



Empowering defence.



w5solutions.com

YEAR-END REPORT
January – December **2024**

W5 Solutions aims to become the leading global provider of sustainable defence technology

We develop and deliver cutting-edge solutions that strengthen both our own forces and those of our allies. Our solutions in Training, Power and Integration are designed with a focus on sustainability and innovation, making us a reliable partner for defence and security agencies worldwide.

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Summary of the Period

Financial summary

| SEK million | 2024 | | 2023 | |
|-------------------------------------|-----------|-----------|-----------|-----------|
| | Oct - Dec | Oct - Dec | Jan - Dec | Jan - Dec |
| Net Sales | 131 | 128 | 391 | 387 |
| EBITDA | 20 | 12 | 28 | 59 |
| EBITDA Margin (%) | 15.5 | 9.6 | 7.3 | 15.2 |
| Adjusted EBITDA | 10 | 12 | 14 | 59 |
| Adjusted EBITDA Margin (%) | 7.6 | 9.6 | 3.6 | 15.2 |
| EBIT | 10 | -5 | -6 | 14 |
| EBIT Margin (%) | 7.3 | -4.1 | -1.6 | 3.7 |
| Adjusted EBIT | 3 | -1 | -17 | 18 |
| Adjusted EBIT Margin (%) | 2.2 | -0.9 | -4.3 | 4.8 |
| Net profit for the period | -1 | -6 | -19 | 8 |
| Earnings per share SEK | -0.06 | -0.41 | -1.25 | 0.55 |
| Cash flow from operating activities | 23 | 23 | 13 | 54 |
| Orders received | 171 | 82 | 499 | 248 |
| Order book | 310 | 199 | 310 | 199 |

* The Group has adopted IFRS (R) Accounting Standards, and this is the first report prepared in accordance with the new standard. All figures have been restated unless otherwise stated.

October – December 2024

- **Net Sales** for the quarter amounted to SEK 131 (128) million, an increase with 2 percent.
- **EBIT**, for the quarter amounted to SEK 10 (-5) million an increase of SEK 15 million
- **Cash flow** from operating activities amounted to SEK 23 (23) million.
- **Orders received** during the period amounted to SEK 171 (82) million with an order book at the end of the period of SEK 310 (199) million.

January – December 2024

- **Net Sales** for the period amounted to SEK 391 (387) million, an increase with 1 percent.
- **EBIT**, for the period amounted to SEK -6 (14) million a decrease of SEK 20 million.
- **Cash flow** from operating activities amounted to SEK 13 (54) million.
- **Orders received** during the period amounted to SEK 499 (248) million with an order book at the end of the period of SEK 310 (199) million.

- The figures in brackets, refers to the corresponding period of the previous year.
- The performance metric EBITDA refers to profit/loss before financial items, tax, depreciation, and amortisation.
- The performance metric EBIT refers to profit/loss before financial items and tax.

Significant events during fourth quarter 2024

- On 20 December, W5 Solutions, through its business area Integration, secured an order worth approximately SEK 80 million for advanced shelter solutions in a land-based deployable defence system.

Other important events during the fourth quarter

- On 6 December, W5 Solutions secured a framework agreement worth up to SEK 43 million from a European OEM to develop advanced batteries and chargers for live fire training systems.
- On 13 December, due to an impending reorganisation within the W5 Group, the sellers of ArcQor AB agreed to adjust the calculation of the earn-out.

Significant events after the end of the period

- On 13 January, W5 Solutions' board resolved on a directed share issue of up to SEK 36.1 million to existing shareholders at a subscription price of SEK 44.16 per share, including a SEK 1 premium.

For more information, see the individual press release on W5 Solutions website.

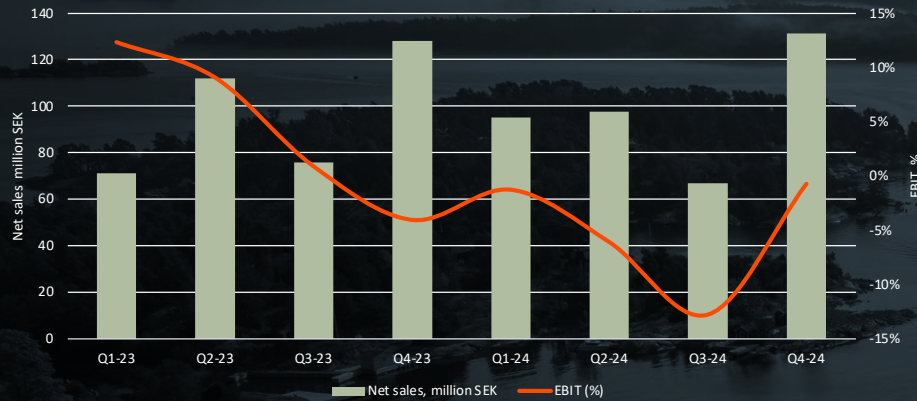


Quarterly overview for the group

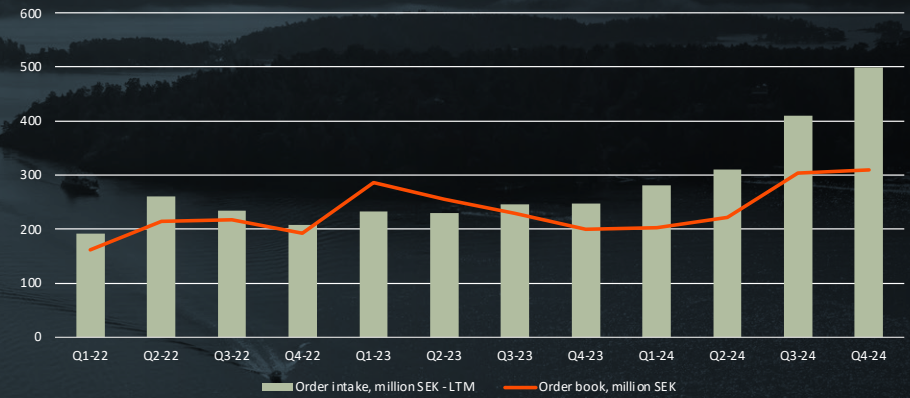
| SEK million | 2024 | | | | 2023 | | | |
|---|-----------|------------|-----------|-----------|-----------|----------|-----------|----------|
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| Operating income | | | | | | | | |
| Net sales | 131 | 67 | 98 | 95 | 128 | 76 | 112 | 71 |
| Other operating income | 20 | 5 | 1 | 1 | 2 | 0 | 1 | 0 |
| Operating expenses | | | | | | | | |
| Capitalised development expenses | 1 | 1 | 1 | 2 | 1 | 3 | 1 | 0 |
| Raw materials and consumables | -64 | -26 | -37 | -41 | -57 | -31 | -44 | -30 |
| Other external expenses | -18 | -13 | -17 | -15 | -23 | -16 | -16 | -10 |
| Personnel expenses | -40 | -33 | -43 | -35 | -37 | -22 | -29 | -19 |
| Depreciation/amortisation of fixed assets | -11 | -8 | -8 | -8 | -17 | -8 | -15 | -4 |
| Other operating expenses | -9 | 0 | 0 | 0 | -2 | 0 | 0 | 0 |
| Operating profit | 9 | -9 | -6 | -1 | -5 | 1 | 10 | 9 |
| Profit from financial items | | | | | | | | |
| Finance net | -11 | -2 | -1 | -3 | -1 | 0 | 0 | 0 |
| Profit after financial items | -1 | -10 | -7 | -4 | -6 | 0 | 10 | 9 |
| Taxes | 0 | 2 | 3 | -1 | 0 | 0 | -2 | -2 |
| Net profit for the period | -1 | -8 | -4 | -5 | -6 | 0 | 7 | 6 |

Financial Development during the Fourth Quarter

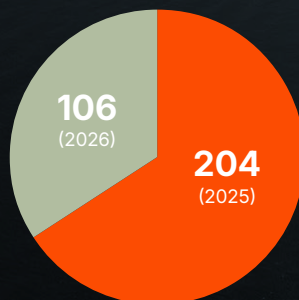
Net sales and EBIT per quarter



Orders received LTM and order book



Order book per year, million SEK



Comments by CEO Evelina Hedskog

This year, we made necessary changes to strengthen our position and create a solid platform for sustainable and profitable growth. Positive trends already reflect our progress.

Positive indicators

As we close the fourth quarter and put Q4 behind us, we can proudly state that the year has been one of change and progress for W5. Although the profitability will not go down in history as W5's best, we have implemented a number of changes which have been necessary to create a basis for future profitable and sustainable growth. We knew from the start that it would be a challenging year, and the decision to retain and invest in staff and competence, despite a haltering turnover, has left its mark on the bottom line. It is therefore very welcome to see many of the indicators required to overcome this situation in place during the fourth quarter, where the single most important factor is a very favorable market situation for W5's products and solutions.

Growing order book and steady turnover

Already during the third quarter, the order book took a significant step up to around three hundred million SEK. Despite a record high invoicing in the fourth quarter, we have been able to expand the order book somewhat further during the last months of the year. That the book-to-bill for 2024 is 1.2 is a statement of strength and perhaps the most important key figure for the next business year. If we look at the fourth quarter compared to the same period last year, which is completely comparable in terms of scope of operations, these are more or less in line with each other. Also for the full year, turnover is in line with the previous year, with a slightly lower profit margin, which as previously mentioned is due to high personnel costs in relation to turnover, but also to the product and project mix that characterised the business during the year.

