

Ependion AB Interim Report January-March 2026

Investing in a secure and connected world

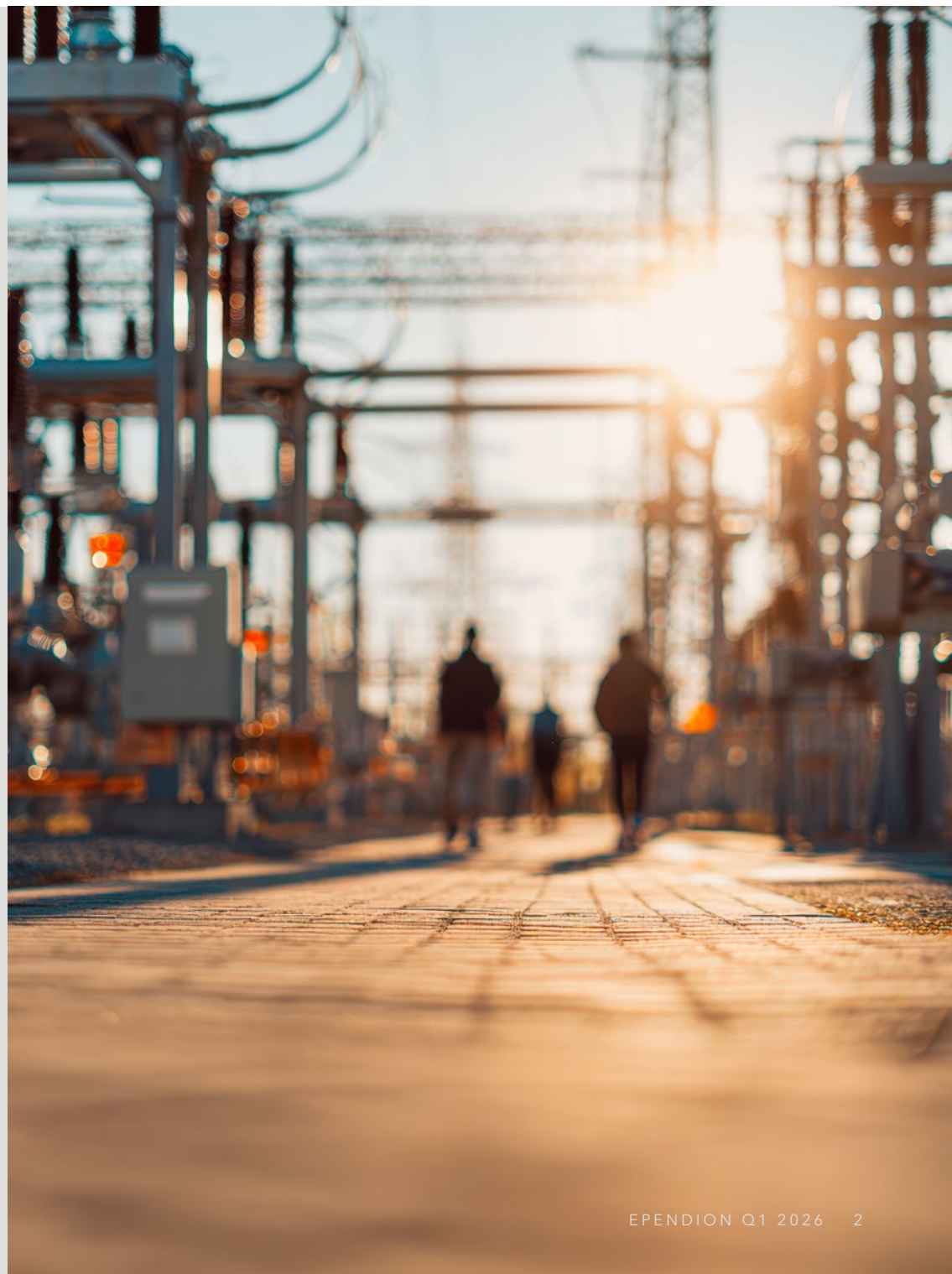
Record order intake and strengthened profitability



Record order intake and strengthened profitability

First quarter

- Order intake increased by 41 percent to 778.2 MSEK (550.6). Adjusted for currency effects and acquisitions, the increase amounted to 32 percent.
 - Net sales increased by 10 percent to 597.3 MSEK (545.1). Adjusted for currency effects and acquisitions net sales were stable.
 - EBITA increased to 74.8 MSEK (52.7).
 - EBITA margin strengthened to 12.5 percent (9.7).
 - Profit after tax increased to 40.5 MSEK (32.0).
 - Earnings per share amounted to 1.26 SEK (1.10).
 - Free cash flow was -9.0 MSEK (-12.2).
 - The operating profit measure was changed from EBIT to EBITA.
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There is a strong focus on driving profitable growth based on the significant investments made in recent years.



“In a continued global turbulence, it is encouraging to see that the positive development already observed in the fourth quarter of 2025 strengthened further at the beginning of the year. Ependion’s order intake increased by 41 percent to the record level of 778 MSEK, driven by strong order bookings in both business entities and across virtually all focus segments and geographies. Adjusted for currency effects, the increase was 51 percent, while organically in fixed exchange rates it amounted to 32 percent.

For the Westermo business entity, order intake increased by 57 percent to a record-high 497 MSEK. Adjusted for currency effects and the acquisition of Welotec, the increase was 32 percent. Key customers within the train segment showed particularly strong development during a period that did not include any major project orders.

For the Beijer Electronics business entity, order intake increased by 20 percent to 282 MSEK, driven by solid demand from the marine sector as well as from customers operating in data centers and charging infrastructure. In fixed exchange rates, the growth rate was 31 percent. Ependion’s order backlog amounted to 1,289 MSEK at the end of the first quarter of 2026.

The higher pace of order bookings has not yet materially impacted the Group’s sales, which increased by 10 percent to 597 MSEK during the first quarter. Organically and adjusted for currency effects, sales development was stable. Westermo’s sales increased by 21 percent to 387 MSEK, while adjusted for currency effects and acquisitions sales were marginally below the corresponding period last year. For Beijer Electronics, sales decreased by 6 percent to 211 MSEK, while in fixed exchange rates sales increased by 2 percent.

As previously communicated, effective from the first quarter of 2026, the Group has changed its operating profit measure from EBIT to EBITA. See page 10 under Financial information. Ependion’s EBITA strengthened to 75 MSEK, corresponding

to a margin of 12.5 percent. The improvement in profitability was primarily driven by a clearly improved margin for Beijer Electronics and by Westermo accounting for a larger share of Group sales. The negative impact from currency effects on earnings amounted to 6.5 MSEK.

