of existing and future investors and other financial market participants in Stille. The Code assists the owners in both direct and indirect governance and forms part of the corporate sector's self-regulation. Stille applies the "comply or explain" mechanism, which means that it discloses the underlying reasons and reasoning in cases where the company has deviated from the Code's rules.

Articles of Association

According to Stille's Articles of Association, the company shall engage in the development and marketing of medical devices for customers in the healthcare and therapy sectors, who have high demands on functionality and performance. The Board shall have its registered office in Eskilstuna Municipality, in Sweden. The AGM shall be held in Eskilstuna or Stockholm. The Articles of Association contain provisions regarding the number of shares, number of Board members and auditors, and the AGM.

The Articles of Association are available on Stille's website.

Annual General Meeting
Shareholders

Nomination Committee
Representatives of the largest shareholders.

External auditors
Baker Tilly Rådek AB
Johan Rudengren

Board of Directors
AGM-elected members
Lars Kvarnhem (Chairman)
Jens Viebke
Victor Steien
Yonna Olsson
Per Carlsson
Union-elected members
Sirpa Mäkipää

Management
Management
Torbjörn Sköld
Niklas Carlén
Markus Spingler
Brian Anderson
Johan Lundholm
Gerald Fehling

Annual General Meeting

Stille's AGM is the highest decision-making body for the company's shareholders. Shareholders who wish to attend and exercise their voting rights at Stille's AGM must be entered in the share register and notify their participation. One share entitles the holder to one vote at the AGM, which is the forum where shareholders can exercise their influence. Direct or indirect shareholdings in the company representing at least one-tenth of the voting rights are listed on page 31.

The AGM addresses a number of key issues, such as adoption of the income statement and the balance sheet for the past year, including the appropriation of the company's profit, discharge from liability for the Board of Directors, election of the Board members and auditor, the composition of the Nomination Committee, authorization for the Board of Directors to decide that the company shall issue new shares or purchase its own shares, and other matters in accordance with the Swedish Companies Act and the Articles of Association.

Amendments to the Articles of Association also require a decision by a General Meeting. All shareholders have the right to have matters dealt with at the AGM. In order for such matters to be included in the notice, the request must be made to the company at least six weeks prior to the AGM. Notice of the AGM is published no earlier than six weeks and no later than four weeks prior to the AGM. The AGM will be held in Stockholm, Sweden, on May 7, 2025, at 1:00 p.m.

Nomination Committee

In accordance with a decision by the AGM of Stille AB on May 8, 2024, the Nomination Committee for the 2024 AGM shall consist of three members, who shall represent the two shareholders with the highest number of shares who are willing to be part of the Nomination Committee, and the Chairman of the Board. The Nomination Committee then appoints a chairman from among its members.

The Chairman of the Nomination Committee shall be the person who represents the largest shareholder in terms of votes at the time of the formation of the Nomination Committee, unless the Nomination Committee unanimously decides to appoint someone else.

When appointing the Nomination Committee, the rules of the Swedish Corporate Governance Code shall be taken into account, including that no member of management may be a member of the Nomination Committee and that Board members shall not constitute a majority of the Nomination Committee, and that no more than one member of the Nomination Committee may be dependent in relation to any of the company's major shareholders. If a member is appointed by a particular shareholder, the name of the shareholder must be indicated. A member of the Nomination Committee shall carefully consider whether there is a potential conflict of interest before accepting the mandate.

The role of the Nomination Committee prior to the AGM is to submit proposals for the election of the Chairman of the Meeting, the number of Board members and auditors, fees to the Board and the auditors, election of Board members, election of the Chairman of the Board and election of auditors. In addition, the Nomination Committee shall make proposals regarding the tasks and principles of the Nomination Committee. When assessing its proposals, the Nomination Committee shall pay particular attention to the requirement for diversity and breadth on the Board and strive for a gender balance.

The Nomination Committee held two (2) meetings prior to the 2024 AGM. The Nomination Committee's proposals are presented in the notice of the AGM and are also available on the company's website.

Board composition and work

Stille's Board consists of the Chairman and six members, of whom one is an employee representative. According to the Articles of Association, the Board shall consist of no less than three and no more than seven ordinary members, without or with no more than one deputy. According to the terms of reference, the Board must hold at least four meetings per year. During the year, the Board convened eight (8) times.

