

Swedish Electromagnet Invest AB (publ)

Corp. Id. No 559153-6510

Annual accounts and consolidated accounts
for the financial year
1st January 2024 – 31st December 2024



SEM in short

SEM AB was founded in 1915 and since then has manufactured electromagnetic components for many different customers and areas of use in line with industrial development.

The group is today a leading supplier of high-tech products and systems for powertrains for heavy vehicles and stationary engines. The group conducts research and product development to actively contribute to the green transition in the transport industry. We focus on ignition systems for alternative fuels and on battery optimization for electric heavy vehicles.

Products and systems include ignition systems, injector stators and sensors that are primarily developed for hydrogen-, biogas-, natural gas- and (bio-)diesel-powered trucks and buses, as well as for stationary internal combustion engines. The group also makes ignition systems for professional hand-held tools such as chainsaws, trimmers and leaf blowers.

Sales are made worldwide to customers and include well-known OEM, tier1 and tier2 suppliers to the heavy vehicle industry.

Production takes place in the factory in Åmål and at the subsidiary, SEM Technology (Suzhou) Co., Ltd, in China. Both our factories maintain a high standard based on lean principles.

SEM Technology Inc. in the US has hired a Key Account Manager to further develop the US market. A branch in Germany has the same task on the European continent.

Our business model is based on long-term relationships with our customers. We win contracts during the development phase with our customer and then continue a long business relationship for 10–20 years with series deliveries and later spare parts.

Vision and core values - Green ignition with precision

The company's vision is to be perceived as a world leader in our technology areas and the obvious business partner for our customers. We are innovative and drive product development and production for the green transformation of the transport sector.

Our core values are:

The customer's needs - this requires an understanding of the customer's product and market, flexibility and competence on our part.

Respect for the individual - means taking responsibility for everything happening in the right way and on time, professionally and in good cooperation.

Resource efficiency – all waste must be avoided, for a positive impact on e.g. environment, customers, employees.

Ownership structure

Swedish Electromagnet Invest AB (publ) (the "Company") based in Stockholm, majority owned to 58.11% by Procuritas Capital Investors V, L.P. based in Guernsey. The remaining part of the shares is owned by the board and management. The company owns the Swedish Electromagnet Holding Group (the "Group"), which includes SEM AB with headquarters in Åmål, SEM Technology (Suzhou) Co., Ltd in China, SEM Technology Inc. in the USA and Senfusion AB in Sweden. Senfusion AB is a dormant company that holds certain patents.

CEO comment

The year 2024 closes with record sales of SEK 548 million (SEK 538 million) and EBITDA of SEK 102 million (SEK 110 million). For the full year, demand for our products in North America, Europe and China have been good for ignition systems, sensors and stators. The market for professional handheld equipment has continued to be relatively weak and slightly lower than the previous year. The lower profitability compared to the previous year is due to an extraordinary warranty provision for ignition coils manufactured in China in 2023. Since the beginning of 2024, we have improved the quality assurance of the production process in China.

During the year, we have continued to work according to our strategic plan, which is to develop products for the green transition in the transport sector. The development of the FlexiSpark® ignition system is progressing as planned and during the year we have delivered several prototype systems for evaluation to various customers. The system is optimized for gas engines that can be powered by hydrogen or other carbon-neutral fuels. In the middle of the year, we also signed an agreement with a European truck manufacturer. The agreement covers the development and delivery of SEM's FlexiSpark® system for the truck manufacturer's hydrogen-powered engine.

A further contribution to the green transition is the on-going project to optimize batteries through a smart configuration for electric heavy vehicles. Throughout 2024, we have worked together with a large OEM on a concept project that will be completed in the second quarter of 2025.

Our operational metrics around quality, delivery precision and production efficiency continue to be good, both in Åmål and Suzhou. Inventory has increased to cover deliveries during the relocation period in China. In Sweden, inventory, especially of electronic components, has also increased due to lower demand from China than forecasted at the end of 2023.

The factory move in China has been a challenge but has been carried out according to plan. It feels very good that since the beginning of 2025 we have been in the new premises and can focus fully on daily operations again.

Now we are putting an eventful 2024 behind us and focusing on 2025.

Magnus Hellström
CEO

Significant events during the reporting period

The company announced January 22 that the incident of the IT provider Tietoevry affected the opportunity to present delivery messages, invoices and receive forecasts from customers. The impact on the company became small and consisted only of increased administration when documentation needed to be prepared and sent more manually.

As stated in the report for the second quarter of 2024, the company has been informed that its principal owners, funds controlled by Procuritas, are considering and evaluating a sales process regarding the company.

Significant events after the end of the reporting period

After the end of the financial year, global events have occurred that have an impact on our business. We are monitoring the continued development in order to adapt to the circumstances in the best possible way.

Sustainability

In accordance with the Annual Accounts Act (ÅRL), Swedish Electromagnet Invest AB(publ) issues a statutory Sustainability Report for the financial year 2024. The report concerns the group's Swedish operations.

For details about the company's sustainability work, we refer to this report, which is published on the company's website.

Expected future development and significant risks and uncertainties

The company operates within the global heavy vehicle industry. The transition to CO₂-neutral transport is a strong driving force that affects all players in our market.

The industry as a whole is cyclical and geopolitically exposed. We believe that the company operates in niches that are less exposed than the industry as a whole.

The company supplies high-tech components and systems. Despite extensive quality assurance, verification and approvals from our customers, unforeseen quality defects can lead to significant costs.

The company considers currency exposure to be a potential risk. We see general price increases, largely due to component and raw material shortages, as a risk to manage. We work actively with our supply chain to reduce these risks.

Not being able to deliver or not being paid for our products is another risk in an uncertain macro environment. We have very close contact with customers via our marketing and sales organization and strictly follow our routines with reminders and further contacts if calls or payments are delayed.

Due to the nature of the business, SEM Invest Group does not provide financial forecasts.