Westermo increased EBITA to 64 MSEK with a stable EBITA margin of 16.6 percent. Beijer Electronics increased EBITA to 24 MSEK with a clearly improved margin of 11.4 percent, driven by strengthened gross margins and solid cost discipline.

Free cash flow amounted to a negative 9 MSEK, which is an improvement compared with the corresponding period last year. Cash flow was negatively impacted by increased inventory holdings of critical components to secure delivery capability, as well as by higher accounts receivable towards the end of the quarter.

The increased rollout of data centers for AI applications has strained the global supply chain, particularly for memory chips. This has resulted in significantly higher prices and longer lead times for certain electronic components. A limited portion of the Group’s increased order volumes during the period – totaling approximately 25 MSEK, of which 15 MSEK related to Beijer Electronics and 10 MSEK related to Westermo – was driven by a small number of customers extending their order horizons due to concerns about component supply. The Group’s business entities continuously work to secure access to critical components and to offset cost increases through price adjustments.

The war in the Middle East has so far had a very limited impact on the Group’s operations. The Group has no organization in the region, but we are of course closely monitoring developments.

The German technology company Welotec, which has been part of Westermo since June last year, continued to perform very positively during the period. The collaboration with the software company RazorSecure within cybersecurity solutions

for the railway industry is progressing according to plan, and several concrete joint business opportunities have been identified.

Within Beijer Electronics, the market introduction of the new generation of operator panels – X3 – continued to develop positively, and particularly encouraging is the significant interest we are seeing from new customers.

Within the defense segment, activities are now underway in both business entities, with the ambition to substantially strengthen our position in this segment over time.

In summary, there is a strong focus throughout the organization on driving profitable growth based on the significant investments made over recent years. We note another quarter of increased order intake and high activity levels among a broad range of customers, which supports a degree of optimism even though individual quarters may show fluctuations in order bookings.

Our assessment is that geopolitical uncertainty will persist, with potential impacts on our business in the short term. However, through investments in new technology, new

acquisitions and new establishments, Ependion is well positioned to benefit from the underlying growth in our focus segments. We therefore view our opportunities for profitable growth during 2026 with cautious optimism.”

The Group's first quarter

The Group's order intake increased by 41 percent to 778 MSEK (551) in the first quarter of 2026. Adjusted for currency effects and acquisitions, order intake increased by 32 percent. Order intake increased for both business entities. The order backlog amounted to 1,289 MSEK (978) at the end of the period. The Group's net sales increased by 10 percent to 597 MSEK (545). Adjusted for currency effects and acquisitions, net sales were stable. Book-to-bill amounted to 1.30. Operating profit before depreciation and amortization increased to 125.1 MSEK (96.7). Amortization and depreciation of excess values increased to 50.3 MSEK (44.0). EBITA amounted to 74.8 MSEK (52.7), corresponding to an EBITA margin of 12.5 percent (9.7). EBITA was impacted by negative currency effects of 6.5 MSEK. EBIT amounted to 66.8 MSEK (49.2).

Total development expenditure amounted to 74.7 MSEK (73.3), where the increase is attributable to acquisitions. This corresponded to 12.5 percent (13.5) of the Group's sales. Net financial items amounted to -12.5 MSEK (-4.6), the change being primarily attributable to currency effects. Profit before tax increased to 54.3 MSEK (44.6), and profit after estimated tax increased to 40.5 MSEK (32.0). Earnings per share after estimated tax increased to 1.26 SEK (1.10).

“Ependion's order intake increased by 41 percent to the record level of 778 MSEK, driven by strong order bookings in both business entities and across virtually all focus segments and geographies.”

Jenny Sjö Dahl, President and CEO

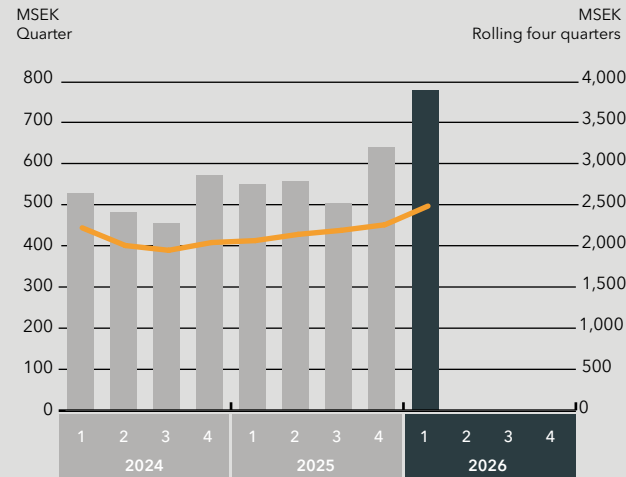
Business entity net sales and EBIT

	Sales, MSEK		EBIT, MSEK		EBIT MARGIN, %	
	Quarter 1		Quarter 1		Quarter 1	
	2026	2025	2026	2025	2026	2025
Westermo	387.4	320.8	64.3	53.4	16.6	16.7
Beijer Electronics	211.4	225.7	24.1	15.8	11.4	7.0
Intra-group sales	-1.5	-1.4	-	-	-	-
Group adjustments and parent company	-	-	-13.6	-16.5	-	-
Ependion Group	597.3	545.1	74.8	52.7	12.5	9.7

Group Quarterly Overview

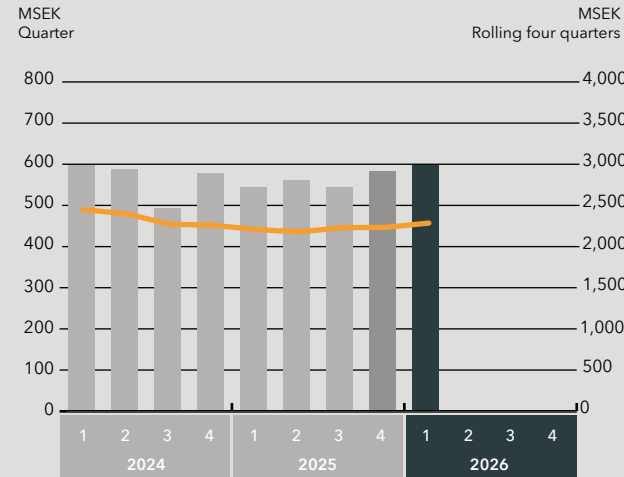
	2024				2025				2026	
	Quarter 1	Quarter 3	Quarter 3	Quarter 4	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Quarter 1	
Order Intake	527,516	482,756	456,345	572,268	550,634	558,359	505,076	639,283	778,189	
Change %	-14.5	-30.8	-11.2	19.7	4.4	15.7	10.7	11.7	41.3	
of which Organic, adjusted for currency %	-14.8	-30.7	-8.7	19.6	4.5	16.7	3.2	3.7	31.6	
of which Acquisition %	1.2	-	-	-	-	4.9	12.2	14.9	19.4	
of which Currency effects %	-1.0	-0.1	-2.5	0.1	-0.1	-5.9	-4.7	-6.8	-9.7	
Net sales	598,521	588,355	493,033	578,217	545,056	560,756	543,586	582,355	597,309	
Change %	-4.0	-7.8	-20.4	-2.0	-8.9	-4.7	10.3	0.7	9.6	
of which Organic, adjusted for currency %	-3.1	-7.4	-18.5	-2.1	-8.9	-6.8	0.4	-3.1	0.2	
of which Acquisition %	0.5	-	-	-	-	6.8	14.7	10.3	16.3	
of which Currency effects %	-1.3	-0.4	-1.9	0.1	-	-4.7	-4.8	-6.5	-6.9	
EBITA	78,176	63,802	54,597	69,292	52,691	65,131	66,524	66,715	74,827	
EBITA %	13.1	10.8	11.1	12.0	9.7	11.6	12.2	11.5	12.5	