Strengthened cash flow

The profitability issues in 2024, combined with our belief that we must be long-term and retain the highly competent and dedicated co-workers we have, has led to a sometimes strained cash situation. This is also an area where we see a positive change during the fourth quarter as, through reduced capital tied up, we have been able to triple the cash compared to Q3, which together with substantial accounts receivable provides a much better starting point for the new year. In addition to this, we have also been able to carry out a directed share issue outside the period, which now gives us the room for maneuver we need to be able to handle the capital tie-up that larger projects often entail.

Ready for continued growth

The coming year will undoubtedly require a strong focus on organic growth and profitability, but it is also time to restart the acquisition agenda. During 2024, we have done our homework and established the organizational platform required to be able to effectively incorporate further acquisitions into the group; now it's about making the most of this. Looking ahead, we have many important factors in place to take the first steps towards reaching our financial goals, both organically and through acquisitions; that when we close 2027, we will have a turnover of one billion SEK and an EBIT of 10 %. It will be challenging, but we look forward to put in the work required. W5 is ready to take on the task.



Evelina Hedskog
President & CEO, W5 Solutions AB (publ)



“

The coming year will undoubtedly require a strong focus on organic growth and profitability, but it is also time to restart the acquisition agenda.

W5 Solutions in Brief

Vision

The leading global provider of sustainable defence technology

Mission

We deliver cutting-edge solutions to empower own and allied forces

Established

Founded in 2018 with historical roots dating back to the 1940s.

Geographical presence

Headquartered in Stockholm with operations at six locations – four in Sweden, one in Norway, and one in Finland.

Operations

W5 Solutions delivers products and services across three business areas:

Training, Power, and Integration.

Financial Targets for Sustainable Growth

Revenue:

SEK

1 000 m

EBIT:

10 %

W5 Solutions has set ambitious financial targets to drive long-term growth; achieving SEK 1 000 million in revenue and a 10 % EBIT margin by 2027. These goals will be achieved through a combination of organic growth and strategic acquisitions that strengthen market position and complement existing product areas.

Growth with target acquisitions and efficient integration

W5 Solutions prioritises acquiring companies with end customers in the defence sector and a corporate culture aligned with core values. The initial focus is on strengthening presence in the Nordics, followed by targeted growth in the rest of Europe.

With a well-established organisational structure, W5 Solutions is equipped to integrate acquired companies efficiently. This structured approach ensures synergies are realised and enhances the customer offering in a sustainable and strategic manner.

Primary Markets The Nordics and Europe.

Customer segments Defence agencies and OEMs.

Organisation 190 employees based in the Nordics.

Business Areas



Operations is segmented into **three** business areas, encompassing a total of **seven** product areas.

Training

- Live Fire Training Defence & Security
- Live Fire Training Sports & Hunting

Integration

- Shelters
- Systems Integration

Power

- Simulation
- Batteries & Chargers
- Gensets

Comments on Financials

Company information

W5 Solutions AB (publ), Corp ID no. 556973-2034 is a limited liability company with its registered office in Nacka and the parent company of the W5 Group.

Sales and profit

October – December 2024

Net income for the quarter amounted to SEK 131 233 thousand. Corresponding quarter last year amounted to SEK 128 166 thousand. Other operating income amounted to 20 077 thousand (1 707 thousand) and predominantly consists of adjustments related to contingent considerations. The operating result was positively impacted by the adjusted provision for contingent considerations amounting to SEK 10 391 thousand, while being negatively impacted by the impairment of goodwill, totalling SEK 3 739 thousand.

The operating result (EBIT) for the quarter amounted to SEK 9 587 thousand (–5 195), with an EBIT margin of 7.3% (–4.1%).

The adjusted EBIT amounts to SEK 2 943 thousand, corresponding to a margin of 2.2%. In comparison, the figure for the previous year was SEK –1 214 thousand, or –1.0%.

The gross profit, calculated as net sales minus raw materials and consumables, for the quarter amounted to SEK 67 212 thousand (71 210) with a gross profit margin of approximately 51 percent, which is a slight decrease compared to previous quarters.

Net result for the period amounted to SEK –962 thousand (–6 014) and earnings per share amounted to SEK –0.06 (–0.41). Over the course of the preceding quarter, the Group has made amortisation of surplus stemming from acquisitions amounting to SEK –5 546 thousand. This is done in accordance with IFRS. Expenses for the period amounted SEK 58 629 thousand (59 805), an decrease of SEK 1 176 or 2 percent.

Finance net amounts to SEK 10 533 (1 084) the increase is primarily attributable to adjustments in provisions related to the discounted calculation of contingent considerations.

January – December 2024

The group's net income for the fiscal year 2024 amounted to SEK 390 750 thousand (387 006) with EBIT landing on SEK –6 286 thousand (14 418).

Gross profit, calculated as net sales minus raw materials and consumables, for the period amounted to SEK 222 691 thousand (225 584) with a corresponding gross margin of 57 percent – a slight decrease compared to previous year (58.3 %).

The EBIT-margin amounted to –1.6 percent (3.7 %).

Cumulative net profit for the period amounted to SEK –18 795 thousand (8 171) and earnings per share to SEK –1.25 (0.54).

The operating result was positively affected by an adjustment of provisions for contingent considerations by SEK 10 391 thousand and negatively impacted by an impairment of goodwill totalling to SEK 3 739 thousand. In addition, the operating result was positively impacted by a gain from the sale of a property amounting to SEK 4 006 thousand.

The adjusted operating result amounted to SEK –16 933 (18 399) thousand, corresponding to a margin of –4.3% (4.8%).

Over the period, the Group has made amortisation of surplus stemming from acquisitions amounting to SEK –16 812 thousand.

The period has been impacted by restructuring costs related to the new business area structure and the transition to a new accounting framework, totalling approximately SEK 3 000 thousand. These are one-time costs that impact the result.

Cash flow, investments, and financial position

Cash flow and investments

Cash flow from operating activities for the quarter amounted to SEK 22 683 thousand (22 697).

Working capital decreased during the period, contributing SEK 9 705 thousand, positively to cash flow, primarily due to the release of capital previously tied up in ongoing projects.

Total cash flow for the quarter amounted to SEK 12 899 thousand. In addition to above, cash flow was also impacted by investments in fixed assets and amortisation of non-current liabilities.

Cash and financial position

Cash and cash equivalents at the end of the period amounted to SEK 22 809 thousand (35 216). The Group also has a credit facility (bank overdraft facility) of SEK 28 000 thousand (28 000) as well as NOK 5 000 thousand (0). At the end of the reporting period these credit facilities remained unutilised.

The total non-current interest bearing liabilities amounted to SEK 29 861 thousand (25 781) at the end of the reporting period. Current interest bearing liabilities amounted to SEK 42 969 (61 470) thousand by the end of the period.

Provisions

Provisions for estimated contingent considerations are reported under long-term and short-term liabilities.

At the end of the period, these amounted to a total of SEK 42 740 (66 432) thousand. This includes deferred tax liabilities but consists mainly of deferred considerations related to acquisitions made (Earn-outs). Earn-outs are contingent upon meeting certain performance obligations for current and future periods which may or may not be met. They may fall due for payment during the period 2025 to 2028 as shares and/or in cash.

Provisions reflect Group management's best assessment of probable outcomes and are evaluated on a regular basis. Thus, they may be reassessed if indications of a different outcome are deemed more probable.

Other information

Group structure

As of the date of this report, the Group consist of the Parent Company W5 Solutions AB and the 8 wholly owned subsidiaries W5 Sweden AB, W5 Solutions Teleanalys AB, W5 Omnifinity AB, W5 MR Targets AB, W5 Finland Oy, W5 ArcQor AB, W5 Norway AS (formerly Kongsberg Target Systems AS), and W5 Box Modul AB.

In addition, the Group holds a position of 50 percent share in the associate Sytrac AB.

Employees

The average number of employees during the period January–December 2024 was 190. Among them, 47 were women.

Seasonal variations

W5 Solutions sales and profit are affected by seasonal variations. Typically, the Group strongest quarter is Q4, followed by Q2.

As the Group often works with long-term (2 to 3 years) and high-turnover contracts, there can be significant variations in order intake from one quarter to the next. A further consequence of seasonal variation and the payment plans in the various projects being conducted is that cash flow varies between the quarters.

Risk factors

The risk factors listed in the latest 2023 Annual Report, on pages 40 to 42, are still relevant.

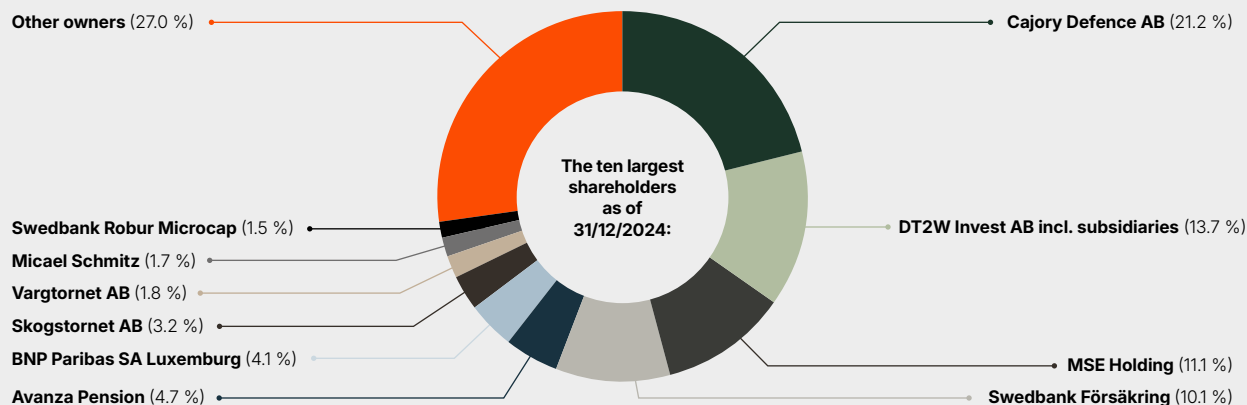
No additional risk has been identified.