Development

The company conducts extensive research and development both in internal development projects and projects with customers. We also actively participate in research programs run by universities or other institutes. At the turn of the year 2024/2025, the company had 60 granted patents, three design rights, 35 patent applications and 5 utility patents in China.

Use of financial instruments

The group's financial assets primarily consist of accounts receivable, other receivables, accrued income and cash and cash equivalents.

The group's financial liabilities primarily consist of bond loans, other long-term liabilities, trade payables, other liabilities and accrued expenses.

Environmental impact (operations subject to licensing and notification in accordance with the Swedish Environmental Code)

SEM AB conducts operations subject to a permit and has all permits according to the Environmental Code and from permit-granting authorities. SEM is certified according to ISO 14001 and ISO 45001.

Proposed allocation of profit or loss

The Board of Directors proposes to the General Meeting on June 11, 2025 that the profits be disposed of so that KSEK 413,213 is transferred to a new account.

Company governance report 2024

The revised version of the Swedish corporate governance code, hereinafter referred to as the Code, which entered into force on January 1, 2020 ("the Code") includes, as of this date, i.a. all companies that have debentures admitted to trading on a regulated market. The code's rules are an addition, mainly to the provisions in the Companies Act, regarding the company's organization and the relatively extensive self-regulation that exists regarding corporate governance. The code follows the principle of "comply or explain". According to this principle, a company can deviate from individual rules but must then also explain the reason for each deviation. According to the revised Code, companies that have chosen to deviate from a rule must also report which solution they chose as an alternative to the rule recommended in the Code. This corporate governance report has been prepared in accordance with the rules in chapter 10 of the Code.

Annual General meeting

The annual general meeting, which is the company's highest decision-making body, gives the shareholders the opportunity to exercise their influence by voting on significant issues. The annual general meeting of Swedish Electromagnet Invest AB (publ) is held annually and is open to all shareholders. In connection with the annual general meeting, shareholders are given the opportunity to ask questions of the board and CEO. The company also answers questions from shareholders as they arise during the year to the extent possible. During 2024, Swedish Electromagnet Invest AB (publ) held its annual general meeting on May 14.

Annual General Meeting 2024

At the 2024 annual general meeting, it was decided, among other things, that:

- (a) determine the presented income statement and balance sheet for the financial year 2023;
- (b) dispose of the company's results in accordance with what appears in the annual report, i.e. the profits are disposed of in such a way that KSEK 403,329 is transferred to a new account
- (c) the board would be discharged from liability for fiscal year 2023;

Furthermore, it was decided to re-elect Halvar Jonzon, Hasse Johansson, Kenneth Christensen, Christina Hallin, Jan Palmqvist and Henri Peltomäki as ordinary board members until the end of the next annual general meeting.

It was decided that a total of SEK 800,000 will be paid for board fees, divided by SEK 200,000 to each of Halvar Jonzon, Christina Hallin, Hasse Johansson and Jan Palmqvist, to be paid proportionally in relation to the length of the term of office and paid semi-annually in arrears.

Company board

According to the articles of association, the board must have a minimum of 3 and a maximum of 10 board members and a minimum of 0 and a maximum of 10 board deputies elected by the annual general meeting.

At an extraordinary general meeting held per capsulam 2024-03-13, Kenneth Christensen was elected as a regular board member and Hans Wikse was deregistered as a board member.

Board members

Halvar Jonzon (b. 1950) is Chairman of the Board of Swedish Electromagnet Invest AB(publ) since 2016.

Prior Experience

Group Senior Vice President at Autoliv (2001-2011)

Various senior positions within the Electrolux Group (1974-2001)

Education

Master of Science in Business and Economics at Stockholm School of Economics.

Other board assignments

Board member of a number of listed and unlisted Nordic companies since 2011

Number of shares

146 049 owned indirectly through a company.

Christina Hallin (b. 1960) is a member of the Board of Directors of Swedish Electromagnets Invest AB (publ) and subsidiaries since 2016.

Prior Experience

CEO (interim) Bulten AB 2024

CEO SEM AB 2021-2023

Senior positions within AB Volvo, including CEO Volvo Trucks China, and India, respectively. SVP Dong Feng Commercial Vehicle (2014-2017)

SVP Volvo Group Trucks Technology (2012-2014)

EVP Volvo Powertrain (2007-2012)

Education

Master of Science, electrical and electronical engineering

Other board assignments

Board member, Norbit ASA (Trondheim), Bulten AB (publ)

Number of shares

69 683

Hasse Johansson (b. 1949) is a member of the Board of Directors of Swedish Electromagnets Invest AB (publ) and subsidiaries since 2016.

Prior Experience

Executive Vice President Research and Development Scania, Södertälje, Sweden (2001 – 2009)

MD Mecel AB, Åmål, Sweden (Delphi Delco Electronics Systems) (1982 – 2000) including also assignments as Manager Advanced Engineering, Commercial Director Mobile MultiMedia business Group and Engineering Director European Region

Founder of Mecel AB, Åmål, Sweden 1982

Education

Master of Science Electrical Engineering, Chalmers University of Technology in Gothenburg, graduated in 1973

Other board assignments

Board member, Devport AB (publ)

Board member, Autoliv Inc.

Board member, CalixKlippan AB

Board member, Systemite AB

Board member, Uniter AB

Number of shares

59 673 owned indirectly through a company.

Henri Peltomäki (b. 1993) is a member of the Board of Directors of Swedish Electromagnets Invest AB (publ) and subsidiaries since 2022.

Prior Experience

Associate at Procuritas (joined 2019)

Education

MSc Business Administration (Finance), Aalto University, Helsinki, Finland

CEMS Master in International Management (Aalto University & The Hong Kong University of Science and Technology)

Other board assignments

Board member, The We Attract HoldCo AB

Board member, Frendy Holding Oy

Number of shares

0

Jan Palmqvist (b. 1962) is a member of the Board of Directors of Swedish Electromagnets Invest AB (publ) and subsidiaries since 2023.

Prior Experience

Former certified public accountant.

Licensed accountant for the financial sector.