Group order intake



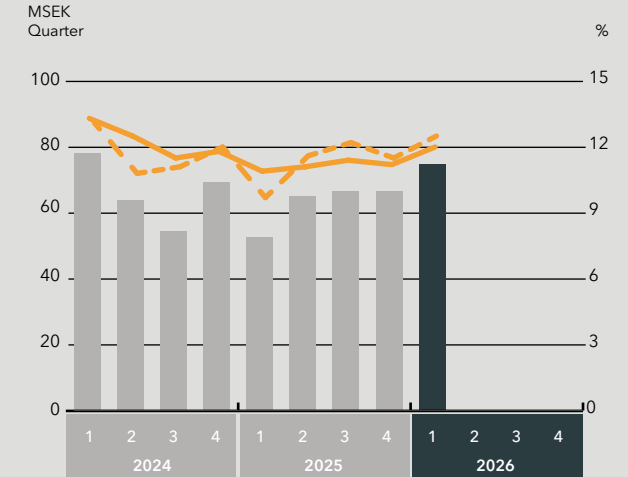
The bars and left-hand scale indicate quarterly order intake. The curve and right-hand scale show rolling four quarter order intake.

Group net sales



The bars and left-hand scale indicate quarterly net sales. The curve and right-hand scale show rolling four quarter net sales.

Group EBIT



The bars and left-hand scale indicate quarterly EBIT. The solid curve and right-hand scale show rolling four quarter EBIT margin, the dashed curve and right-hand scale show quarterly EBIT margin.

Westermo

BUSINESS ENTITY



For the Westermo business entity, the first quarter of 2026 was characterized by increased activity levels among customers, which contributed to a new record for quarterly order volume of 497 MSEK. All focus segments - train, railway infrastructure, energy and defense - contributed to the increase, with a particularly strong performance in the largest segment, train network. Adjusted for currency effects and the acquisition of Welotec, the increase remained robust at 32 percent.

During the period, targeted initiatives towards the defense industry were carried out, and were met with strong interest from both existing and prospective customers within the new focus segment. The Indian market continued to develop positively, and the local presence has strengthened the business entity's position among both local and global customers within the train and energy segments.

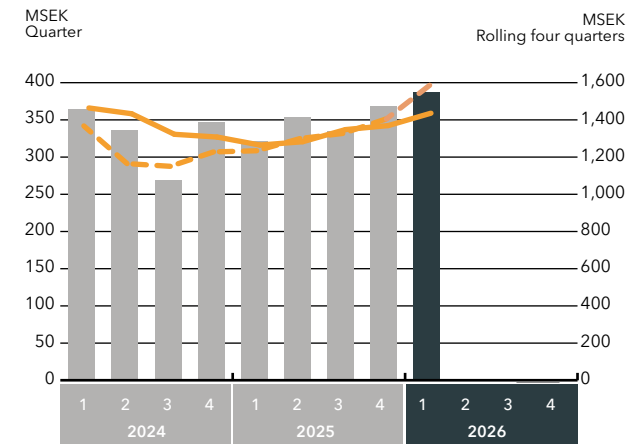
Westermo's sales increased to 387 MSEK for the period, with the increase mainly driven by the continued positive development of the company Welotec, acquired in 2025. During the quarter, the business entity initiated an update of its strategy with a focus on securing the next phase of growth. This work includes both a review of the overall strategy and a structured effort aimed at further strengthening and streamlining the sales organization. Westermo's EBITA increased to 64 MSEK, with a stable margin of 16.6 percent.

Product development activities continued at a high level, with expenditure during the quarter amounting to 51 MSEK, including Welotec, corresponding to 13.1 percent of sales. During the period, Westermo continued to strengthen its software-driven portfolio through further development of the company's proprietary network operating system, WeOS. A new Edge computer was launched with support for AI-based applications within digital energy infrastructure, as well as new members of the Lynx 3000 family. For the railway segment, the portfolio was expanded through the launch of Ibex-1310, an industrial Wi-Fi access point designed for demanding onboard train environments.

“Westermo set a new record for order intake in a single quarter, with all focus segments contributing to the increase, and a particularly strong performance in the largest segment, train network.”

Jenny Sjö Dahl, President and CEO

Net sales, Westermo



The bars and left-hand scale indicate quarterly net sales. The solid curve and right-hand scale show rolling four quarter net sales, the dashed curve shows rolling four-quarter order intake.