Shares and other equity's

The number of shares at the end of the period was 15 145 492. The quota value was SEK 0.05 per share. All shares are of the same class and have the same voting rights.

In total, the Company has 4 831 owners at the end of December 2024.

W5 Solutions AB (publ) is listed on Nasdaq First North Growth Market.



Consolidated Financial Statement Group

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| SEK thousand | Note | Q4 | | Full year | |
|---|------|--------------|---------------|----------------|---------------|
| | | 2024 | 2023 | 2024 | 2023 |
| Operating income | | | | | |
| Net sales | | 131 233 | 128 166 | 390 750 | 387 006 |
| Other operating expenses | | 20 077 | 1 707 | 26 259 | 2 809 |
| Operating expenses | | | | | |
| Capitalised development expenses | | 891 | 1 027 | 4 009 | 5 466 |
| Raw materials and consumables | | -64 021 | -56 956 | -168 059 | -161 422 |
| Other external expenses | | -18 590 | -23 069 | -63 918 | -65 479 |
| Personnel expenses | | -40 039 | -36 736 | -150 844 | -107 188 |
| Depreciation/amortisation of fixed assets | | -10 779 | -17 462 | -34 641 | -44 580 |
| Other operating expenses | | -9 185 | -1 872 | -9 842 | -2 194 |
| Operating profit | | 9 587 | -5 195 | -6 286 | 14 418 |
| Profit from financial items | | | | | |
| Finance net | | -10 533 | -1 084 | -16 912 | -1 901 |
| Profit after financial items | | -946 | -6 279 | -23 198 | 12 517 |
| Taxes | | -16 | 265 | 4 403 | -4 346 |
| Net profit for the period | | -962 | -6 014 | -18 795 | 8 171 |
| <i>Items that may be reclassified subsequently to profit and loss</i> | | | | | |
| Translation difference | | 677 | -1 181 | -808 | -382 |
| Other comprehensive income for the period | | 677 | -1 181 | -808 | -382 |
| Comprehensive income for the period | | -285 | -7 195 | -19 603 | 7 789 |
| Attributable to shareholders of the parent company | | -285 | -7 195 | -19 603 | 7 789 |
| Attributable to non-controlling interest | | - | - | - | - |

EARNINGS PER SHARE

| | Q4 | | Full year | |
|--|------------|------------|------------|------------|
| | 2024 | 2023 | 2024 | 2023 |
| Number of shares at year-end | 15 145 492 | 14 916 434 | 15 145 492 | 14 916 434 |
| Average number of shares in the period before dilution | 15 145 492 | 14 801 497 | 15 092 045 | 14 814 127 |
| Average number of shares in the period after dilution | 15 145 492 | 14 801 497 | 15 092 045 | 15 024 097 |
| Earnings per share before dilution (SEK) | -0.06 | -0.41 | -1.25 | 0.55 |
| Earnings per share after dilution (SEK) | -0.06 | -0.41 | -1.25 | 0.54 |

CONDENSED CONSOLIDATED BALANCE SHEET

ASSETS

| SEK thousand | Note | 31/12/2024 | 31/12/2023 | 01/01/2023 |
|------------------------------------|------|----------------|----------------|----------------|
| Non-current assets | | | | |
| Capitalised development | | 12 970 | 21 392 | 8 078 |
| Goodwill & other intangible assets | | 309 513 | 322 995 | 20 148 |
| Right-of-use assets | | 25 249 | 27 722 | 7 560 |
| Tangible assets | | 9 047 | 9 340 | 6 768 |
| Deferred tax assets | | 1 799 | 764 | 380 |
| Other financial non-current assets | | 307 | 143 | 170 |
| Total non-current assets | | 358 885 | 382 356 | 43 104 |
| Current assets | | | | |
| Inventories | | 80 186 | 81 467 | 40 985 |
| Accounts receivables | | 80 395 | 78 942 | 96 739 |
| Other current receivables | | 22 539 | 39 249 | 15 944 |
| Cash and cash equivalents | | 22 809 | 35 216 | 48 035 |
| Total current assets | | 205 929 | 234 874 | 201 703 |
| TOTAL ASSETS | | 564 814 | 617 230 | 244 807 |

EQUITY AND LIABILITIES

| SEK thousand | Note | 31/12/2024 | 31/12/2023 | 01/01/2023 |
|--|------|----------------|----------------|----------------|
| Equity | | | | |
| | | 317 663 | 314 149 | 143 081 |
| Non-current liabilities | | | | |
| Lease liabilities | | 17 041 | 17 848 | 3 534 |
| Non-current interest-bearing liabilities | | 29 861 | 25 781 | 4 857 |
| Other non-current liabilities | | 32 437 | 43 804 | 4 635 |
| Deferred tax liabilities | | 16 914 | 20 317 | 881 |
| Total non-current assets | | 96 252 | 107 750 | 13 907 |
| Current liabilities | | | | |
| Current interest-bearing liabilities | | 42 969 | 61 470 | 1 660 |
| Lease liabilities | | 7 883 | 7 782 | 2 733 |
| Accounts payable | | 27 264 | 23 530 | 20 548 |
| Other current liabilities | | 72 783 | 102 549 | 62 878 |
| Total current liabilities | | 150 899 | 195 331 | 87 819 |
| TOTAL EQUITY AND LIABILITIES | | 564 814 | 617 230 | 244 807 |

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| SEK Thousand | Share capital | Other contributed capital | Translation difference | Retained earnings incl. profit/loss for the period | Total equity |
|---|---------------|---------------------------|------------------------|---|----------------|
| Opening balance, 01/01/2023 Swedish GAAP | 632 | 95 516 | 0 | 46 905 | 143 053 |
| Effects of transition to IFRS | 0 | 0 | 0 | 28 | 28 |
| Opening balance, 01/01/2023 IFRS | 632 | 95 516 | 0 | 46 933 | 143 081 |
| Comprehensive income for the period | | | | 8 171 | 8 171 |
| Transactions with owners | | | | | |
| New share issue (net) | 114 | 162 568 | | | 162 682 |
| Share-based compensation | | | | 596 | 596 |
| Translation difference | | | -381 | | -381 |
| Closing balance, 31/12/2023 IFRS | 746 | 258 084 | -381 | 55 700 | 314 149 |
| Opening balance, 01/01/2024 IFRS | 746 | 258 084 | -381 | 55 700 | 314 149 |
| Comprehensive income for the period | | | | -18 795 | -18 795 |
| Transactions with owners | | | | | |
| New share issue (net) | 11 | 21 380 | | | 21 391 |
| Share-based compensation | | | | 1 726 | 1 726 |
| Translation difference | | | -808 | | -808 |
| Closing balance, 31/12/2024 IFRS | 757 | 279 464 | -1 189 | 38 631 | 317 663 |

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOW

| SEK thousand | Q4 | | Full year | |
|---|---------------|----------------|----------------|----------------|
| | 2024 | 2023 | 2024 | 2023 |
| Cash flow from operating activities | | | | |
| Operating profit | | | | |
| Profit after financial items | -945 | -6 279 | -23 198 | 12 517 |
| Adjustment for non-cash items | 11 380 | 18 885 | 33 137 | 46 056 |
| Taxes paid | 2 543 | -856 | -2 942 | -4 113 |
| Changes in working capital | 9 705 | 10 947 | 6 441 | -481 |
| Cash flow from operating activities | 22 683 | 22 697 | 13 438 | 53 979 |
| Investing activities | | | | |
| Changes in intangible assets | -465 | -592 | -2 472 | -4 991 |
| Changes in tangible assets | -2 531 | -2 666 | 2 406 | -4 342 |
| Acquisitions of subsidiaries, net of cash | 0 | -35 220 | -2 361 | -70 630 |
| Cashflow from investing activities | -2 996 | -38 478 | -2 427 | -79 963 |
| Financing activities | | | | |
| Net changes in liabilities to credit institution | -4 482 | 18 645 | -14 500 | 17 700 |
| Amortisation of lease liabilities | -2 306 | -1 550 | -8 918 | -4 535 |
| Cash flow from financing activities | -6 788 | 17 095 | -23 418 | 13 165 |
| Cashflow for the period in total | 12 899 | 1 314 | -12 407 | -12 819 |
| Change in cash & equivalents | | | | |
| Cash and equivalent, beginning of the period | 9 910 | 33 902 | 35 216 | 48 035 |
| Cash and equivalent at the end of the period | 22 809 | 35 216 | 22 809 | 35 216 |

Consolidated Financial Statements Parent Company

CONDENSED STATEMENT OF COMPREHENSIVE INCOME PARENT COMPANY

| SEK Thousand | Note | Q4 | | Full year | |
|---|------|----------------|---------------|----------------|---------------|
| | | 2024 | 2023 | 2024 | 2023 |
| Operating income | | | | | |
| Net sales | | 59 826 | 45 927 | 127 508 | 141 343 |
| Other operating income | | 6 | -145 | 264 | 0 |
| Operating expenses | | | | | |
| Raw materials and consumables | | -54 186 | -43 578 | -97 989 | -127 180 |
| Other external expenses | | -4 224 | -3 109 | -15 920 | -10 194 |
| Personnel expenses | | -3 581 | -2 884 | -15 251 | -11 047 |
| Depreciation/amortisation of fixed assets | | -16 | -13 | -63 | -52 |
| Other operating expenses | | 221 | -194 | -203 | -194 |
| Operating profit | | -1954 | -3 996 | -1 654 | -7 324 |
| Finance net | | -14 988 | -407 | -18 027 | 365 |
| Profit after financial items | | -16 942 | -4 403 | -19 681 | -6 959 |
| Group contribution | | -2 161 | 7 514 | -2 161 | 7 514 |
| Profit before tax | | -19 103 | 3 111 | -21 842 | 555 |
| Taxes | | 1 078 | -534 | 1 626 | 0 |
| Net profit for the period | | -18 025 | 2 577 | -20 216 | 555 |
| Comprehensive income for the period | | -18 025 | 2 577 | -20 216 | 555 |

*No items that may be reclassified subsequently to profit and loss for the parent company for the reported period.