The Board of Directors is responsible for overseeing the organization, administration and management of the Stille Group's operations in accordance with the interests of the company and its shareholders. The Board of Directors sets the Group's overall objectives, strategies and policies, and makes decisions regarding acquisitions, divestments and investments, in accordance with the applicable authorization and decision-making procedures for investments and development projects.

Other tasks include:

- Establishing the necessary guidelines for the company's social responsibility in order to ensure its capability to create long-term value.
- Ensuring that effective systems are in place to monitor and control the company's activities and the risks associated with these activities.
- Ensuring adequate control of the company's compliance with laws and regulations that apply to the company's activities, and the company's compliance with internal guidelines.

Lars Kvarnhem has been the Chairman of Stille's Board since 2021. The Chairman of the Board is appointed by the AGM. The Chairman organizes and leads the work of the Board, ensures that the Board continuously deepens its knowledge of the company, communicates the views of the shareholders and supports the CEO. The Chairman and the CEO prepare the draft agenda for the Board's meetings.

The Chairman is responsible for ensuring that the Board's decisions are implemented effectively, that the Board's work is evaluated annually and that the Nomination Committee is informed of the outcome of the evaluation.

In accordance with the provisions of the Swedish Companies Act, the Board adopts terms of reference for its work every year outlining the division of duties within the Board, the division of responsibilities between the Board and the CEO, and financial reporting to the Board.

At each quarterly Board meeting, the CEO presents an economic and financial report on operations and also provides the Board with a monthly report containing significant events and a summary of financial information. The Board reviews the audit report annually, which outlines how the company's organization is structured to ensure that accounting, asset management, and the company's financial situation are controlled effectively.

The Board has elected not to establish an Audit Committee or Remuneration Committee. These matters will instead be managed under the leadership of the Chairman, with the entire Board involved in the preparation. The Board makes decisions regarding remuneration and other terms of employment for Management. Stille's main shareholders have appointed a Nomination Committee until the next AGM. The role of the Nomination Committee is to submit proposals for Board members and fees to the next AGM and also, where appropriate, proposals for auditors.

Management

The Group's senior executives include the CEO, CFO, business unit managers and CEOs of the largest subsidiaries.

In addition to central management issues, Management also handles various functions within the Group such as research and development, marketing support, production and quality management, risk management, financing and financial control.

For information about the CEO's background and shareholding, refer to page 95.

Remuneration of senior executives

Stille aims to ensure that the principles of remuneration for Management are competitive, that the remuneration is determined by the Board and based on the importance of the person's role, experience and performance, and that the remuneration package includes the following components: fixed basic salary, short-term variable remuneration, pension benefits, other benefits and severance terms. For more information about these guidelines, refer to Note 9.

External auditors

The auditors work according to an audit plan and report their findings to the Board on an ongoing basis, both during the audit and when the annual accounts are adopted.

The auditors examine the financial statements to assess their accuracy, completeness and consistency with generally accepted accounting principles. The auditor-in-charge attends the AGM and describes the audit work and observations.

Auditors are elected by the AGM for a term of one year. Baker Tilly Rådek AB was elected auditor at the AGM. The auditor-in charge is Authorized Public Accountant Johan Rudengren.

1


2


Board of Directors

3


1. LARS KVARNHEM
Chairman of the Board since 2021.
Board member since 2020.
Born: 1972
Other current assignments:
Chairman of the Board of Arcoma AB, Reison Medical AB, Ninex AB, Priego AB, Richardsons Healthcare and MediPlac. Board member of Absorbest intressenter, and diverse small family companies.
Main work experience and other information:
More than 20 years' experience of global management and business development of medtech companies and business processes. Previous roles include CEO and principal owner of medtech company Anmedic AB, CEO of Human Care (publ) as well as operational Chairman of the medtech division at Medcap (publ).
Independent of the company and management: Yes
Independent of major shareholders: Yes
Shareholding: 0 shares

2. JENS VIEBKE
Board member since 2024.
Born: 1967
Education:
MSc in Engineering and PhD in Polymer Technology from the Royal Institute of Technology in Stockholm and Executive MBA from the Stockholm School of Economics.
Main work experience and other information:
Extensive life science experience from various senior positions in strategy, business development, research and development in companies including GE Healthcare, Pharmacia & Upjohn and Getinge.
Independent of the company and management: Yes
Independent of major shareholders: Yes
Shareholding: 0 shares