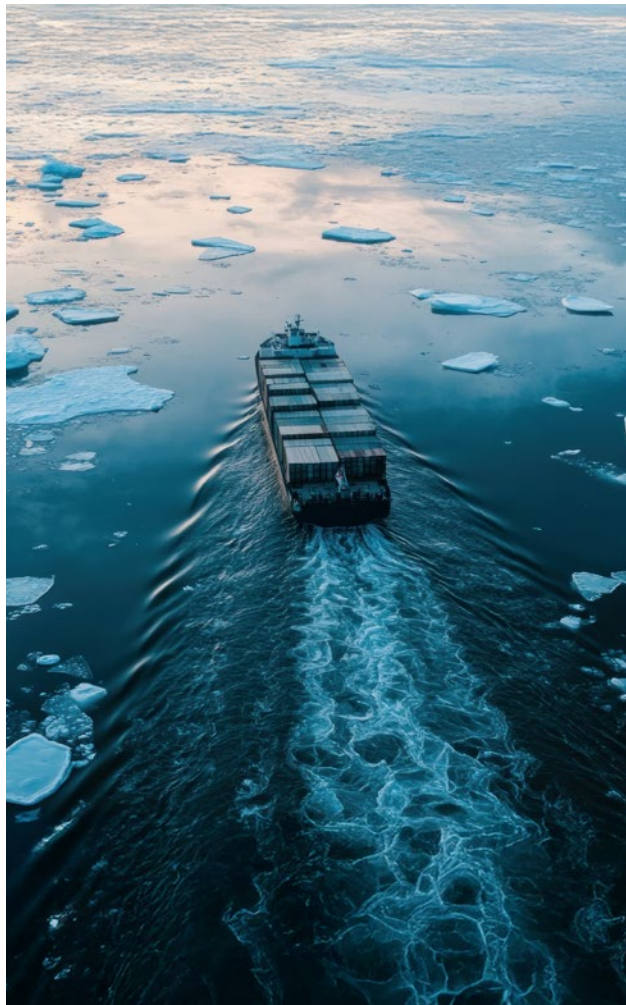
First quarter

Order intake increased by 57 percent to 497 MSEK (317). Excluding currency effects and acquisitions, order intake increased by 32 percent. Net sales increased by 21 percent to 387 MSEK (321). Excluding currency effects and acquisitions, net sales decreased by 1 percent. Book-to-bill amounted to 1.28. Operating profit before depreciation and amortization increased to 89.0 MSEK (74.5). Amortization and depreciation excluding excess values amounted to 24.7 MSEK (21.1). EBITA increased to 64.3 MSEK (53.4), corresponding to an EBITA margin of 16.6 percent (16.7).



Beijer Electronics

BUSINESS ENTITY



In the first quarter of 2026, activity levels increased noticeably among Beijer Electronics' customers in the marine segment. Demand also grew within applications for particularly demanding environments, where charging infrastructure players represent an important customer category. Another growing niche is operator panels for data center equipment, where the AI boom continues to drive significant investments, primarily in the US. Beijer Electronics' web-based operator panel, WebIQ, is also seeing strong interest within this customer segment. For the first quarter of 2026, the business entity's order intake increased to 282 MSEK. In fixed exchange rates, the increase amounted to 31 percent.

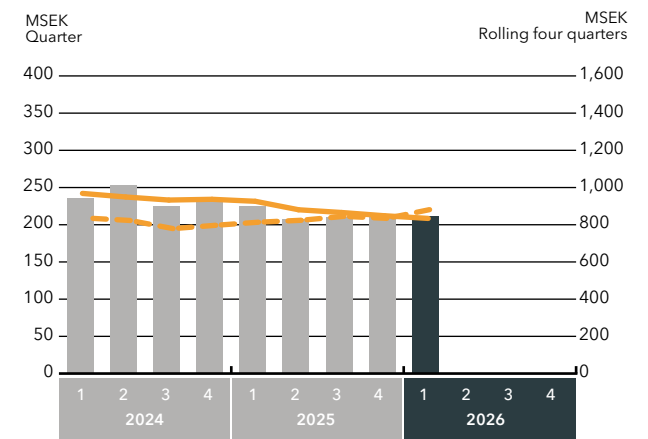
Beijer Electronics' sales decreased slightly to 211 MSEK. However, the comparison is affected by SEK 9 million in sales recorded in the first quarter of 2025, from products that have since been phased out. Adjusted for currency effects, sales increased slightly. The new generation of operator panels, the X3 family, still accounts for a smaller share of sales but is growing rapidly. At the end of the first quarter, more than 200 customers had placed orders for X3, of which one fifth were new customers for the business entity.

Following the market launch of the new generation of operator panels in 2025, development expenses have decreased as planned and amounted to 23 MSEK for the quarter, corresponding to 11.1 percent of Beijer Electronics' sales. Ongoing development efforts are focused both on software and on new complementary members of the X3 family. During the period, X3 extreme ultra was launched, an operator panel adapted to military standards. The business entity has customers within the defense sector in both Europe and the US, and the launch strengthens Beijer Electronics' competitiveness in this area.

“Activity levels increased noticeably among Beijer Electronics' customers in the marine segment, while demand also grew in fast-growing niches such as data centers and charging infrastructure.”

Jenny Sjö Dahl, President and CEO

Net sales, Beijer Electronics



The bars and left-hand scale indicate quarterly net sales. The solid curve and right-hand scale show rolling four-quarter net sales, the dashed curve shows rolling four-quarter order intake.

First quarter

Order intake increased by 20 percent to 282 MSEK (235). Excluding currency effects, order intake increased by 31 percent. Net sales decreased by 6 percent to 211 MSEK (226). However, the comparison is affected by 9 MSEK in sales of products that have since been phased out during the comparison period. Excluding currency effects, net sales increased by 2 percent. Book-to-bill amounted to 1.33. Operating profit before depreciation and amortization increased to 47.3 MSEK (36.4). Amortization and depreciation excluding excess values amounted to 23.1 MSEK (20.6). EBITA increased to 24.1 MSEK (15.8), corresponding to an EBITA margin of 11.4 percent (7.0).



Other financial information

Group investments, including capitalized development expenditures, amounted to 40 MSEK (60) in the first quarter of 2026, of which 14 MSEK in the comparison period relates to an additional purchase price. Cash flow from operating activities amounted to 43 MSEK (46). Equity amounted to 1,692 MSEK (1,287) as of 31 March, strengthened by the share issue carried out in 2025. The equity ratio was 50.5 percent (48.5). Cash and cash equivalents amounted to 162 MSEK (141). Net debt was 714 MSEK (707). The average number of employees was 848 (814).

LTI program

In accordance with the resolution of the Annual General Meeting in 2025, a share based incentive program, LTI 2025/2028, has been implemented. The estimated number of shares under the LTI 2025/2028 program - taking into account the Company's existing holdings of Class C shares issued in connection with previous similar LTI programs but not required to meet the Company's obligations under those programs - implies that the Parent Company, in line with the approved program, intends to issue 59,000 Class C shares during the first half of 2026.

Significant events

In the first quarter, Ependion extended the Group's existing financing agreement. The extension means that the financing now runs until 22 October 2028 and also includes an option for an additional one year extension.

Financial reporting

In connection with the publication of the report for the first quarter of 2026, the Group changed its primary operating profit measure from EBIT to EBITA. The new operating profit measure, EBITA, excludes amortization and depreciation of excess values arising from acquisitions but includes amortization of other intangible assets such as capitalized development expenditures. A more detailed description of the change is provided in Note 9.

Financial targets

The Group's financial targets are not revised as a result of the change in reporting, and profitability is henceforth measured using the EBITA margin.