CONDENSED BALANCE SHEET PARENT COMPANY

ASSETS

| SEK Thousand | Note | 31/12/2024 | 31/12/2023 |
|------------------------------------|------|----------------|----------------|
| Non-current assets | | | |
| Tangible assets | | 185 | 202 |
| Deferred tax assets | | 1 642 | 0 |
| Other financial non-current assets | | 390 180 | 400 731 |
| Total non-current assets | | 392 007 | 400 933 |
| Current assets | | | |
| Accounts receivables | | 24 761 | 37 781 |
| Other current receivables | | 5 393 | 1 914 |
| Other current receivables - Group | | 66 700 | 16 714 |
| Cash and cash equivalents | | 10 610 | 285 |
| Total current assets | | 107 464 | 56 694 |
| TOTAL ASSETS | | 499 471 | 457 627 |

EQUITY AND LIABILITIES

| SEK Thousand | Note | 31/12/2024 | 31/12/2023 |
|--|------|----------------|----------------|
| Equity | | | |
| | | 282 191 | 278 862 |
| Provisions | | 42 741 | 66 431 |
| Non-current liabilities | | | |
| Non-current interest-bearing liabilities | | 27 250 | 20 000 |
| Total non-current assets | | 27 250 | 20 000 |
| Current liabilities | | | |
| Current interest-bearing liabilities | | 43 000 | 53 841 |
| Current liabilities - Group | | 95 970 | 29 738 |
| Accounts payables | | 1 991 | 1 125 |
| Other current liabilities | | 6 328 | 7 630 |
| Total current liabilities | | 147 289 | 92 334 |
| TOTAL EQUITY AND LIABILITIES | | 499 471 | 457 627 |

CONDENSED STATEMENT OF CHANGES IN EQUITY PARENT COMPANY

| SEK Thousand | Share capital | Restricted share premium | Retained earnings | Profit/loss for the period | Total equity |
|--|---------------|--------------------------|-------------------|----------------------------|----------------|
| Opening balance, 01/01/2023 | 632 | 95 516 | 14 669 | 4 744 | 115 561 |
| Profit loss carried forward | | | 4 744 | -4 744 | 0 |
| Profit/loss for the period | | | | 555 | 555 |
| Transactions with owners | | | | | |
| New share issue (net) | 114 | 162 568 | | | 162 682 |
| Share-based payment settled using equity instruments | | | 64 | | 64 |
| Closing balance, 31/12/2023 | 746 | 258 084 | 19 477 | 555 | 278 862 |
| Opening balance, 01/01/2024 | 746 | 258 084 | 19 477 | 555 | 278 862 |
| Profit loss carried forward | | | 555 | -555 | 0 |
| Profit/loss for the period | | | | -20 216 | -20 216 |
| Transactions with owners | | | | | |
| New share issue (net) | 11 | 21 380 | | | 21 391 |
| Share-based payment settled using equity instruments | | | 2 154 | | 2 154 |
| Closing balance, 31/12/2024 | 757 | 279 464 | 22 186 | -20 216 | 282 191 |

CONDENSED CASH FLOW STATEMENT PARENT COMPANY

| SEK Thousand | Q4 | | Full year | |
|--|---------------|-----------------|---------------|-----------------|
| | 2024 | 2023 | 2024 | 2023 |
| Cash flow from operating activities | | | | |
| Profit after financial items | -15 106 | -4 403 | -19 548 | -6 959 |
| Adjustment for non-cash items | 13 106 | 41 | 14 845 | 116 |
| Taxes paid | -79 | -79 | -16 | -274 |
| Changes in working capital | 19 504 | 41 060 | 24 510 | 84 395 |
| Cash flow from operating activities | 17 425 | 36 619 | 19 791 | 77 278 |
| Investing activities | | | | |
| Changes in financial assets | 792 | -187 434 | -4 510 | -305 522 |
| Cash flow from investing activities | 792 | -187 434 | -4 556 | -305 564 |
| Financing activities | | | | |
| New share issue | 0 | 101 227 | 0 | 162 683 |
| Net changes in liabilities to credit institution | -5 750 | 20 000 | -2 750 | 20 000 |
| Group contribution (net) | -2 160 | 7 514 | -2 160 | 7 514 |
| Cash flow from financing activities | -7 910 | 128 741 | -4 910 | 190 197 |
| Cash flow for the period in total | 10 307 | -22 074 | 10 325 | -38 089 |
| Change in cash & equivalents | | | | |
| Cash and equivalent, beginning of the period | 303 | 22 359 | 285 | 38 374 |
| Cash and equivalent at the end of the period | 10 610 | 285 | 10 610 | 285 |

Disclosures

Note 1. Accounting and valuation principles Group

Basis for the preparation of financial reports

As of 1 January 2023, W5 Solutions AB prepares its consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and as adopted by the European Union (EU). The Group's transition date to IFRS is 1 January 2023. This report represents the Group's first financial statement prepared under IFRS Accounting Standards. The transition to IFRS is accounted for in accordance with IFRS 1 – First-time Adoption of IFRS.

The transition from previously applied accounting principles (BFNAR 2012:1, K3) to IFRS and its effects are detailed in appendix – Transition to IFRS Accounting Standards. For the Parent Company, the transition from BFNAR 2012:1, K3 to RFR 2 – Accounting for Legal Entities has not resulted in any accounting differences.

Additionally, the Group applies RFR 1 – Supplementary Accounting Rules for Groups, issued by the Swedish Financial Reporting Board, which complements IFRS disclosures in accordance with the Swedish Annual Accounts Act (ÅRL). The Parent Company adheres to the Annual Accounts Act (1995:1554) and RFR 2 – Accounting for Legal Entities, also issued by the Swedish Financial Reporting Board.

The Group's interim report is prepared in compliance with IAS 34 – Interim Financial Reporting and relevant provisions of the Annual Accounts Act. The Parent Company's interim report is prepared in accordance with Chapter 9 of the Annual Accounts Act.

The financial statements are presented in Swedish kronor (SEK). All amounts are rounded to the nearest thousand SEK unless otherwise stated.

Functional currency, reporting currency, and foreign currency translation

The Parent Company's functional currency is the Swedish Krona (SEK), as the majority of its transactions are conducted in SEK, and Sweden is the primary economic environment in which the company operates. SEK also serves as the reporting currency for both the Parent Company and the Group.

All Swedish subsidiaries use SEK as their functional currency. The subsidiary in Finland has the Euro (EUR) as its functional currency, while the subsidiary in Norway uses the Norwegian Krone (NOK) as its functional currency.

The financial statements of foreign subsidiaries are translated into SEK in the consolidated financial statements. Translation effects are recognised in Other Comprehensive Income.

Consolidated financial statements

The consolidated financial statements include the Parent Company and its subsidiaries. The Parent Company exercises control over these entities, as it is exposed to or has rights to variable returns from its investments and has the ability to influence relevant business activities to affect those returns. Control is based solely on the voting rights attributable to the Parent Company's shareholding. All subsidiaries are 100% owned by the Parent Company. No contractual arrangements, potential voting rights, or de facto control considerations have been subject to evaluation in determining whether control exists.

The revenues and expenses of subsidiaries are included in the consolidated financial statements from the acquisition date until the date when the Parent Company no longer has control over the subsidiary.

Segment reporting

A business segment is a part of the Group that engages in business activities from which it may earn revenues and incur expenses and for which discrete financial information is available. Segment performance is monitored by the Group's Chief Operating Decision Maker (CODM) to assess financial results and allocate resources accordingly.

For W5 Solutions, the CODM is the Group CEO, who uses internal reports to track, evaluate, and make strategic decisions regarding the Group's operations. While the CEO collaborates with the Group's executive management team on strategic matters, the final decision-making authority rests with the CEO. The CEO monitors the Group's performance at an aggregated level. Therefore, W5 Solutions has determined that the Group's entire operations constitute a single operating segment.

As of 01/01/2025, the Group's operations will be followed up in three different business areas; Training, Power and Integration and Segment reporting will be done from Q1 2025 in these three segments.

Investment in joint venture

W5 Solutions AB (publ) holds shares in Sytrac AB. This investment has been classified as a Joint Venture (JV). W5 Solutions AB (publ) and the other owner each hold a 50% stake, with a contractual agreement to jointly exercise control over the company. Decisions regarding relevant activities require the mutual consent of both parties. The partners in the arrangement have rights to the net assets of the entity.

The investment in Sytrac AB is recognised in the consolidated financial statements using the equity method.

Revenue recognition

The W5 Group provides products and services within the security and defence sectors. Revenue is generated from the following business areas:

- Training
- Power
- Integration

Within each business area, W5 Solutions offers services and complementary solutions, including training and education. Contracts may cover one-time deliveries or ongoing deliveries over multiple years, including maintenance and development services.

Revenue recognition is assessed and measured continuously by management to ensure a fair and accurate representation of the Group's financial performance. Revenue is recognised based on the five-step model outlined in IFRS 15:

1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognize revenue when or as performance obligations are satisfied.