3. VICTOR STEIEN
Board member since 2024.
Born: 1983
Education:
MSc in Economics (major in Finance) from the Stockholm School of Economics.
Other current assignments:
Partner and Board Member of Impilo, Pelago Bioscience, Vaccin-Direkt and Blodtrycksdoktorn
Main work experience and other information:
Member of Impilo's investment team since 2018 and prior to that, ten years in investment banking at Goldman Sachs (2008–2014) and Morgan Stanley (2014–2018).
Independent of the company and management: Yes
Independent of major shareholders: No
Shareholding: Related-party shareholdings: 2,056,075 shares

4. YONNA OLSSON
Board member since 2021.
Born: 1963
Education:
MSc in Engineering, MBA, Styrelseakademien Stockholm.
Other current assignments:
Board member and advisor, primarily in medtech.
Main work experience and other information:
Board member and investor. 30 years of experience from international senior positions in sales, marketing, strategy and general management at Johnson & Johnson, AstraZeneca, and others. Most recently CEO and Regional Manager for Northern Europe at Olympus. Board work since 2010.
Independent of the company and management: Yes
Independent of major shareholders: Yes
Shareholding: 0 shares

5. PER CARLSSON
Board member since 2023.
Born: 1964
Education:
MSc in Economics, Uppsala University
Main work experience and other information:
Extensive international experience from positions in finance including CFO of Electrolux Small Appliances and CFO of Dometic.
Independent of the company and management: Yes
Independent of major shareholders: Yes
Shareholding: 230 shares

6. SIRPA MÄKIPÄÄ
Board member since 2000 (employee representative).
Born: 1960
Independent of the company and management: Yes
Independent of major shareholders: Yes
Shareholding: 0 shares

Management

1. TORBJÖRN SKÖLD

Position: President and CEO
Born: 1977
Education: MSc in Industrial Engineering, Royal Institute of Technology, Stockholm. MBA, INSEAD, France.
Employed since: 2023
Previous experience:
Vice President DePuy Synthes EMEA at Johnson & Johnson, General Manager DePuy Synthes at Johnson & Johnson, Business Unit Manager at Johnson & Johnson, Project Manager at GN ReSound.
Shareholding: 8,770 shares

2. NIKLAS CARLÉN

Position: CFO
Born: 1974
Education: MSc in Economics, Örebro University.
Employed since: 2020
Previous experience:
CFO of Eskilstuna Strängnäs Energi och Miljö, CFO of Calix, CFO of Swecon Anläggningsmaskiner, CFO of Tools Sverige.
Shareholding: 1,900 shares

3. MARKUS SPINGLER

Position: Subsidiary CEO – S&T
Born: 1966
Education: Business Administration at Nürtingen-Geisslingen University (NGU), Germany.
Employed since: 2021
Previous experience:
Chairman of three medtech companies in Switzerland and Germany, Chairman of the Industry and Technology Centre Schaffhausen in Switzerland, CEO of several companies in Switzerland and Germany.
Shareholding: 50,289 shares

4. JOHAN LUNDHOLM

Position: Business Unit Manager Surgical Tables
Born: 1975
Education: Business Administration, Faculty of Engineering, Lund University (LTH).
Employed since: 2021
Previous experience:
Business Area Manager, Olympus Sverige AB. Sales & Product Manager, Olympus Sverige AB. Product Specialist, Johnson & Johnson AB
Shareholding: 0 shares

5. BRIAN ANDERSON

Position: Subsidiary CEO – Stille Surgical Inc.
Born: 1966
Employed since: 2020
Previous experience: Head of Commercialization at Progressive Group, Senior Vice President at NorthPage, Executive Vice President at Spine Wave, Vice President of Sectra AB.
Shareholding: 0 shares

6. GERALD FEHLING

Position: Subsidiary CEO – Fehling Instruments
Born: 1974
Employed since: 2024
Previous experience: Managing Director – Fehling Instruments GmbH
Shareholding: 0 shares

Auditor's report

To the general meeting of the shareholders of Stille AB (publ), corporate identity number 556249-4848

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Stille AB (publ) for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 32-87 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 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. Our statements do not cover the corporate governance report on pages 88-94. The management report is consistent with the other parts of the annual report and the consolidated financial statements.