The Group's financial targets consist of three objectives relating to growth, profitability, and dividends. The growth target entails annual organic growth of at least 10 percent, with additional growth from acquisitions. The profitability target is for the Group to achieve an EBITA margin of at least 15 percent. The Group aims to be a dividend paying company.

Outlook for 2026

Ependion operates in attractive markets with solid underlying growth and has good medium term prospects for achieving both its growth and profitability targets. Investments in critical infrastructure such as railway, maritime transport and energy are increasing. The Group balances cost discipline with strategic forward looking investments focused on value creation. In the short term, geopolitical and economic uncertainty persists, but we are cautiously optimistic regarding 2026.

This report has not been subject to review by the Company's auditors.

Malmö, 28 April 2026
Jenny Sjö Dahl
President and CEO

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The Group's Financial Reports

Consolidated Income Statement in summary

SEK 000	Quarter 1 2026	Quarter 1 2025	Full year 2025
Net sales	597,309	545,056	2,231,753
Cost of goods sold	-275,663	-249,115	-1,038,727
Gross profit	321,646	295,941	1,193,026
Sales expenses	-94,347	-84,403	-346,426
Administration expenses	-84,129	-88,922	-326,294
Research and development expenses	-71,067	-61,630	-259,899
Other operating revenue and operating expenses	2,724	-8,295	-9,346
EBITA	74,827	52,691	251,060
Amortization and depreciation of excess values	-7,981	-3,531	-18,988
EBIT	66,846	49,159	232,073
Financial income/expense	-12,527	-4,608	-38,238
Profit before tax	54,319	44,551	193,835
Tax	-13,795	-12,540	-47,094
Profit for the period	40,524	32,011	146,741
<i>Basic earnings per share, SEK</i>	1.26	1.10	4.73
<i>Diluted earnings per share, SEK</i>	1.25	1.09	4.70

Statement of Comprehensive Income

SEK 000	Quarter 1 2026	Quarter 1 2025	Full year 2025
Profit for the period	40,524	32,011	146,741
Actuarial gains and losses	-1,839	7,205	11,108
Net investment hedge effects	-2,987	13,111	12,684
Change in fair value of equity instruments	855	-2,288	-8,693
Translation differences	26,717	-96,886	-132,338
Comprehensive income for the period	63,270	-46,847	29,502

Consolidated Balance Sheet in summary

SEK 000	2026-03-31	2025-03-31	2025-12-31
ASSETS			
Fixed assets			
Intangible assets	1,915,549	1,332,290	1,901,477
Property, plant and equipment	101,129	102,695	102,038
Right-of-use assets	125,668	135,555	112,601
Financial fixed assets	137,062	107,214	135,279
Total fixed assets	2,279,408	1,677,754	2,251,395
Current assets			
Inventories	403,037	376,698	371,540
Accounts receivable	427,024	386,297	376,800
Other receivables	80,849	72,117	66,550
Cash and cash equivalents	162,433	140,664	159,563
Total current assets	1,073,343	975,776	974,453
Total assets	3,352,751	2,653,530	3,225,848

SEK 000	2026-03-31	2025-03-31	2025-12-31
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent	1,691,562	1,287,113	1,626,732
Total equity	1,691,562	1,287,113	1,626,732
Long-term liabilities			
Borrowings	408,636	348,248	415,984
Lease liabilities	79,074	89,024	68,803
Other long-term liabilities	343,284	188,597	336,858
Deferred tax liabilities	172,267	106,826	173,032
Total long-term liabilities	1,003,261	732,695	994,677
Current liabilities			
Borrowings	183,235	211,579	167,547
Lease liabilities	48,322	47,315	45,595
Accounts payable	195,820	158,302	164,155
Other liabilities	230,551	216,526	227,142
Total current liabilities	657,928	633,722	604,439
Total equity and liabilities	3,352,751	2,653,530	3,225,848

Consolidated Statement of Changes in Equity and Number of Shares

SEK 000	2026-03-31	2025-03-31	2025-12-31
<i>Attributable to equity holders of the parent</i>			
Opening balance, 1 January	1,626,732	1,331,895	1,331,895
New share issue after deducting for transaction expenses	-	-	291,211*
Re-purchase of treasury shares	-	-	-18
Sale of treasury shares	-	-	4,866
Dividend	-	-	-36,312
Share-based payment	1,560	2,065	5,588
Comprehensive income	63,270	-46,847	29,502
Closing balance, shareholders' equity	1,691,562	1,287,113	1,626,732

*A share issue of SEK 300 million was carried out to finance a business acquisition, with associated transaction costs of SEK 8.6 million. In addition, a share issue under the LTI program was completed in the amount of SEK 18 thousand, with related issuance costs of SEK 218 thousand.

The number of ordinary shares amounts to 32,152,255 and the number of Class C shares amounts to 158,581.

Consolidated Cash Flow Statement in summary

SEK 000	Quarter 1 2026	Quarter 1 2025	Full year 2025
Cash flow from operating activities before changes in working capital	104,860	99,082	362,342
Changes in working capital	-62,152	-53,563	12,206
Cash flow from operating activities	42,708	45,519	374,548
Cash flow from investments in tangible and intangible assets	-40,032	-45,633	-180,068
Cash flow from acquisition of subsidiary and investment in other companies	-	-14,351	-434,383
Cash flow from other investing activities	7	49	772
Cash flow from investing activities	-40,025	-59,935	-613,679
Cash flow from new share issue	-	-	291,211
Cash flow from interest-bearing liabilities*	-7,913	9,966	-1,318
Dividend paid	-	-	-36,312
Cash flow from other financing activities	-	-6,719	4,847
Cash flow from financing activities	-7,913	3,247	258,428
Cash flow for the period	-5,230	-11,169	19,297
Cash and cash equivalents at beginning of period	159,563	178,053	178,053
Exchange difference in cash and cash equivalents	8,100	-26,220	-37,787
Cash and cash equivalents at end of period	162,433	140,664	159,563
Free cash flow	-9,026	-12,248	148,090
<i>*of which amortization of lease liabilities</i>	-11,709	-12,183	-47,162

Notes to the financial statements in summary

Note 1

General information

Ependion AB (the "Company"), Corp. Id. No. 556025-1851, is a company with its registered office in Malmö, Sweden. This consolidated interim report for the Group (the "Interim Report") for the period January–March 2026 includes the Company and its subsidiaries, referred to jointly below as Ependion. The Group's consolidated accounting currency is SEK. All amounts are presented in thousands of SEK (SEK 000), unless otherwise stated.

Note 2

Accounting principles

Ependion's consolidated accounts are prepared in accordance with IFRS® Accounting Standards and with the same accounting principles as described in the Financial Statement for 2025.