Delivery contracts

Delivery contracts involve a performance obligation to supply one or more products/systems to the customer. The systems are partially customized to the customer's specifications and may involve substantial customization. Installation and training

are generally considered integral components of the product/system and are therefore treated as a single performance obligation.

The transaction price is a fixed amount per component. Revenue is typically recognised at a point in time, when control is transferred, which usually occurs upon product delivery, issuance of a delivery certificate, or after installation. Delivery is deemed complete when the products have been shipped to a specified location, risks related to obsolescence and loss have transferred to the customer, and:

- The customer has accepted the products according to the sales contract,
- The acceptance period has expired, or
- Objective evidence exists that all acceptance criteria have been met.

Freight is not considered a separate performance obligation and is included as part of product sales.

In cases where contracts involve significant customization and no alternative use exists for the products, and the Group has an enforceable right to payment at all times, revenue is recognised over time. This applies, for example, where progress is measured using an input method based on incurred costs or labour hours.

Development contracts

These contracts involve the development of products or product systems, followed by production and delivery. Contracts may also include options to purchase additional products/systems based on the initial development and delivery. Development work is generally customer-specific and cannot be directly applied to other agreements or products.

Since development activities are an integral part of the product/system delivery and customer-specific, development work and the delivery of the first unique product(s) are treated as a combined performance obligation. The customer cannot benefit from the development work unless the product/system is delivered. Other agreed-upon partial deliveries constitute separate performance obligations.

The transaction price is primarily fixed per component (e.g., development, product/system delivery). Pricing for additional equipment is set at a pre-agreed (non-discounted) rate.

Revenue from development work and initial product deliveries is recognised over time, up to the first product delivery. W5 Solutions creates an asset with no alternative use and has a right to payment at all times. As the payment schedule follows milestones, revenue is recognised upon achieving milestones, which accurately reflect progress completion in development projects.

Service contracts (maintenance & support agreements)

Revenue from services related to product installation, repairs, or maintenance is recognised over time, in line with the period during which the service is provided.

For long-term service contracts covering continuous maintenance, revenue is recognised on a straight-line basis over the contract period. The transaction price is predominantly fixed (per service, task, or material).

Commission agreements

Commission agreements involve representation services, where W5 Solutions has the right to represent a supplier within a specific geographic area.

W5 acts as an agent, promoting and selling the supplier's products and services. Compensation is variable, based on achieved sales volumes.

Due to the constraint rule in IFRS 15 regarding variable consideration, revenue is recognised only when a sales contract is signed with a customer, ensuring reliable estimation.

Leases

The Group acts as a lessee, primarily leasing properties, premises, vehicles, machinery, and office equipment.

At the commencement date of a lease, the Group recognizes a right-of-use asset and a lease liability. The lease liability is initially measured at the present value of future lease payments over the lease term. The right-of-use asset is initially measured at cost, which includes the lease liability amount, lease payments made before the commencement date, and any initial direct costs.

The Group applies the IFRS 16 exemption for short-term leases and leases for which the underlying asset is of low value. These lease payments are expensed linearly over the lease term instead of recognizing a lease asset and liability. The short-term leases primarily relate to office equipment.

The main assumptions and estimates used in calculating lease liabilities and right-of-use assets include:

- Incremental borrowing rate: The average rate applied is 6.5% (6.8%) for property leases and 4.58% (4.38%) for other leases.
- Lease term: The lease term includes the contractual lease period and any extension periods when it is reasonably certain the Group will exercise the option.

Lease periods, including extensions, are as follows:

- Properties: 5–10 years
- Premises: 5–10 years
- Vehicles: 3–5 years
- Technical equipment: 3–5 years
- Office equipment: 3 years

Intangible assets

Intangible assets primarily consist of goodwill, customer relationship, and capitalised development expenses. Intangible assets with finite useful lives are carried at cost less accumulated amortization and impairment losses. Amortization is straight-line over the estimated useful life, beginning when the asset is available for use.

Capitalised development expenses relates to product development and are capitalised when the Group assesses that the recognition criteria's in IAS 38 – Intangible Assets are met. A distinction is made between the research phase and the development phase, based on established technical criteria. The assessment is conducted jointly by Group management and product owners.

Capitalised costs primarily include personnel expenses and consultant fees. Research costs are expensed as incurred.

Estimated useful lives:

- Customer relationships: 10–15 years (based on contract duration)
- Capitalised development costs: 5 years
- Other intangible assets: 1–5 years

At each financial year-end, the Group reviews useful lives and makes adjustments if necessary. No changes were made in the 31/12/2024 (31/12/2023) assessment.

Goodwill is classified as having an indefinite useful life and is not amortized but tested annually for impairment. Goodwill is allocated at the legal entity level, meaning that each legal entity in the Group is treated as a cash-generating unit (CGU) for impairment testing. These CGUs also represent the lowest level at which goodwill is monitored for internal management purposes.

Impairment testing was conducted at IFRS transition as well as for the 2023 and 2024 financial years.

Property, plant, and equipment

Property, plant, and equipment are measured at cost, less accumulated depreciation and impairment losses. Depreciation is straight-line over the estimated useful life. At each year-end, the Group reviews the residual value and useful life and adjusts them if necessary. No adjustments were made in the 31/12/2024 (31/12/2023) assessment.

Estimated useful lives:

- Buildings: 10–50 years
- Equipment, tools, and installations: 5 years

Inventories

W5 Solutions' inventories consist of raw materials and supplies, work in progress, finished goods, and trade goods. Inventories are valued at the lower of cost and net realizable value at the balance sheet date.

Cost includes:

- Direct material costs
- Direct labor costs
- Attributable indirect manufacturing costs, based on normal capacity utilization

Cost for trade goods is determined net of discounts. Cost is determined on an individual basis using the first-in, first-out (FIFO) principle. The valuation method considers obsolescence risks that may arise in the inventory.

Financial instruments

The Group's financial instruments include:

- Cash and cash equivalents
- Trade receivables
- Other current receivables
- Accrued revenue
- Trade payables
- Liabilities to credit institutions
- Overdraft facilities
- Other short-term liabilities
- Accrued expenses
- Contingent consideration

Financial assets

Financial assets are classified based on the Group's business model for managing the asset and the nature of contractual cash flows. Measured at amortized cost: trade receivables, other receivables, accrued revenue, and cash equivalents.

Impairment of financial assets (allowance for trade receivables)

Financial assets measured at amortized cost, primarily trade receivables, are subject to expected credit loss (ECL) provisioning. The Group applies the simplified model for ECL estimation, meaning that the loss reserve always covers expected credit losses for the entire remaining life of the asset.

The allowance matrix for trade receivables is based on historical credit loss experience over the past three years, adjusted for current conditions. Trade receivables are reported net of expected credit losses.

Financial liabilities

Measured at amortized cost

Financial liabilities measured at amortized cost include:

- Trade payables
- Liabilities to credit institutions
- Overdraft facilities
- Other short-term liabilities
- Accrued expenses

Contingent Considerations (Earnout Liabilities)

Contingent considerations are measured at fair value through profit or loss. Changes in fair value (reassessed each period) are recognised in the Other Operating Income or Other Operating Expenses line items in the income statement.

For earnouts exceeding 12 months, the discounted present value of expected payments is used. The estimated liability is based on the nominal value of the best estimate of the expected payout at the acquisition date.

This estimate is determined based on management's assessment of the most likely payout, given the terms of the share purchase agreement.

The fair value of contingent considerations is calculated using a discount rate corresponding to the remaining term until payment at each reporting date.

All interest-related expenses are recorded under financial expenses or financial income.

Current tax

Current tax relates to income tax for the reporting period, as well as adjustments for prior periods. It is calculated based on the tax rate in effect on the balance sheet date.

Applicable tax rates:

- Sweden: 20.6%
- Norway: 22.0%
- Finland: 20.0%

The Group continuously evaluates its tax positions. As of 31/12/2024 (31/12/2023), no uncertain tax positions have been identified.

Deferred tax

Deferred tax is calculated based on temporary differences and tax loss carried forward. Deferred tax assets are recognised only if it is probable that future taxable profits will be available against which the asset can be utilized.

The Group assesses the recoverability of deferred tax assets based on business plans and forecasts. As of 31/12/2024 (31/12/2023), there are unused tax loss carry-forwards of SEK 1 642 (0) thousand for which deferred tax assets have been recognised.

Employee benefits

Employee benefits include all forms of compensation provided to employees. Short-term employee benefits include salaries, paid vacation, paid sick leave, bonuses, and post-employment benefits (such as pensions). Short-term benefits are recognised as an expense and liability when there is a legal or constructive obligation to make a payment due to a past event, and a reliable estimate of the amount can be made.

Post-employment benefits

The W5 Group primarily provides post-employment benefits in the form of defined contribution pension plans. Contributions to these plans are made on an ongoing basis to independent authorities or organizations, which then assume the obligations to employees. Costs for defined contribution plans are recognised as an expense in profit or loss when the contributions are made.

Share-based compensation

W5 Solutions operates long-term incentive programs (LTIP) in the form of a share savings plan, where employees can invest a portion of their fixed monthly salary in shares. After three years, participants receive matching shares, provided they remain employed.

The savings plan is classified as an equity-settled program, meaning the fair value is determined on the grant date (when employees accept the program). The recognised cost is based on the expected number of matching shares at the end of the vesting period. The total cost is allocated over the vesting period and recognised as an increase in equity (retained earnings).

At each reporting date, the estimated cost is adjusted based on the expected number of shares to be vested due to changes in assumptions.

Social security costs related to the employee benefit value of share-based programs are expensed and accrued over the vesting period. The provision for social security costs is based on the fair value of the estimated number of matching shares at each reporting date. Revaluation due to share price fluctuations is recognised in the current period.