More than 30 years of experience in auditing and consulting for companies mainly in the financial sector. Significant experience in auditing for and advising on financial reporting to listed and other companies that report in accordance with IFRS.

Responsible for Deloitte Sweden's industry group FSI for the financial market for 9 years.

Education

BSc in Economics & Accounting, Växjö University

Other board assignments include

Board member, Sparbanken Bergslagen

Board member, Roslagens Sparbank

Board member, Hälsinglands Sparbank

Board member, Svealands Risk @ Compliance

Number of shares

0

Kenneth Christensen (b. 1979) is a member of the Board of Directors of Swedish Electromagnets Invest AB (publ) and subsidiaries since 2023.

Prior Experience

Partner at Procuritas (joined 2018)

Director at Danske Bank A/S, Leveraged Finance

Education

MSc in Economics and Business Administration, Finance and Accounting, Copenhagen Business School

Chief executive officer

Magnus Hellström is CEO of Swedish Electromagnets Invest AB with subsidiaries as of August 7, 2023. Magnus Hellström was born in 1978. He has a master's degree in Technical Physics and Electrical Engineering from Linköping in 2005 and an MBA from Blekinge Institute of Technology in 2020. Magnus was employed by SEM in 2015 and between 2018 and August 2023 was the company's development manager and a member of the management team. Magnus has previously been employed, among others at Bosch and Daimler-Benz in Germany. Number of shares in the company 200 000.

Responsibilities of the Board of Directors

The board is responsible, among other things, for the company's organization and management in accordance with the Swedish Companies Act. The board must continuously assess the company's financial situation, which means, among other things, that the board must state the strategic direction and decide on matters concerning the company's capital supply and management. The board appoints the CEO and also decides on lön and other compensation for the CEO. The board meets at least four times a year. The company's auditors participate in one board meeting per year.

Rules of Procedure of the Board of Directors

The board's activities and the division of responsibilities between the board and management are regulated by the board's rules of procedure. The rules of procedure are adopted by the board every year after the annual general meeting on 14 May 2024. According to the Board's rules of procedure, the Board of Directors decides, among other things, on the company's overall strategy and investments. The rules include a CEO instruction and an instruction for financial reporting. The board's rules of procedure are documented in writing where, among other things, it appears that:

- The board must have at least four regular meetings and one constitutive meeting;
- All board members must be invited to the meetings and given access to documentation about a week before each meeting;
- The board must normally follow the order of presentations specified in the rules of procedure;
- The managing director, on behalf of the company, must submit a monthly report every month;

- Internal reporting must be appropriately ensured by the board.
- The managing director is responsible for preparing and presenting an economic and financial report before each board meeting;
- The board, once a year, without the presence of the CEO or other senior executives, should meet with the company's auditors;
- The board has decided to handle in its entirety matters concerning the audit of the company and the relationship with the auditors, respectively preparation and decisions in matters relating to compensation for senior executives;
- A board member may not deal with or decide on a matter where the person concerned is incompetent.

Work of the Board in 2024

During 2024, the board has held 9 meetings, of which one is a constituent andan extra general meeting Per Capsulam where Kenneth Christensen was elected ordinary board member.

In addition, the board has had informal monthly follow-up meetings with management.

Furthermore, senior executives have preferred parts of the companies' operations to the board. This has contributed to the board members gaining a deeper knowledge of the activities within the group. The board has also read financial reports on the company's financial position. In this context, the board has also discussed the Code and the accounting standard that the company follows. Furthermore, during the year the board carried out an evaluation of its work under the direction of the chairman. The evaluation ensures that the board follows the basic intentions of the Code.

Board members attendance in Board meetings 2024

	Meetings
Total number of meetings	9
Halvar Jonzon	9/9
Christina Hallin	9/9
Hasse Johansson	8/9
Jan Palmqvist	9/9
Henri Peltomäki	9/9
Kenneth Christensen – (deputy board member 2 and ordinary board member 7)	9/9
<i>Ole- Christian Hillestad – board observer</i>	9/9

Independence of the Members of the Board of Directors

Namn	Independence of major owner	Independence of Company and management
Halvar Jonzon	Yes	Yes
Christina Hallin	Yes	Yes
Hasse Johansson	Yes	Yes
Jan Palmqvist	Yes	Yes
Henri Peltomäki	No	Yes
Kenneth Christensen	No	Yes

Financial reporting

The board ensures the quality of the financial reporting through a review of all financial reports presented by the management. The financial reporting, which includes valuation issues as well as assessments and guidelines for the accounting, is processed continuously by the board. The board ensures that legal matters and disputes are reviewed and followed up on an ongoing basis. The company's auditors submit an annual report to the board stating that they have audited the company and their results of the audit. The audit report is presented orally by the auditors at the board meeting that deals with the annual report. At this meeting, the board members are given the opportunity to ask questions of the auditors. The auditors' report reports, among other things, whether the company is organized in a way that makes it possible to safely monitor the accounting, the management of assets and the control of the company's financial conditions.

Audit and remuneration issues

The proposal to the General Meeting is that the 2025 compensation levels for board members who are not employed within Procuritas are set at 200 (200) KSEK for the chairman and 200 (200) KSEK for others. The fees are paid proportionally in relation to the length of the term of office.

Guidelines for remuneration to Chief Executive officer

Remuneration for the managing director essentially means that a market-based and competitive remuneration must be paid in the form of salary, other benefits and pension. The notice period must normally be six months from both sides. Severance pay in addition to salary during the notice period is paid with six months' salary.

Auditor

At the Annual General Meeting on May 14, 2024, Öhrlings PricewaterhouseCoopers AB was re-elected as auditors for the period until the next Annual General Meeting. Peter Kjörnsberg was elected to the principal accountant.