Reporting for the Parent follows the Swedish Annual Accounts Act and RFR 2 Reporting for Legal Entities.

Ependion's Interim Report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. Disclosures in accordance with IAS 34.16A are provided not only in the financial statements and related notes but also in other parts of the Interim Report. The Interim Report for the parent company has been prepared in accordance with the Swedish Annual Accounts Act's chapter 9, Interim Reporting.

Related party transactions have taken place to the same extent as in the previous year and the accounting policies described in the Financial Statement for 2025 apply.

Ependion uses a number of financial key ratios that are not defined in the accounting regulations used by the company, so-called alternative performance measures (APM). For definitions of financial key figures, see pages 22 of this report.

Note 3

Risks and uncertainties

Ependion is an international group and as such, it is exposed to several strategic, business, compliance and financial risks. Risk management is therefore an important process relative to the goals set by the Group. Throughout the Group, efficient risk management routines are an ongoing process within the framework of the Group's operational management and a natural part of the continual follow-up of activities.

Risk management within Ependion starts with an assessment in the business entity teams where the material risks to the business are continuously identified, followed by an assessment of the likelihood of the risks materializing and their potential impact on the Group. Once the material risks have been identified and assessed, decisions are made on activities to eliminate or reduce the risks.

In addition to the risks and uncertainties described in Ependion's Annual Report for 2025, pages 52-54 and 156-157, the ongoing risk management has not resulted in additional risks or uncertainties.

Note 4

Consolidated Key Financial Ratios

SEK 000	Mar 31, 2026	Mar 31, 2025	Dec 31, 2025
Gross margin, %	53.8	54.3	53.5
EBITA margin, %	12.5	9.7	11.2
EBIT margin, %	11.2	9.0	10.4
Profit margin, %	6.8	5.9	6.6
Equity ratio, %	50.5	48.5	50.4
Equity per share before dilution, SEK	52.6	44.3	52.5
Basic earnings per share, SEK	1.26	1.10	4.73
Diluted earnings per share, SEK	1.25	1.09	4.70
Return on equity after tax, %	10.4	10.8	9.9
Return on capital employed, %	10.7	10.9	10.1
Return on net operating assets, %	13.9	14.4	13.0
Financial net debt in relation to EBITDA	1.2	1.4	1.2
Average number of employees	848	814	846

Note 5

Reconciliation of Consolidated Net Debt

SEK 000	Mar 31, 2026	Mar 31, 2025	Dec 31, 2025
Borrowings	591,871	559,827	583,531
Pension provisions	157,140	151,389	153,530
Liabilities attributable to right-of-use assets	127,396	136,340	114,398
Total interest-bearing liabilities	876,407	847,556	851,459
Total cash and cash equivalents	162,433	140,664	159,563
Net debt	713,974	706,892	691,896

Note 6

Financial assets valued at fair value

The Group's financial assets, in the form of long-term securities holdings for unlisted shares, are reported at fair value under level 3, i.e., determined based on inputs that are not observable in the market.

The fair value valuation is done by discounting future cash flows with a discount rate based on comparable yield requirements for comparable companies and financial instruments. The table below presents a reconciliation between the opening and closing balance of the assets included in level 3.

SEK 000	Mar 31, 2026	Mar 31, 2025	Dec 31, 2025
Unlisted shares			
Opening balance	74,820	46,389	46,389
Investments	-	-	38,182
Reported in other comprehensive income	1,077	-2,882	-9,751
Closing balance	75,897	43,507	74,820

The Group's financial liabilities, in the form of long-term contingent consideration, are measured at fair value under Level 3, i.e., determined based on inputs that are not observable in the market.

The contingent consideration has been discounted using a discount rate assessed to be at market terms.

SEK 000	Mar 31, 2026	Mar 31, 2025	Dec 31, 2025
Contingent consideration			
Opening balance	152,696	-	14,358
Additions from acquisitions	-	-	149,865
Payments of consideration	-	-	-14,358
Interest expense	1,438	-	3,398
Foreign exchange differences	1,798	-	-567
Closing balance	155,932	-	152,696

Note 7

Allocation of Net Sales

SEK 000	Quarter 1 2026	Quarter 1 2025	Full year 2025
Net sales by geographical market			
Nordics	111,645	117,730	431,139
Rest of Europe	321,204	237,709	1,086,898
Americas	61,605	78,475	273,416
Asia	99,914	109,917	426,344
Rest of world	2,941	1,225	13,956
Total Group	597,309	545,056	2,231,753
Net sales by segment			
Train	101,684	103,609	437,086
Trackside	52,519	32,062	148,333
Energy	140,548	120,594	480,685
Manufacturing	108,977	87,465	401,564
Marine	78,031	76,810	304,605
Other	115,550	124,516	459,480
Total Group	597,309	545,056	2,231,753

SEK 000	Quarter 1 2026	Quarter 1 2025	Full year 2025
Net sales by category			
THE GROUP			
Operator panels and accessories	170,765	183,556	687,446
Network equipment	327,566	271,435	1,182,368
Edge computing	29,063	-	63,065
Software	8,949	7,332	32,361
Servicing and other services	15,050	15,358	54,198
Third-party products	45,916	67,375	212,315
Total	597,309	545,056	2,231,753
WESTERMO			
Network equipment	318,538	260,121	1,129,456
Edge computing	29,063	-	63,065
Software	1,933	1,302	9,670
Servicing and other services	12,101	15,105	47,588
Third-party products	25,602	44,216	127,883
Intercompany sales	168	54	377
Total	387,405	320,798	1,378,039
BEIJER			
Operator panels and accessories	170,765	183,556	687,446
Network equipment	9,028	11,314	52,912
Software	7,016	6,030	22,691
Servicing and other services	2,949	253	6,610
Third-party products	20,314	23,159	84,432
Intercompany sales	1,346	1,395	3,902
Total	211,418	225,707	857,993