Business combinations

Acquired companies are included in the consolidated financial statements from the acquisition date, which is when W5 Solutions gains control over the business. Business combinations are accounted for using the acquisition method. The acquired identifiable assets and assumed liabilities are measured at fair value. Any excess of the purchase price, non-controlling interests, and the fair value of previous ownership interests over the acquired net assets is recognised as goodwill. All acquisition-related expenses are recognised as a cost in profit or loss.

Earnings per share

Earnings per share (EPS) is calculated as:

- Basic EPS = Net profit attributable to Parent Company shareholders ÷ Weighted average number of outstanding shares
- Diluted EPS considers the potential dilution effect of long-term share-based incentive programs (LTIP).

Equity

Additional paid-in capital

This includes capital contributions from shareholders, such as the excess paid over the nominal value of shares in new share issues. It also includes premiums paid for the issuance of share options.

Transaction costs directly attributable to the issuance of new shares or options are recognized net of tax in equity as a reduction in issue proceeds.

Retained earnings

This consists of accumulated profits and losses generated in the Group over time.

Provisions

Provisions are recognised in the balance sheet when:

- A legal or constructive obligation exists due to a past event,
- An outflow of resources is probable, and
- The amount can be reliably estimated. Product Warranty Provisions

A warranty provision is recognised at the time of sale, based on historical data and probability assessments of potential outcomes.

Assets held for sale

Assets (or disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value. These assets are not depreciated while classified as held for sale. Interest and other costs related to liabilities within a disposal group continue to be recognised.

Held-for-sale assets and related liabilities are presented separately in the balance sheet.

Note 2. Accounting principles – parent company

Parent company accounting principles

The Parent Company applies the Swedish Annual Accounts Act (1995:1554) and RFR 2 – Accounting for Legal Entities, issued by the Swedish Financial Reporting Board. Under RFR 2, the Parent Company applies all EU-approved IFRS to the extent permitted within the framework of the Annual Accounts Act and considering the relationship between accounting and taxation. Key differences between Parent Company and Group accounting principles are outlined below.

Investments in subsidiaries

Investments in subsidiaries are recognised at cost, less any impairment losses.

Cost includes:

- Purchase consideration paid for shares
- Acquisition-related costs
- Capital contributions

Financial instruments

The Parent Company does not apply IFRS 9 – Financial Instruments but instead values:

- Financial fixed assets at cost, net of impairment
- Financial current assets at the lower of cost and net realizable value.

However, certain IFRS 9 principles, such as expected credit loss (ECL) provisions, are still applied.

Leases

The Parent Company does not apply IFRS 16 – Leases, as permitted by RFR 2. Lease payments are expensed linearly over the lease term instead of recognizing right-of-use assets and lease liabilities.

Taxes

The Parent Company recognizes untaxed reserves (including deferred tax). In contrast, the Group classifies untaxed reserves as deferred tax liabilities and equity. The tax effect of Group contributions is recognised in the income statement.

Group contributions and shareholder contributions

- Group contributions (paid or received) are recognised as appropriations in the income statement.
- Shareholder contributions provided by the Parent Company are recognised in investments in subsidiaries and tested for impairment.

Note 3. Items affecting comparability

W5 Solutions recognizes items affecting comparability to EBITDA and EBIT to visualise comparable figures that are adjusted for the items that occur in historical numbers for various reasons.

- Profit on the sale of property.
- Change in estimated earn-outs.
- Impairment of the value of two subsidiaries

| Sek Thousand | Quarter | | Full year | |
|-------------------------------|---------------|---------------|----------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| Adjusted EBITDA | 9 975 | 12 267 | 13 959 | 58 998 |
| Profit on sale of property | 0 | 0 | 4 006 | 0 |
| Change in estimated earn-outs | 10 391 | 0 | 10 391 | 0 |
| EBITDA | 20 366 | 12 267 | 28 356 | 58 998 |
| Depreciation and Amortization | -10 779 | -17 462 | -34 640 | -44 580 |
| EBIT | 9 587 | -5 195 | -6 284 | 14 418 |
| Finance net | -10 533 | -1 084 | -16 914 | -1 901 |
| EBT | -946 | -6 279 | -23 198 | 12 517 |

| Sek Thousand | Quarter | | Full year | |
|-------------------------------|--------------|---------------|----------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| Adjusted EBITA | 2 935 | -1 214 | -16 942 | 18 399 |
| Profit on sale of property | 0 | 0 | 4 006 | 0 |
| Change in estimated earn-outs | 10 391 | 0 | 10 391 | 0 |
| Impairment | -3 739 | -3 981 | -3 739 | -3 981 |
| EBIT | 9 587 | -5 195 | -6 284 | 14 418 |
| Finance net | -10 533 | -1 084 | -16 914 | -1 901 |
| EBT | -946 | -6 279 | -23 198 | 12 517 |

| Sek Thousand | Quarter | | Full year | |
|-------------------------------|--------------|---------------|----------------|---------------|
| | 2024 | 2023 | 2024 | 2023 |
| EBITDA | 20 366 | 12 267 | 28 356 | 58 998 |
| Items affecting comparability | -10 391 | 0 | -14 397 | 0 |
| Adjusted EBITDA | 9 975 | 12 267 | 13 959 | 58 998 |
| EBIT | 9 587 | -5 195 | -6 284 | 14 418 |
| Items affecting comparability | -6 652 | 3 981 | -10 658 | 3 981 |
| Adjusted EBIT | 2 935 | -1 214 | -16 942 | 18 399 |

Note 4. Related party transactions

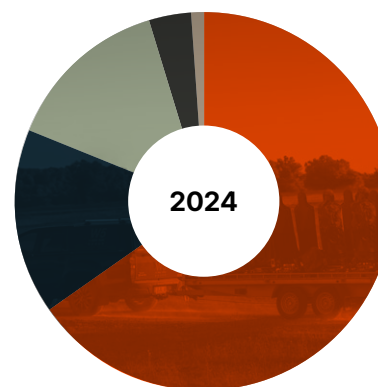
W5 Solutions' related party transactions include remuneration to Board members (beyond established Board fees) and other senior executives. Remuneration levels are set based on market standards.

In 2024, the Group incurred SEK 420 thousand in consulting service expenses payable to Anders Silwer AB, a company owned by Board Member Anders Silwer, with SEK 105 thousand expensed in the fourth quarter.

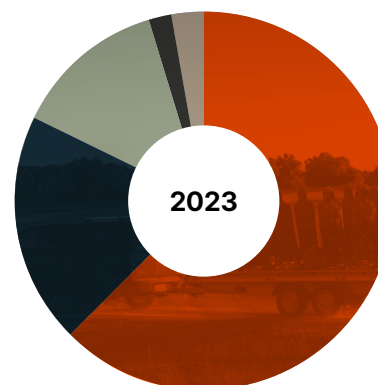
The Group has a loan of SEK 7 500 thousand from Board member Jonas Rydin's company, Cajory Group AB, with interest paid at the Swedish Central Bank (Riksbanken) lending rate +3%. In 2024, total interest expenses amounted to SEK 292 thousand.

Additionally, the Group has a loan of SEK 5 000 thousand from senior executive Robert Dahlqvist's company, DT2W Invest AB, under the same interest terms. Total interest expenses for 2024 amounted to SEK 195 thousand.

Note 5. Net sales



| Region | (Sek thousand) |
|-------------------------------------|----------------|
| 65,5% Sweden | 255 748 |
| 15,9% Nordic excl. Sweden | 62 083 |
| 14,1% Europe excl. Nordic | 55 221 |
| 3,5% North America | 13 688 |
| 1% Rest of the world | 4 010 |
| Total | 390 750 |



| Region | (Sek thousand) |
|-------------------------------------|----------------|
| 62,7% Sweden | 242 816 |
| 19,6% Nordic excl. Sweden | 75 763 |
| 13,1% Europe excl. Nordic | 50 808 |
| 1,9% North America | 7 382 |
| 2,6% Rest of the world | 10 237 |
| Total | 387 006 |

Presentation and Financial Dates

Presentation of W5

Invitation to the presentation of W5 Solutions' year-end report for January–December 2024.

W5 Solutions invites investors, analysts, and stakeholders to a brief presentation featuring comments on the year-end report for the period January–December 2024. The presentation will be conducted in English and will be followed by a Q&A session.

The live broadcast will begin at 10:00 CET on 27 February 2025.

To join the presentation, please use the following link:

[TO THE PRESENTATION](#)

Participants will have the opportunity to submit questions via the chat function.

Reporting dates


W5 Solutions prepares and publishes financial reports every quarter. Future reports are to be published as per below dates:

- 7 April 2025, Annual Report 2024
- 7 May 2025, Q1 Interim report 2025
- 5 August 2025, Q2 Interim report 2025
- 23 October 2025, Q3 Interim report 2025
- 3 March 2026, Year-end report 2025

The annual general meeting is scheduled to be held on 7 May 2025.


Access the Company's financial reports here:

[FINANCIAL REPORTS](#)



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Signatures

This report has not been subject to review by the Company's auditor. The Board of Directors and the CEO confirm that this year-end report gives a true and fair view of the Parent Company's and the Group's operations, position and performance.

Nacka on 27 February 2025

Anders Lundström
Chairman of the board

Jonas Rydin
Board member

Anders Silwer
Board member

Ulf Hjalmarsson
Board member

Erik Heilborn
Board member

Evelina Hedskog
President & CEO

APPENDIX.