The auditors shall present their conclusions from the review of the company at the board meeting that deals with the annual report. In addition, the auditors shall annually inform the Board of Directors of services in addition to the audit, the fees for services and other circumstances that may affect the assessment of the auditors' independence. The auditors will also, if necessary, attend the AGM and present their work, their findings and their conclusions. The Board normally meets the company's auditors without the presence of the CEO or other person from the company management at least once a year. The audit is carried out in accordance with International Standards on Auditing (ISA) and Swedish Good Audit Seeds. In addition to the assignment as the principal accountant for Swedish Electromagnet Invest AB (publ), in 2024 Peter Kjörnsberg has also been the main responsible auditor for companies such as Circle K Sverige AB, DAB Dental Aktiebolag and Viking Rederi AB.

Communication policy

Swedish Electromagnet Invest AB (publ) adopted its communication policy at the board meeting on February 12, 2019. The communication policy is based on the company's need to communicate both internally and externally and specifically to ensure the regulatory framework for communication with the Frankfurt stock exchange and the Nasdaq Stockholm stock exchange. The company has a listed bond, ISIN SE0011167600, and is therefore covered by the European Parliament and Council Regulation (596/2014/EU) on market abuse ("MAR").

Insider policy

Swedish Electromagnet Invest AB (publ) adopted its insider policy at the board meeting on February 12, 2019. The insider policy is based on the company's need to ensure the regulatory framework for securities trading with the Frankfurt stock exchange and the Nasdaq Stockholm stock exchange. The company has a bond listed on the Frankfurt Stock Exchange and the Nasdaq Stockholm Stock Exchange, ISIN SE0011167600, and is therefore covered by the European Parliament and Council Regulation (596/2014/EU) on market abuse ("MAR"), the Act (2016:1307) on penalties for market abuse on the securities market ("MML") and the law (2016:1306) with supplementary provisions to the EU's market abuse regulation ("Kompl").

Sustainable development

Swedish Electromagnet Invest AB (publ) believes that successful long-term industrial development is closely related to being a good social actor. Above all, this means that the company must work to take economic, social, ethical and environmental responsibility and contribute to a lasting positive and acceptable financial and social development over time.

Internal control

According to the Code, the board must provide a description of the most important elements in the company's system for internal control and risk management regarding financial reporting. For Swedish Electromagnet Invest AB (publ), whose primary business is to acquire and manage securities in the form of shares, the financial reporting focuses on ensuring an efficient and reliable process around financial transactions as well as operation and management of the various holdings.

Internal control refers to the control relating to financial reporting. This is a process that involves the board, company management and staff. The process is there to ensure the quality of the external reporting. The internal control is usually described according to an established framework with five main areas. These are control environment, risk assessment, control activities, information and communication and follow-up.

Control environment

The area of control environment includes a number of elements that together create a culture that shapes how Swedish Electromagnet Invest AB (publ) works and operates. Swedish Electromagnet Invest AB (publ) is ultimately guided by a number of strong core values: customer needs, respect for the individual and resource efficiency. These values permeate Swedish Electromagnet Invest AB (publ) and are guaranteed by the fact that the employees have high competence and integrity. In addition, as previously mentioned, the board has drawn up a work order. This shows areas of responsibility, mandates, powers and how they are followed up.

Risk assessment

Swedish Electromagnet Invest AB (publ) works and continuously evaluates the risks related to reporting that arise. Among other things, there is a continuous discussion in the board and management about the risks that arise when tax laws and accounting standards change. These place demands on new routines and processes which take shape through the joint work of the board and management. The risk assessment is updated annually by management and the board.

Control activities

The risks mentioned in the previous paragraph result in a series of activities aimed at preventing, detecting, eliminating and/or reducing deviations. The activities include, for example, follow-up of decisions, comparisons between reports, analysis and follow-up of the subsidiaries' financial reporting. The board's rules of procedure are part of the control activity.

Information and communication

In order to ensure effective and correct information, internally as well as externally, good communication is required. Swedish Electromagnet Invest AB (publ) communicates through the board, management and employees. Business development is continuously communicated within the company group.

Follow-up

Before each board meeting, the board receives information about Swedish Electromagnet Invest AB's (publ) group's business development and financial situation. At each board meeting, the company's situation, risks, threats and opportunities are discussed. Against this background, and with reference to the financial reporting in general, the board sees no need for a special review function in the form of internal audit.

Follow up of internal control by the Board of Directors

The board receives ongoing information about material changes in the internal control structure. It is thus well versed in the overall framework. With this as a starting point, the board evaluates the quality of the internal control and takes any measures as necessary.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in KSEK	Note	1 st Jan 2024 – 31 st Dec 2024	1 st Jan 2023 – 31 st Dec 2023
Net sales	6	548 091	538 307
Cost of goods sold	7, 8, 9, 10	-388 694	-384 906
Gross profit		159 397	153 401
Selling expenses	7, 8, 9, 10	-24 703	-23 701
Administrative expenses	7, 8, 9, 10	-36 493	-33 107
Research and development costs	7, 8, 9, 10	-41 209	-30 712
Other operating income		7 387	8 855
Other operating costs		-61	-18
Operating profit (loss)		64 318	74 718
Financial income	11	1 345	1 040
Financial expenses	11	-27 647	-23 087
Interest expenses from lease liabilities	11	-1 607	-1 473
Net financial items		-27 909	-23 520
Profit (loss) after financial items		36 409	51 198
Profit (loss) before tax		36 409	51 198
Income tax	12	-8 180	-11 479
Net result for the year		28 229	39 719

Earnings per share before dilution is SEK 14.11 (19.86) per share.

Profit per share after dilution is SEK 14.11 (19.86) per share.

Earnings per share are based on the year's net profit divided by the average number of shares.

Average number of shares 2 000 000 (2 000 000) pieces.

Other comprehensive income:	Note	1 st Jan 2024 – 31 st Dec 2024	1 st Jan 2023 – 31 st Dec 2023
Items that may be reclassified to profit or loss			
Exchange differences from translation of foreign operations		5 893	-3 619
Items that will not be reclassified to profit or loss			
Revaluation of the net pension obligation	2.11(i)	-366	-137
Income tax attributable to the above item		75	28
Other comprehensive income for the year, after tax		5 602	-3 728
Total comprehensive income for the year		33 831	35 990

Profit (loss) for the year and total comprehensive income are, in their entirety, attributable to shareholders of the Parent Company.