Note 8

Operating Segments

SEK 000	Quarter 1 2026	Quarter 1 2025	Full year 2025	SEK 000	Quarter 1 2026	Quarter 1 2025	Full year 2025
TOTAL GROUP				BEIJER ELECTRONICS			
Order intake	778,189	550,634	2,253,351	Order intake	282,213	235,415	844,053
<i>of which acquired order intake (%)</i>	12.9		6.9	Net sales	211,418	225,707	857,993
Net sales	597,309	545,056	2,231,753	EBITDA	47,272	36,395	164,804
<i>of which acquired net sales (%)</i>	13.9		7.1	Depreciation	-23,132	-20,597	-83,956
EBITDA	125,128	96,743	432,549	EBITA	24,140	15,798	80,847
Depreciation	-50,301	-44,052	-181,489	EBITA margin, %	11.4	7.0	9.4
EBITA	74,827	52,691	251,060	Investments in intangible and tangible assets	18,823	19,693	82,396
EBITA margin, %	12.5	9.7	11.2	<i>of which capitalized development expenditure</i>	17,125	18,368	75,437
Investments in intangible and tangible assets	40,032	45,633	180,570	Product development expenditure, %	,11.1,	,11.2,	,11.8,
<i>of which capitalized development expenditure</i>	36,001	37,999	154,918	Backlog	189,838	142,874	114,609
Product development expenditure, %	12.5	13.5	13.7				
Backlog	1,289,200	978,207	1,089,122	PARENT COMPANY AND GROUP ADJUSTMENT			
				Order intake (elimination)	-1,513	-1,449	-4,279
WESTERMO				Net sales (elimination)	-1,513	-1,449	-4,279
Order intake	497,489	316,668	1,413,577	EBITDA	-11,148	-14,175	-41,243
<i>of which acquired order intake (%)</i>	20.2		11.4	Depreciation	-2,447	-2,365	-9,684
Net sales	387,405	320,798	1,378,039	EBITA	-13,595	-16,539	-50,927
<i>of which acquired net sales (%)</i>	21.6		11.9	Investments in intangible and tangible assets	15	2,300	2,758
EBITDA	89,004	74,523	308,989				
Depreciation	-24,722	-21,091	-87,849				
EBITA	64,282	53,432	221,140				
EBITA margin, %	16.6	16.7	16.0				
Investments in intangible and tangible assets	21,194	23,640	95,415				
<i>of which capitalized development expenditure</i>	18,876	19,631	79,481				
Product development expenditure, %	13.1	14.7	14.7				
Backlog	1,099,362	835,333	974,513				

Note 9

Historical quarterly data for operating segments, including EBITA

SEK 000	Full year 2025	Quarter 4 2025	Quarter 3 2025	Quarter 2 2025	Quarter 1 2025	Full year 2024	Quarter 4 2024	Quarter 3 2024	Quarter 2 2024	Quarter 1 2024	Full year 2023	Quarter 4 2023	Quarter 3 2023	Quarter 2 2023	Quarter 1 2023	
THE GROUP																
Net sales	2,231,753	582,355	543,586	560,756	545,056	2,258,125	578,217	493,033	588,355	598,521	2,470,647	589,731	619,334	638,407	623,174	
EBITDA	432,549	116,220	110,764	108,822	96,743	427,473	109,792	96,856	103,737	117,087	473,955	99,462	128,143	123,204	123,146	
Amortization and depreciation excluding excess values	-181,489	-49,505	-44,240	-43,692	-44,052	-161,605	-40,501	-42,259	-39,934	-38,911	-138,911	-34,613	-35,532	-34,060	-34,706	
EBITA	251,060	66,715	66,524	65,131	52,691	265,868	69,292	54,598	63,802	78,176	335,044	64,848	92,611	89,145	88,440	
EBITA %	11.2	11.5	12.2	11.6	9.7	11.8	12.0	11.1	10.8	13.1	13.6	11.0	15.0	14.0	14.2	
Amortization and depreciation excluding excess values	-18,988	-8,392	-3,563	-3,501	-3,531	-14,961	-3,790	-3,763	-3,726	-3,682	-13,360	-3,374	-3,442	-3,324	-3,221	
EBIT	232,073	58,324	62,960	61,629	49,159	250,907	65,502	50,834	60,077	74,494	321,684	61,474	89,170	85,821	85,219	
EBIT %	10.4	10.0	11.6	11.0	9.0	11.1	11.3	10.3	10.2	12.4	13.0	10.4	14.4	13.4	13.7	
WESTERMO																
Net sales	1,378,039	368,617	334,379	354,245	320,798	1,316,635	347,219	269,203	336,453	363,761	1,443,994	361,919	379,541	367,501	335,033	
EBITDA	308,989	83,963	72,870	77,633	74,523	288,734	83,106	60,824	67,048	77,755	316,930	74,894	87,182	80,498	74,356	
Amortization and depreciation excluding excess values	-87,849	-23,459	-22,235	-21,064	-21,091	-77,287	-18,330	-20,254	-19,467	-19,236	-66,674	-15,998	-17,240	-16,909	-16,527	
EBITA	221,140	60,504	50,635	56,570	53,432	211,447	64,776	40,571	47,581	58,519	250,255	58,896	69,941	63,590	57,829	
EBITA %	16.0	16.4	15.1	16.0	16.7	16.1	18.7	15.1	14.1	16.1	17.3	16.3	18.4	17.3	17.3	
Amortization and depreciation excluding excess values	-16,692	-7,825	-2,981	-2,932	-2,954	-12,573	-3,184	-3,166	-3,129	-3,093	-12,534	-3,169	-3,234	-3,115	-3,017	
EBIT	204,448	52,679	47,653	53,638	50,478	198,874	61,592	37,404	44,452	55,426	237,722	55,726	66,707	60,475	54,812	
EBIT %	14.8	14.3	14.3	15.1	15.7	15.1	17.7	13.9	13.2	15.2	16.5	15.4	17.6	16.5	16.4	
BEIJER ELECTRONICS																
Net sales	857,993	214,737	209,894	207,656	225,707	946,320	232,285	224,615	253,028	236,392	1,032,867	228,261	241,109	272,143	291,354	
EBITDA	164,804	42,544	45,924	39,941	36,395	182,861	39,742	45,894	48,021	49,204	198,565	35,432	46,869	56,053	60,211	
Amortization and depreciation excluding excess values	-83,956	-23,542	-19,611	-20,206	-20,597	-74,462	-19,888	-19,503	-17,835	-17,236	-63,992	-16,305	-15,984	-15,702	-16,001	
EBITA	80,847	19,001	26,313	19,735	15,798	108,398	19,854	26,391	30,186	31,968	134,573	19,127	30,883	40,351	44,210	
EBITA %	9.4	8.8	12.5	9.5	7.0	11.5	8.5	11.7	11.9	13.5	13.0	8.4	12.8	14.8	15.2	
Amortization and depreciation excluding excess values	-2,296	-567	-582	-569	-577	-2,388	-606	-597	-597	-589	-826	-205	-208	-209	-204	
EBIT	78,552	18,434	25,732	19,165	15,220	106,010	19,248	25,794	29,589	31,379	133,746	18,923	30,676	40,141	44,006	
EBIT %	9.2	8.6	12.3	9.2	6.7	11.2	8.3	11.5	11.7	13.3	12.9	8.3	12.7	14.8	15.1	
PARENT COMPANY AND GROUP ADJUSTMENT																
Net sales	-4,279	-998	-688	-1,144	-1,449	-4,830	-1,287	-785	-1,126	-1,632	-6,214	-449	-1,316	-1,236	-3,213	
EBITDA	-41,243	-10,287	-8,030	-8,752	-14,175	-44,122	-13,056	-9,862	-11,333	-9,872	-41,540	-10,864	-5,908	-13,347	-11,420	
Amortization and depreciation excluding excess values	-9,684	-2,504	-2,394	-2,422	-2,364	-9,856	-2,283	-2,502	-2,632	-2,439	-8,245	-2,310	-2,308	-1,449	-2,178	
EBITA	-50,927	-12,790	-10,424	-11,174	-16,539	-53,977	-15,338	-12,364	-13,965	-12,311	-49,784	-13,175	-8,213	-14,796	-13,599	
Amortization and depreciation excluding excess values	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EBIT	-50,927	-12,790	-10,424	-11,174	-16,539	-53,977	-15,338	-12,364	-13,965	-12,311	-49,784	-13,175	-8,213	-14,796	-13,599	