TRANSITION TO IFRS

Effects of the transition to IFRS

The interim report for the fourth quarter of 2024 is W5 Solutions' first financial report prepared in accordance with IFRS. The accounting policies reflected in the report have been applied in the preparation of the consolidated financial statements as of 31 December 2024, as well as for the comparative information presented from the opening balance sheet as of 1 January 2023. When preparing the initial statement of financial position as of 1 January 2023, and the statements of financial position as of 31 December 2023 and 31 December 2024 in accordance with IFRS, the amounts in previous financial reports were adjusted because they were prepared in accordance with BFNAR 2012:1 Annual Report and Consolidated Financial Statements (K3).

Explanations of how the transition has affected the group's results and financial position are presented in the tables below.

First-time application of IFRS in a consolidated financial statement

For the first time that IFRS is applied in a consolidated financial statement, this is done in accordance with IFRS 1 "First-time Adoption of IFRS," under the assumption that all applicable IFRS and IAS standards that have come into force and have been approved by the EU must be applied retrospectively. However, IFRS 1 provides certain options through several exemptions. Below are the exceptions the group has chosen to apply in the preparation of its opening balances.

Exceptions to lease agreements

W5 applies the exception for IFRS 16 Leases from the transition date (1 January 2023) onward. This exception means that lease liabilities are measured at the present value of the remaining lease payments as of the transition date, discounted using the lessee's incremental borrowing rate. The right-of-use asset is measured at an amount equivalent to the lease liability. Additionally, the group has chosen to apply the following based on IFRS 1 as of the transition date:

- The group has opted to use historical information, for example, to determine the lease term when agreements include options to extend or terminate the lease.
- Short-term lease agreements (leases where the original lease term is long-term, but the remaining lease term is less than 12 months) have not been included in the calculation of the lease liability.
- No right-of-use or lease asset is recognised for leases of low-value assets.

Exceptions to business combinations

IFRS 1 provides the option to apply the principles of IFRS 3 "business combinations" either prospectively from the date of transition to IFRS or from a specific date prior to the transition date. This offers relief from a full retrospective application, which would require the restatement of all business combinations prior to the transition date. W5 has chosen to apply IFRS 3 prospectively for business combinations that occur after 1 January 2023, the transition date to IFRS. Business combinations that took place before the transition date have therefore not been restated.

Reconciliation between previously applied principles and IFRS

In accordance with IFRS 1, a reconciliation is presented between the equity and total comprehensive income reported under the previously applied accounting policies and the equity and total comprehensive income under IFRS.

Cash flow reclassification

The group's transition to IFRS has not affected the total cash flows from operating activities, investing activities, or financing activities. However, a reclassification of cash flows has occurred between financing activities and cash flows from operating activities, as the repayment of lease liabilities is recognized within financing activities after the transition to IFRS. Under the previously applied accounting principles, the total cash flow from lease agreements was presented within working capital.

Note description transition note

Leasing (IFRS 16)

At the time of transitioning to IFRS, the Group recognizes a right-of-use asset and a lease liability in the balance sheet for all lease agreements that do not pertain to low-value assets or short-term agreements, in accordance with IFRS 16 Leases. In the statement of comprehensive income, the right-of-use asset is depreciated on a straight-line basis over the lease term, and interest is calculated on the lease liability using a fixed interest rate for the liability recognized in each respective period. Depreciation of right-of-use assets and interest expenses are reported among financial costs instead of lease expenses, which were previously recorded under other external costs.

Remeasurement of Acquisitions and Reversal of Goodwill Amortization and impairment of goodwill (IFRS 3 and IAS 36)

Acquisitions made in 2023 and 2024 have been remeasured in accordance with IFRS 3 Business Combinations. Additionally, expenses related to the acquisition, which were previously recognized as part of the purchase price, must instead be recognized in the statement of comprehensive income under IFRS.

Some acquisitions also include contingent considerations, which is measured at fair value as part of the remeasurement process and is included as part of the transferred consideration, recorded as a liability.

Under Swedish GAAP, goodwill was amortized over the period it was expected to provide economic benefits. Under IFRS, goodwill is not amortized but is instead subject to annual impairment testing in accordance with IAS 36 Impairment of Assets. As goodwill is no longer amortized under IFRS, any goodwill amortization recorded under previous accounting principles from January 1, 2023, onward has been reversed. The reversal of goodwill amortization impacts the profit and comprehensive income for the period and has been reversed in the item Depreciation and impairment of non-current assets. This reversal has also increased the goodwill item in the balance sheet. As of 31/12/2023, an impairment of goodwill attributable to the Group's holdings in MR Targets and in W5 Finland will be made.

Non-Current Assets Held for Sale (IFRS 5)

In connection with the transition to IFRS, W5 has identified non-current assets held for sale (IFRS 5). These were reclassified in accordance with IFRS 5 as of Q3 2023. Depreciation recorded after the decision to sell has been reversed. The reversal of depreciation has affected the line-item Depreciation and impairment of non-current assets in the statement of comprehensive income, as well as the line items for Equity and Non-current assets in the balance sheet.

Deferred Tax

Deferred tax is recognized for all IFRS adjustments where the adjustments result in temporary differences in the balance sheet. Changes in deferred tax liabilities and tax assets are primarily due to the effect of deferred tax arising from the remeasurement of business acquisitions and deferred tax related to right-of-use assets and lease liabilities.

Financial Instruments

Under Swedish GAAP, W5 recognized all financial instruments at acquisition cost. With the transition to IFRS these are classified as a financial liability at fair value. Thus, the earn-outs have been reclassified from provisions to long-term and short-term financial liabilities.

In the Group's statement of comprehensive income, changes in the fair value of contingent considerations are reported under Other operating income and Other operating expenses.

W5 has applied an expected credit loss model in accordance with IFRS 9 Financial Instruments. This means that an expected credit loss is recognized when the company becomes a party to the financial instrument. The application of the expected credit loss model has had no impact on W5's credit risk provisions.

Transition Notes

Below are presented transition bridges for the transition to IFRS concerning:

- Opening balance for the transition period as of January 1, 2023
- Transition balance sheet as of December 31, 2023, and transition income statement for the period January 1, 2023 – December 31, 2023
- Transition income statement for the period October 1, 2023 – December 31, 2023
- Transition bridges for other periods from January 1, 2023 – December 31, 2024, are presented separately on W5's website.

BALANCE SHEET 2023-01-01

| SEK thousand | Swedish GAAP 23-01-01 | IFRS 16 | Other adjustment | Total adjustments | Reclassification | IFRS 23-01-01 |
|------------------------------------|-----------------------------|--------------|---------------------|----------------------|------------------|------------------|
| ASSETS | | | | | | |
| Non-current assets | | | | | | |
| Capitalized development | 8 078 | | | | | 8 078 |
| Goodwill & other intangible assets | 20 148 | | | | | 20 148 |
| Right-of-use assets | 0 | 7 560 | | 7 560 | | 7 560 |
| Tangible assets | 7 559 | | -791 | -791 | | 6 768 |
| Deferred tax assets | 387 | | -7 | -7 | | 380 |
| Other financial non-current assets | 170 | | | | | 170 |
| Total non-current assets | 36 342 | 7 560 | -798 | 6 762 | 0 | 43 104 |
| Current assets | | | | | | |
| Inventories | 40 985 | | | | | 40 985 |
| Accounts receivables | 96 739 | | | | | 96 739 |
| Other current receivables | 16 411 | -584 | 117 | -467 | | 15 944 |
| Cash and cash equivalents | 48 035 | | | | | 48 035 |
| Total current assets | 202 170 | -584 | 117 | -467 | 0 | 201 703 |
| TOTAL ASSETS | 238 512 | 6 976 | -681 | 6 295 | 0 | 244 807 |

| SEK thousand | Swedish GAAP 23-01-01 | IFRS 16 | Other adjustment | Total adjustments | Reclassification | IFRS 23-01-01 |
|--|-----------------------------|--------------|---------------------|----------------------|------------------|------------------|
| EQUITY AND LIABILITIES | | | | | | |
| Equity | | | | | | |
| | 143 053 | | 29 | 29 | | 143 082 |
| Provisions | | | | | | |
| Provisions | 5 150 | | | | -5 150 | 0 |
| Non-current liabilities | | | | | | |
| Lease liabilities | 0 | 4 183 | -650 | 3 533 | | 3 533 |
| Non-current interest-bearing liabilities | 3 745 | | | | | 3 745 |
| Other non-current liabilities | 1 113 | | | | 4 635 | 5 748 |
| Deferred tax liabilities | 881 | | | | | 881 |
| Total non-current liabilities | 5 739 | 4 183 | -650 | 3 533 | 4 635 | 13 907 |
| Current liabilities | | | | | | |
| Current interest-bearing liabilities | 1 660 | | | | | 1 660 |
| Lease liabilities | 0 | 2 793 | -60 | 2 733 | | 2 733 |
| Accounts payable | 20 548 | | | | | 20 548 |
| Other current liabilities | 62 362 | | | | 515 | 62 877 |
| Total current liabilities | 84 570 | 2 793 | -60 | 2 733 | 515 | 87 818 |
| TOTAL EQUITY AND LIABILITIES | 238 512 | 6 976 | -681 | 6 295 | 0 | 244 807 |