The notes on pages 16 to 38 constitute an integrated part of these consolidated statements.

CONSOLIDATED BALANCE SHEET

Amounts in KSEK	Note	31 st Dec 2024	31 st Dec 2023
ASSETS			
Non-current assets			
Intangible assets			
	14		
Customers relationships	2.8	117 753	126 197
Trade name	2.8	143 633	143 633
Goodwill		257 024	257 024
Capitalized expenditure for development activities		41 390	2 055
Advanced for development activities		13 804	47 415
Total intangible assets		573 605	576 324
Tangible assets			
	15		
Plant and machinery		28 637	29 190
Right-of-use assets		38 210	48 961
Equipment, tools, fixtures and fittings		21 225	13 912
Total intangible assets		88 072	92 063
Finansiella anläggningstillgångar			
Uppskjuten skattefordran	26	7 027	1 254
Långfristiga fordringar		33	32
Total financial assets		7 060	1 286
Total non-current assets		668 737	669 673
Current assets			
Inventories			
	17		
Raw materials and consumables		100 435	71 961
Work-in-progress		1 601	4 487
Finished goods and goods for resale		46 115	31 986
Total inventories		148 151	108 434
Current receivables			
Trade receivables	16, 18	83 908	113 008
Current tax asset	2.7	5 474	1 453
Other receivables	19	6 581	16 060
Prepaid expenses and accrued income	20	2 963	4 960
Cash and cash equivalents	16, 21	57 919	62 728
Total current receivables		156 845	198 209
Total current assets		304 996	306 643
TOTAL ASSETS		973 732	976 316

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CONSOLIDATED BALANCE SHEET

Amounts in KSEK	Note	31 st Dec 2024	31 st Dec 2023
EQUITY			
Equity attributable to Parent Company's shareholders			
Share capital	22	500	500
Other contributed capital	22	345 000	345 000
Reserves	22	10 677	5 076
Retained earnings (incl. profit/(loss) for the period)	22	91 814	63 585
Total equity attributable to the shareholders of the Parent company		447 991	414 160
LIABILITIES			
Non-current liabilities			
Bond loan	16, 23	293 858	295 494
Lease liabilities	16, 23, 24, 2.6	27 623	35 021
Provisions for pensions and similar obligations	25	3 069	2 994
Deferred tax liabilities	26	54 355	56 107
Other provisions	27	950	950
Total non-current liabilities		379 855	390 566
Current liabilities			
Bond loan	16, 23	9 000	16 000
Credit facility	23, 28	11 162	15 676
Lease liabilities	16, 23, 24, 2.6	11 501	15 592
Advance from customer		-	1 312
Trade payables	16	46 752	72 248
Other current liabilities	29	11 337	13 634
Invoiced income - not yet accrued	30	4 518	4 948
Accrued costs and prepaid income	31	51 616	32 180
Total current liabilities		145 886	171 590
Total liabilities		525 741	562 156
TOTAL EQUITY AND LIABILITIES		973 732	976 316

The notes on pages 16 to 38 constitute an integrated part of these consolidated statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Amounts in KSEK	Attributable to shareholders of the Parent Company					
	Not	Share Capital	Other contributed capital	Reserves	Losses carried forward/ Retained earnings, including profit (loss) for the period	Total shareholders equity
FY 2023						
Starting balance as at 1 st of Jan 2023		500	325 000	8 805	23 866	358 170
Net profit for the period Jan - Dec 2023		-	-	-	39 719	39 719
Other comprehensive income for the period		-	-	-3 728	-	-3 728
Total comprehensive income for the period		-	-	-3 728	39 719	35 990
Closing balance as of 31st December 2023		500	345 000	5 076	63 585	414 160
FY 2024						
Starting balance as at 1 st of Jan 2024		500	345 000	5 076	63 585	414 160
Net profit for the period Jan - Dec 2024		-	-	-	28 229	28 229
Other comprehensive income for the period		-	-	5 602	-	5 602
Total comprehensive income for the period		-	-	5 602	28 229	33 831
Closing balance as of 31st December 2024		500	345 000	10 677	91 814	447 991

The notes on pages 16 to 38 constitute an integrated part of these consolidated statements.

CONSOLIDATED CASH FLOW STATEMENT

Amounts in KSEK	Note	1 st Jan 2024 – 31 st Dec 2024	1 st Jan 2023 – 31 st Dec 2023
Cash flow from operating activities			
Operating profit (loss)		64 318	74 718
<i>Adjustment for non-cash items</i>			
- Other non-cash items		2 222	-2 258
- Depreciation of tangible and intangible assets		37 667	35 215
Interest received		1 345	1 040
Interest paid		-18 794	-18 062
Income taxes paid		-19 665	-15 277
Cash flow from operating activities before changes in working capital		67 093	75 376
Cash flow before changes in working capital			
Increase/decrease of inventories		-39 717	-12 449
Increase/decrease of trade receivables		29 100	-39 513
Increase/decrease of other current receivables		11 476	-13 673
Increase/decrease of trade payables		-25 496	42 549
Increase/decrease of other current payables		12 703	11 283
Total changes in working capital		-11 934	-11 803
Cash flow from operating activities		55 159	63 573
Cash flow from investing activities			
Investment in intangible assets	14	-7 378	-11 633
Investment in property, plant and equipment	15	-17 246	-17 246
Investment in other financial assets		-	-16
Disposal of financial assets		146	686
Cash flow from investing activities		-24 478	-28 209
Cash flow from financing activities			
Shareholder contribution		-	20 000
Increase/decrease of current financial liabilities	28	-4 514	4 260
Rebuy of bond	34	-2 501	-18 664
Amortization bond	34	-13 903	-11 888
Repayment of leasing debt	34	-16 263	-14 419
Cash flow from financing activities		-37 180	-20 711
Decrease/increase of cash and cash equivalents			
Opening cash and cash equivalents	21	62 728	49 151
Net cash flow during the period	2.12	-6 499	14 653
Exchange rate differences in cash and cash equivalents		1 691	-1 076
Closing cash and cash equivalents		57 919	62 728

The notes on pages 16 to 38 constitute an integrated part of these consolidated statements.