Parent Company Financial Reports

Parent Company Income Statement in summary

SEK 000	Quarter 1 2026	Quarter 1 2025	Full year 2025
Income Statement			
Net sales	10,537	10,079,	40,314
Administration expenses	-23,423	-24,898	-87,090
Operating profit	-12,886	-14,819	-46,776
Financial income/expense	6,054	-12,542	38,093*
Profit before tax	-6,832	-27,361	-8,683
Appropriations	-	-	70,576
Tax	2,693	4,375	-2,111
Profit for the period	-4,139	-22,986	59,782

*Includes received dividend from subsidiary of 57 MSEK.

Parent Company Balance Sheet in summary

SEK 000	Mar 31, 2026	Mar 31, 2025	Dec 31, 2025
ASSETS			
Fixed assets			
Intangible and tangible assets	9,303	11,545	10,019
Other financial assets	1,580,978	1,189,320	1,567,318
Total fixed assets	1,590,281	1,200,865	1,577,337
Current assets			
Receivables from group companies	63,363	59,978	129,084
Other receivables	21,521	18,608	20,979
Cash and cash equivalents	-	66	-
Total current assets	84,884	78,652	150,063
Total assets	1,675,165	1,279,517	1,727,400
EQUITY AND LIABILITIES			
Equity			
Restricted equity	15,468	16,007	15,468
Non-restricted equity	663,909	319,096	666,231
Total equity	679,377	335,103	681,699
Current liabilities			
Liabilities to credit institutions	408,636	348,248	415,984
Provisions	23,154	23,708	23,049
Liabilities to Group companies	392,230	364,960	452,032
Total long-term liabilities	824,020	736,916	891,065
Current liabilities			
Liabilities to credit institutions	150,157	181,106	135,024
Other liabilities	21,611	26,392	19,612
Total current liabilities	171,768	207,498	154,636
Total equity and liabilities	1,675,165	1,279,517	1,727,400

Financial definitions

Ependion presents a number of financial measures in Annual and Interim Reports that are not defined according to IFRS, but are consistent with how investors and the company's management measure the company's financial performance. Ependion considers that these metrics offer valuable additional information to investors and the company's management as they enable evaluation of trends and the company's performance. These alternative performance measures should not be viewed as a substitute for financial information presented in accordance with IFRS, but rather as a complement. The supplementary alternative performance measures stated in this report may differ in their computation methods from similar measures used by other companies. Reconciliations of alternative performance measures can be found on Ependion's website: <https://www.ependion.com/en/investors/alternative-performance-measures>

Average

Average values are calculated as the mean value in the relevant reporting period and corresponding item in the comparative period 12 months earlier.

Average number of employees

Average number of employees during the year based on working hours. Excludes contracted staff.

Basic earnings per share

Net income after tax, attributable to the parent company's shareholders, in relation to the weighted number of outstanding shares.

Capital employed

Equity plus interest-bearing liabilities.

Earnings per share after dilution

Earnings per share after dilution is calculated by adjusting the weighted average number of shares by the estimated number of shares from incentive programs. Incentive programs are included in the dilution calculation from the end of each program.

EBIT

Net sales less operating expenses.

EBITA

EBIT excluding amortization and depreciation of excess values.

EBITA margin

EBITA in relation to net sales.

EBITDA

EBIT excluding depreciation and amortization on tangible assets (including right-of-use assets) and intangible assets.

EBIT margin

EBIT in relation to net sales.

Equity ratio

Equity in relation to total assets.

Equity per share before dilution

Equity attributable to the parent company's shareholders divided by the number of shares.

Financial net debt in relation to EBITDA

Interest-bearing liabilities, excluding net provisions for pensions, less cash and cash equivalents and investments in securities, divided by rolling 12-month EBITDA, adjusted for restructuring costs and acquired EBITDA.

Free cash flow

Cash flow from operating activities, cash flow from investing activities excluding cash flow from acquisitions of subsidiaries and investments in other companies, as well as amortization of lease liability.

Net debt

Interest-bearing liabilities less cash and cash equivalents and short-term investments.

Net operating assets

Equity plus interest-bearing liabilities less financial assets.

Operative cash flow

Cash flow from operating activities.

Order backlog

The total value of customer orders received by the Group that have not yet been delivered.

Order intake

Net sales less the difference between opening and closing order backlog.

Product development expenditure

Expenditure related to product development work, such as personnel costs, external consultancy fees, and other external costs. This also includes expenses that are capitalized as assets in the balance sheet.

Product development expenditure in relation to net sales

Product development expenditure in relation to net sales.

Profit margin

Profit after tax in relation to net sales.

Return on capital employed

Profit before tax plus financial expenses for the last 12 months in relation to average capital employed.

Return on equity after tax

Profit after tax for the last 12 months in relation to average equity.

Return on operating capital

EBIT for the last 12 months in relation to average operating capital.

Working capital

Current assets less current liabilities.

Ependion AB

Ependion AB is an expansive global technology group delivering digital solutions for secure control, management, visualization and data communication for industrial applications in environments where reliability and high quality are critical factors. The Group's customers include some of the world's leading companies. Ependion consists of independent business entities with total sales of 2.2 billion SEK in 2025 and approximately 1,000 employees. The company is listed on Nasdaq Stockholm Main Market's Mid Cap-list under the ticker EPEN.

More Information

You can subscribe for financial information on Ependion via e-mail. Subscribe easily at our website, www.ependion.com. If you have any questions about Ependion, please call +46 (0)40 35 84 00, or send an email: info@ependion.com.

Financial Calendar

12 May 2026	Annual General Meeting
15 July 2026	Six-month Interim Report
23 October 2026	Nine-month Interim Report