INCOME STATEMENT JAN-DEC 2023

| SEK thousand | Swedish GAAP Jan-Dec 2023 | IFRS 3 | IFRS 16 | IFRS 5 | IAS 36 | Other adjustment | Total Adjustments | IFRS Jan-Dec 2023 |
|--|------------------------------|---------------|-------------|-----------|-----------|------------------|-------------------|----------------------|
| Operating income | | | | | | | | |
| Net sales | 387 006 | | | | | | 0 | 387 006 |
| Other operating income | 2 809 | | | | | | 0 | 2 809 |
| Operating expenses | | | | | | | | |
| Capitalized development expenses | 5 466 | | | | | | 0 | 5 466 |
| Raw materials and consumables | -161 422 | | | | | | 0 | -161 422 |
| Other external expenses | -68 499 | -1 295 | 4 535 | | | -220 | 3 020 | -65 479 |
| Personnel expenses | -107 188 | | | | | | 0 | -107 188 |
| Depreciation, amortization and write down of fixed assets | -51 203 | 14 522 | -4 227 | 69 | -3 981 | 240 | 6 623 | -44 580 |
| Other operating expenses | -2 194 | | | | | | 0 | -2 194 |
| Operating profit | -691 | 13 228 | 308 | 69 | 69 | 19 | 9 643 | 14 417 |
| Profit from financial items | | | | | | | | |
| Finance net | -1 439 | | -523 | | | 60 | -462 | -1 901 |
| Profit after financial items | -2 130 | 13 228 | -215 | 69 | 69 | 80 | 9 181 | 12 517 |
| Taxes | -4 373 | | 44 | | | -17 | 27 | -4 346 |
| Net profit for the period | -6 503 | 13 228 | -171 | 69 | 69 | 63 | 9 208 | 8 171 |
| Items that may be reclassified subsequently for profit and loss | | | | | | | | |
| Translation difference | -382 | | | | | | 0 | -382 |
| Other comprehensive income | -382 | | | | | | 0 | -382 |
| Comprehensive income for the period | -6 884 | 13 228 | -171 | 69 | 69 | 63 | 9 208 | 7 789 |
| Attributable to owners of parent company | -6 884 | 13 228 | -171 | 69 | 69 | 63 | 9 208 | 7 789 |
| Attributable to non-controlling interest | - | - | - | - | - | - | - | - |

BALANCE SHEET 2023-12-31

| SEK thousand | Swedish GAAP 2023-12-31 | IFRS 3 | IFRS 16 Opening balance adjustment | IFRS 16 | IFRS 5 | IAS 36 | Other adjustment | Total adjustment | Reclassification | IFRS 2023-12-31 |
|------------------------------------|----------------------------|---------------|---------------------------------------|---------------|-----------|---------------|---------------------|---------------------|------------------|--------------------|
| ASSETS | | | | | | | | | | |
| Non-current assets | | | | | | | | | | |
| Capitalized development | 21 392 | | | | | | | 0 | | 21 392 |
| Goodwill & other intangible assets | 313 749 | 13 228 | | | | -3 981 | | 9 247 | | 322 995 |
| Right-of-use assets | 0 | | 7 560 | 20 162 | | | | 27 722 | | 27 722 |
| Tangible assets | 13 429 | | -791 | | 69 | | -412 | -1 134 | -2 955 | 9 340 |
| Deferred tax assets | 744 | | -7 | 44 | | | -17 | 20 | | 764 |
| Other financial non-current assets | 145 | | | | | | | 0 | -2 | 143 |
| Total non-current assets | 349 459 | 13 228 | 6 762 | 20 206 | 69 | -3 981 | -429 | 35 854 | -2 957 | 382 356 |
| Current assets | | | | | | | | | | |
| Inventories | 83 798 | | | | | | | 0 | -2 331 | 81 467 |
| Accounts receivables | 78 942 | | | | | | | 0 | | 78 942 |
| Other current receivables | 34 950 | | -467 | -475 | | | -46 | -988 | 5 288 | 39 250 |
| Cash and cash equivalents | 35 216 | | | | | | | 0 | | 35 216 |
| Total current assets | 232 905 | 0 | -467 | -475 | 0 | 0 | -46 | -988 | 2 957 | 234 874 |
| TOTAL ASSETS | 582 364 | 13 228 | 6 295 | 19 731 | 69 | -3 981 | -475 | 34 866 | 0 | 617 230 |

BALANCE SHEET 2023-12-31 (CONTINUING)

| SEK thousand | Swedish GAAP 2023-12-31 | IFRS 3 | IFRS 16 Opening balance adjustment | IFRS 16 | IFRS 5 | IAS 36 | Other adjustment | Total adjustment | Reclassification | IFRS 2023-12-31 |
|--|----------------------------|---------------|---------------------------------------|---------------|-----------|---------------|---------------------|---------------------|------------------|--------------------|
| EQUITY AND LIABILITIES | | | | | | | | | | |
| Equity | 304 913 | 13 228 | 29 | -171 | 69 | -3 981 | 63 | 9 237 | | 314 149 |
| Provisions | | | | | | | | | | |
| Provisions | 67 182 | | | | | | | 0 | -67 182 | 0 |
| Non-current liabilities | | | | | | | | | | |
| Lease liabilities | 0 | | 3 534 | 14 753 | | | -439 | 17 848 | | 17 848 |
| Non-current interest-bearing liabilities | 25 781 | | | | | | | 0 | | 25 781 |
| Other non-current liabilities | 0 | | | | | | | 0 | 43 804 | 43 804 |
| Deferred tax liabilities | 20 317 | | | | | | | 0 | | 20 317 |
| Total non-current liabilities | 46 098 | 0 | 3 534 | 14 753 | 0 | 0 | -439 | 17 848 | 43 804 | 107 750 |
| Current liabilities | | | | | | | | | | |
| Current interest-bearing liabilities | 20 354 | | | | | | | 0 | 41 116 | 61 470 |
| Lease liabilities | 0 | | 2 733 | 5 148 | | | -100 | 7 781 | | 7 781 |
| Accounts payable | 23 530 | | | | | | | 0 | | 23 530 |
| Other current liabilities | 120 288 | | | | | | | 0 | -17 738 | 102 550 |
| Total current liabilities | 164 171 | 0 | 2 733 | 5 148 | 0 | 0 | -100 | 7 781 | 23 378 | 195 330 |
| TOTAL EQUITY AND LIABILITIES | 582 364 | 13 228 | 6 296 | 19 730 | 69 | -3 981 | -476 | 34 866 | 0 | 617 230 |

INCOME STATEMENT OCT-DEC 2023

| SEK thousand | Swedish GAAP Oct-Dec 2023 | IFRS 3 | IFRS 16 | IFRS 5 | IAS 36 | Other adjustment | Total Adjustments | IFRS Oct-Dec 2023 |
|--|------------------------------|--------------|------------|-----------|--------|------------------|-------------------|----------------------|
| Operating income | | | | | | | | |
| Net sales | 128 166 | | | | | | 0 | 128 166 |
| Other operating income | 1 707 | | | | | | 0 | 1 707 |
| Operating expenses | | | | | | | | |
| Capitalized development expenses | 1 027 | | | | | | 0 | 1 027 |
| Raw materials and consumables | -56 956 | | | | | | 0 | -56 956 |
| Other external expenses | -23 895 | -649 | 1 550 | | | -74 | 827 | -23 068 |
| Personnel expenses | -36 736 | | | | | | 0 | -36 736 |
| Depreciation, amortization and write down of fixed assets | -18 745 | 6 579 | -1 426 | 34 | -3 981 | 76 | 1 282 | -17 463 |
| Other operating expenses | -1 872 | | | | | | 0 | -1 872 |
| Operating profit | -7 304 | 5 930 | 124 | 34 | | 2 | 2 109 | -5 195 |
| Profit from financial items | | | | | | | | |
| Finance net | -892 | | -212 | | | 20 | -192 | -1 084 |
| Profit after financial items | -8 196 | 5 930 | -88 | 34 | | 22 | 1 917 | -6 279 |
| Taxes | 252 | | 18 | | | -5 | 13 | 265 |
| Net profit for the period | -7 944 | 5 930 | -70 | 34 | | 17 | 1 930 | -6 014 |
| Items that may be reclassified subsequently for profit and loss | | | | | | | | |
| Translation difference | -1 181 | | | | | | | -1 181 |
| Other comprehensive income | -1 181 | 0 | 0 | 0 | | 0 | 0 | -1 181 |
| Comprehensive income for the period | -9 125 | 5 930 | -70 | 34 | | 17 | 1 930 | -7 195 |
| Attributable to owners of parent company | -9 125 | 5 930 | -70 | 34 | | 17 | 1 930 | -7 195 |
| Attributable to non-controlling interest | - | - | - | - | | - | - | - |

EARNINGS PER SHARE

| | 12 months | 12 months | Q4 | Q4 | 9 months | 9 months | Q3 | Q3 | 6 months | 6 months | Q2 | Q2 | Q1 | Q1 |
|---|--------------|-------------|--------------|--------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|
| | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 | 2024 | 2023 |
| Average number of shares in the period after dilution | 15 092 045 | 14 814 127 | 15 145 492 | 14 801 497 | 15 074 230 | 13 525 291 | 15 145 492 | 13 623 388 | 15 038 598 | 13 476 243 | 14 931 705 | 13 579 634 | 14 931 705 | 13 014 867 |
| Average number of shares in the period after dilution | 15 092 045 | 15 024 097 | 15 145 492 | 14 801 497 | 15 074 230 | 13 639 105 | 15 145 492 | 13 751 429 | 15 038 598 | 13 595 290 | 14 931 705 | 13 722 492 | 14 931 705 | 13 099 793 |
| Earnings per share before dilution (SEK) | -1.25 | 0.55 | -0.06 | -0.41 | -1.17 | 1.05 | -0.54 | 0.03 | -0.63 | 1.02 | -0.28 | 0.54 | -0.36 | 0.49 |
| Earnings per share after dilution (SEK) | -1.25 | 0.54 | -0.06 | -0.41 | -1.17 | 1.04 | -0.54 | 0.03 | -0.63 | 1.01 | -0.28 | 0.54 | -0.36 | 0.49 |



Empowering Defence

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