Notes to the consolidated statements

1. General

Swedish Electromagnet Invest AB (publ), corporate identity number 559153-6510, is a limited company, registered in Sweden and headquartered in Åmål. The address of the head office is: Swedish Electromagnet Invest AB, c/o SEM Aktiebolag, Box 30, 662 00 Åmål, Sweden. The operations of the Parent Company and its subsidiaries comprise development, manufacturing and marketing of emission critical and high-technological components for heavy-duty commercial vehicles (“HDCV”). Core areas include a number of different ignition systems, injectors stators and sensors, primarily for natural gas (“NG”) and diesel powered HDCVs, as well as smaller ignition systems for hand-held tools for the professional. The Groups sells its products through its own sales channels all over the world, and customers include well-known OEMs, both Tier 1 and Tier 2 within the industry.

These consolidated accounts were approved for publication by the Board of Directors on the 29th April 2025. Unless otherwise stated, all amounts are in thousands of SEK (KSEK).

2. Summary of significant accounting policies

Included in the Note is a list of significant accounting policies applied in the preparation of these consolidated financial statements. These policies were applied consistently for all years presented, unless otherwise stated. The consolidated financial statements encompass the legal Parent Company Swedish Electromagnet Invest AB (publ) and its subsidiaries.

2.1 Basis of Preparation

(i) In accordance with IFRS

The consolidated financial statements for Swedish Electromagnet Invest Group have been prepared in accordance with the Swedish Annual Accounts Act, the Swedish Financial Reporting Board’s recommendation RFR 1 Supplementary rules for groups, and International Financial Reporting Standards (IFRS) and interpretations from IFRS Interpretations Committee (IFRS IC), as endorsed by the EU. The consolidated financial statements were prepared in accordance with the cost method.

The Parent Company was established on the 26th March 2018, which is also the initiation date for the Group, but no operations were conducted until Swedish Electromagnet Holding Group was acquired on December 11, 2018.

Those areas that include a high level of assessment, that are complex or such areas where assumptions and estimations are of material importance for the consolidated financial statements are stated in Note 4 Significant accounting estimates and assessments.

(ii) New and amended standards applied by the Group

No new standard and amendment are applied by the Group for the first time for the financial year beginning January 1, 2024.

(iii) New and amended standards not yet applied by the Group

IFRS 18 Requirements for categories and subtotals in the income statement, aggregation and disaggregation, disclosures of key figures that are a subtotal of income and expenses, etc. (2027). The impact of these amendments and of IFRS 18 remains to be evaluated for the Group.

2.2 Consolidated financial statements

(i) Subsidiaries

The Group applies the acquisition method to recognize the Group's business combinations.

2.3 Segment reporting

The operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The CEO is the chief operating decision maker and evaluates financial position and performance and makes strategic decisions. The internal reporting consists of the following-up of performance measures for the Group as a whole. When the chief operating decision maker makes decisions regarding the allocation of resources and measure results for the Group as a whole, the Group in its entirety is deemed to make up one segment.

2.4 Foreign currency translation

The entities in the Group have the local currency as their functional currency, as the local currency has been defined as the primary economic environment in which each entity operates. The consolidated accounts are presented in SEK, which is the Parent Company's functional and the Group's presentation currency.

The company does not apply exchange rate hedging.

2.5 Revenue recognition

(i) Sales of goods and services

Revenue from external customers mainly comprise the development and manufacturing of highly engineered mission critical powertrain components for heavy duty commercial vehicles ignition systems such as a range of ignition systems, injector stators and sensors, primarily used for natural gas ("NG") and diesel powered HDCVs as well as ignition systems for handheld professional power tools.

The sales of customer specific ignition systems and components are recognized as income over time. The income is recognized as ignition systems and components are finished and delivered. The sales of development- and design services together with customer specific tools are recognized over time, as they do not have any alternative use for the Group. Income is recognized as the tools are finished.

The agreements usually contain a number of performance obligations, such as the manufacturing of products, development services and design services. If an agreement includes more than one performance obligation, the transaction price is allocated to each separate performance obligation, based on their independent sales prices. In those cases when an independent sales price is not directly observable, the price is estimated based on expected costs plus a profit margin. The transaction price is set, but there might be variable remuneration in the shape of volume rebates, based on accumulated sales over a 12-month period. The income from the sales is recognized based on the price in the agreement, less deducted calculated rebates. Sales forecasts are used to estimate the expected values of the rebates, and income is only recognized to the extent that it is highly probable that a significant reversal will not occur. A contractual liability is recognized for expected volume rebates in relation to sales up until and including the balance sheet date.

The Group's obligation to repair or replace defective instruments in accordance with normal guarantee regulations is recognized as a provision.

Revenue is recognized when control of the goods is transferred, which in most cases means when the goods have been delivered.

2.6 Leases

The Group mainly leases offices, cars, and machinery for production. The lease agreements are normally made for fixed periods of 2 to 6 years but may have extension options.

Extension or termination options are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). These are used to maximize operational flexibility in terms of managing the assets used in the Group's operations.

2.7 Current and deferred income tax

Tax cost for the period comprises current tax calculated based on the taxable profit (loss) for the period in accordance with valid tax rates. The cost of current tax is adjusted for changes in deferred tax assets and tax liabilities attributable to temporary differences and non-utilized loss carry forwards.

The cost of current tax is calculated based on the tax rules that are decided, or in practice decided, in those countries in which the Parent Company and its subsidiaries have operations and generate taxable income. Management regularly assesses the claims made in tax returns regarding situations where applicable tax rules are subject to interpretations. When deemed necessary, management will make provisions for the amounts that are likely to be payable to the tax authorities.