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

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

Basis for Opinions

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

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

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-31. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. we also:

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If We conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that We identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Opinions

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

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the 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 of the parent company and the group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

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

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional scepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss We examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

Auditor's Review of the Corporate Governance Report

The board of directors is responsible for the corporate governance report on pages 88-94 and for ensuring that it is prepared in accordance with the Annual Accounts Act.

Our review has been conducted in accordance with FAR's recommendation RevR 16 The Auditor's Review of the Corporate Governance Report. This means that our review of the corporate governance report has a different focus and a significantly smaller scope compared to the focus and scope of an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides us with a sufficient basis for our statements.

A corporate governance report has been prepared. Disclosures in accordance with Chapter 6, Section 6, second paragraph, points 2-6 of the Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same act are consistent with the other parts of the annual report and the consolidated financial statements and are in accordance with the Annual Accounts Act.

Baker Tilly Rådek AB, Rademachergatan 6, was appointed auditor of Stille AB by the general meeting of the shareholders on the 8 may 2024 and has been the company's auditor since the 5 june 2021.

Eskilstuna 4 april 2025
Baker Tilly Rådek AB

Johan Rudengren
Authorized Public Accountant

Signatures

Torshälla, April 4, 2025

We assure that, to the best of our knowledge, the Annual Report for the 2024 financial year has been prepared in accordance with generally accepted accounting principles for listed companies, that the information provided is consistent with the actual circumstances and that nothing of material importance has been omitted that could affect the view of the company presented by the Annual Report.

Lars Kvarnhem
Chairman

Per Carlsson
Board member

Jens Viebke
Board member

Sirpa Mäkipää
Employee representative

Yonna Olsson
Board member

Victor Steien
Board member

Torbjörn Sköld
President and CEO

Our audit report was submitted on April 4, 2025

Baker Tilly Rådek AB

Johan Rudengren
Authorized Public Accountant

Definitions

Average number of employees

The average of number of employees at the end of each financial year.

Equity/assets ratio

Closing equity (including minority) expressed as a percentage of the balance sheet total at the end of the period.

Equity per share

Equity divided by the number of shares at the balance sheet date.

Debt/equity ratio

Net debt divided by total capital. Net debt is calculated as total borrowings (comprising current and non-current liabilities related to right-of-use assets) less cash and cash equivalents.

Total capital is calculated as equity in the consolidated balance sheet plus net debt.

EBITDA

Earnings before interest, taxes, depreciation and amortization.

EBITDA, %

Earnings before interest, taxes, depreciation, and amortization expressed as a percentage of net sales.

CSRD

The Corporate Sustainability Reporting Directive. An EU Directive requiring companies to report their environmental impact, social responsibility and governance.

Organic growth

Change in sales adjusted for sales obtained from acquisitions, compared with the same period of the preceding year.

EBIT

Earnings before interest and taxes.

EBIT, %

Earnings before interest and taxes expressed as a percentage of net sales.

C-arm

CAT/conventional X-ray with a C-shaped pendulum stand. Used to obtain continuous, real-time images during surgery or treatment.

Minimally invasive procedures

Use of laparoscopic and remote-controlled instruments with direct observation of the surgical site through an endoscope or similar device. Reducing the extent of injuries with minimally invasive surgery can lead to shorter hospital stays.

ERCP

Endoscopic retrograde cholangiopancreaticography is a procedure to diagnose and treat problems in the bile ducts and pancreas.

Cardiac and vascular surgery

Includes surgical procedures involving the heart or blood vessels.

Plastic surgery

Includes reconstructive plastic surgery, which involves surgery to restore normal form and function after various congenital deformities and injuries, and aesthetic plastic surgery, sometimes colloquially referred to as "cosmetic surgery."

Distributors

Companies that sell medtech products to local/national health and medical care services.

MDD

The EU's Medical Devices Directive.

MDR

The Medical Devices Regulation. The EU's new directive for medical devices that will replace the MDD.

CAGR

Compound annual growth rate.

Surgical perfection. For life.

Stille AB (publ)

Ekbacken 11
SE-644 30, Torshälla
+46 8 588 580 00
info@stille.se
www.stille.se

More detailed information available from:

Torbjörn Sköld
President and CEO
+46 70 316 63 91
torbjorn.skold@stille.se