2.8 Intangible assets

(i) Customer relationship and trademarks

Customer relationship and trademarks acquired as part of the business combination is accounted as fair value at the acquisition date. In the subsequent periods the value of customer relationship is calculated as the acquisition value lowered by the accumulated depreciation. The useful life is estimated to 20 years, which is similar to the period the asset will generate cash-flow. Trademarks are considered to have an indeterminate useful life. The indeterminate useful life is deemed to exist since the strategy of the group is to keep the acquired trademarks which also are considered to be a driver of future sales. In the subsequent periods the value of trademarks is calculated as the acquisition value and will be impairment tested every year.

2.9 Property, plant and equipment

Property, plant and equipment are recognized at cost less depreciation.

Depreciation of assets, in order to allocate their cost to their estimated residual value over their estimated useful lives, is done on a straight-line basis according to the following:

- Equipment, tools, fixtures and fittings 3 - 5 years
- Plant and machinery 5 - 10 years
- Right-of-use assets 3 - 15 years

2.10 Financial instruments

The Group's financial assets valued at amortized cost comprise the items other financial assets, trade receivables, other receivables, accrued income and cash and cash equivalents.

The Group's financial liabilities measured at amortized cost comprise the items bond loans, other non-current liabilities, trade payables, other liabilities and accrued costs.

(i) Impairment of financial assets recognized at amortized cost

Assets recognized at amortized cost

The Group assesses future credit losses associated with assets recognized at amortized cost. The Group recognizes a credit reserve for such expected credit losses on each reporting date.

For trade receivables, the Group applies the simplified approach, i.e., the reserve will correspond to the expected loss over the lifetime of the trade receivable. In order to measure the expected credit losses, trade receivable have been grouped based on shared credit risk characteristics and the days past due. The Group applies forward-looking variables for expected credit losses. Expected credit losses are recognized based on overdue days.

2.11 Employee benefits

(i) Pension obligations

The Group has pension obligations secured through a capital insurance. The employee carries the actuarial risk and the investment risk, and the Group carries no risk. Therefore, pension obligations are classified as defined contribution plans, and for that reason neither the asset (the capital insurance) or the obligation (the pension obligation) is recorded in the statement of financial position.

Pension obligations for Swedish white-collar employees, which is secured through an insurance with Alecta, are reported as a defined contribution plan. According to a statement from the Swedish Financial Reporting Board, UFR 10 Accounting for the pension plan ITP 2 financed through an insurance in Alecta, this is a defined benefit multi-employer plan. For the financial year 2024, the Group has not had access to information in order to be able to report its proportional share of the obligations of the plan, plan assets and costs and, therefore, it has not been possible to recognize the plan as a defined benefit plan. The ITP 2 pension plan, secured through an insurance with Alecta, is therefore reported as a defined contribution plan. The premium of the defined contributions plan for retirement pensions and survivor's pension is calculated individually, and is, among other factors, based on salary, previously earned pension and expected remaining years of service. Expected premiums for the next reporting period for ITP 2 insurances signed with Alecta is 2 930 (1 562) KSEK. The company's share of total savings premiums for ITP 2 in Alecta¹ 0,01446% (0,01072%). The company's share of the total number of active insured in ITP 2² 0,01579% (0,01282%).

The collective consolidation level comprises the market value of Alecta's assets as a percentage of the insurance obligations in accordance with Alecta's actuarial methods and assessments, which do not comply with IAS 19. The collective consolidation level should normally be allowed to vary between 125 (125) % and 170 (175) %. If Alecta's collective consolidation level falls below 125 (125) % or exceeds 170 (175) %, measure should be taken in order for the consolidation level to return to the normal interval. At a low consolidation, one measure might be to increase the price when signing new insurance agreements and an expansion of existing benefits. At a high level of consolidation, one measure might be to introduce lower premiums. At the end of the financial year 2024, Alecta's surplus of the collective consolidation level was preliminary, 162 (158) %.

The Group has defined benefit plans in the PRI system. The liability recognized in the statement of financial position regarding the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period. Independent actuaries with the application of the projected unit credit method calculate the defined benefit obligation annually. The present value of the defined benefit obligation is established through discounting of estimated future cash flows using the interest rate for first class corporate bonds/mortgage bonds issues in the same currency as that, in which the remuneration will be paid with terms comparable with the pension obligation in question.

Revaluation profits and losses resulting from experience-based adjustments and changes in actuarial assumptions are recognized in other comprehensive income in the period in which they are incurred. They are included in retained earnings in the statement of changes in equity and in the statement of financial position.

2.12 Cash Flow Statement

Cash flow statements are prepared in accordance with the indirect method.

¹ Refers to the entire period

² Valid for the last month of the period

3. Financial risk management

3.1 Financial risk factors

Through its operations, the Group is exposed to various financial risks attributable to accounts receivable, accounts payable and loans. Market risk, mainly interest risk, currency risk, credit risk, liquidity risk and refinancing risk. The Group strives to minimize potential unfavorable effects from these risks on the Group's financial results.

The aim of the Group's financial operations is to:

- Ensure that the Group can meet its payment
- Manage financial risks,
- Ensure a supply of necessary financing, and
- Optimize the Group's net financial income.

The Group's risk management is handled centrally by the Treasury department, which identifies, evaluates and secures financial risks in close cooperation of the Group's operating units.

(i) Market risk

- Currency risk

The Group performs operations globally and is exposed to interest and currency risks occurring from various currency exposures, primarily attributable to the US dollar (USD). Currency risk occurs from payment flows in foreign currencies, so called transaction exposure, and from the translation of foreign subsidiaries' income statements and balance sheets to the Group's reporting currency, which is Swedish kronor (SEK), so called balance exposure.

The Group does not hedge its currency risk exposure. The Group offsets inflows and outflows in the same currency as far as possible to achieve, and the Group has a pricing mechanism with the majority of customers who buy in USD, which adjusts the exposure quarterly and semiannually and this lower the risk significantly but has not been considered in below.

Sensitivity analysis: If the Swedish krona (SEK) had weakened/ strengthened with 10% in relation to the USD, EUR and CNY all other factors held constant, the translated profit before tax would, at the 31st December 2024, would have been effected as shown below.

The Group is affected by changes in exchange rates in primarily two different ways, also described above.

Payment flows - when the Group's sales are in a currency other than the costs of production. The effect is reduced by purchases made in the same currency.

The net amounts that affected the result before tax are as below.

	USD/SEK	CNY/SEK	EUR/SEK	Total
Transaction exposure in KSEK	262 017	43 127	-97 386	207 757

A general increase / decrease of 10% of the Swedish krona would, based on the above amount, affect the Group's profit before tax with the following in KSEK:

	USD/SEK	CNY/SEK	EUR/SEK	Total
	+/-26 202	+/-4 313	+/-9 739	+/-20 776

Equity - when the Group's foreign subsidiaries' net assets are converted to Swedish kronor, currency effects arise.

The amounts that affected the result before tax are as below.

	USD	CNY	Total
Translation exposure i KSEK	3 389	103 475	106 863

A general increase / decrease of 10% of the Swedish krona would, based on the above amount, affect the Group's profit before tax with the following in KSEK:

	USD	CNY	Total
	+/-339	+/-10 347	+/-10 686

- Interest-rate risk

Borrowing consists of bond loans in SEK, which in 2024 was paid with 3% fixed interest rate January - March and 7% fixed interest rate April - December and has not exposed the Group to any interest rate risk during the financial year.

(ii) Credit risk

Credit risk is managed at Group level, with the exception of credit risk regarding outstanding accounts receivable, for which an analysis is performed by each Group company. Credit risk occurs through cash and cash equivalents and bank balances as well as credit exposures to customers. In the cases where no independent credit rating is available, a risk assessment is made of the customer's credit worthiness, in which consideration is given to the customer's financial position, as well as previous experiences and other factors.

(iii) Liquidity risk

The Group ensures, through a prudent liquidity management, that there are appropriate cash and cash equivalents to meet the requirements of the day-to-day operations. Cash flow forecasts are prepared by the Group's operating units and are aggregated at Group level. On Group level, rolling forecasts are closely monitored to ensure that the Group has appropriate cash and cash equivalents to meet the demands of the day-to-day operations. Cash flow forecasts are prepared in SEK. The Group also monitor balance sheet-based liquidity measures against internal and external requirements and ensures the availability of external financing.

(iv) Refinancing risk

Refinancing risk is defined as the risk for difficulties in refinancing the Company, that financing cannot be achieved, or can only be achieved at a higher cost. The Group secures the supply of external financing.

The table below presents an analysis of the Groups non-derivative financial liabilities, divided by the time remaining on the balance sheet date to the contractual maturity date. The amounts presented in the table are contractual, non-discounted cash flows. Future cash flows in foreign currencies have been calculated based on the exchange rate and interest valid on the balance sheet date.

31st December 2023	Less than 3 months	Between 3 months and 1 year	Between 1 year and 2 years	Between 2 and 5 years	After 5 years	Total contractual cash flows	Carrying amount
Financial liabilities							
Bond loan	7 622	28 860	29 932	309 777	-	376 191	311 494
Credit facility	-	15 676	-	-	-	15 676	15 676
Leasing liability	4 116	12 420	10 934	15 196	11 708	54 375	50 613
Accounts payable	72 248	-	-	-	-	72 248	72 248
Accrued expenses and deferred income	2 548	-	-	-	-	2 548	2 548
Total	86 535	56 956	40 866	324 973	11 708	521 037	452 579

31st December 2024	Less than 3 months	Between 3 months and 1 year	Between 1 year and 2 years	Between 2 and 5 years	After 5 years	Total contractual cash flows	Carrying amount
Financial liabilities							
Bond loan	5 048	24 875	309 775	-	-	339 698	302 858
Credit facility	-	11 162	-	-	-	11 162	11 162
Leasing liability	3 060	9 234	10 095	11 478	9 524	43 391	39 124
Accounts payable	46 752	-	-	-	-	46 752	46 752
Accrued expenses and deferred income	5 241	-	-	-	-	5 241	5 241
Total	60 101	45 271	319 870	11 478	9 524	446 243	405 137

3.2 Capital management

The Group's aim regarding the capital structure is to ensure the Group's ability to continue its operations in a way to continue to generate returns to the shareholders and be of use to other stakeholders, as well as maintaining an optimal capital structure to keep costs capital costs low.

The Group assesses its capital based on Net Interest-bearing Debt/Normalized EBITDA. This key performance indicator is calculated in accordance with the terms and conditions for the bond. According to those terms and conditions only financial leasing under IAS 17 shall be included (for complete definition, see definitions on page 54).

For EBITDA and normalization, calculations are made for the last 12 months (LTM).

The normalization performed are cost and income of a non-recurring art, for which, according to the terms and conditions of the bond, EBITDA should be adjusted.

Net Interest-bearing Debt/Normalized EBITDA at 31st December 2024 was as follows:

Financial indebtedness MSEK	31 st Dec 2024	31 st Dec 2023
Bond loan	302,86	311,49
Financial leasing (long and short) calculated according to IAS17	7,21	10,06
Overdraft facility	11,16	15,68
Total financial indebtedness:	321,23	337,23
Less:		
Cash and cash equivalents ²⁾	53,72	58,86
Total cash and cash equivalents:	53,72	58,86
Net Debt¹⁾	267,51	278,37
EBITDA(LTM)	101,98	109,93
Effect of IFRS16	-11,89	-9,31
Normalizations (LTM)	15,87	0,25
Normalized EBITDA(LTM)	105,96	100,87
Senior net debt/EBITDA	2,97	2,73
Senior net debt/Normalized EBITDA	2,52	2,72

Please see "Definitions" for further details.

1) Net debt according to Bond Terms

2) Per 31th December 2024 excluding 1,789 (1,638)) MSEK in separate bank account from Energimyndigheten and 2,410 (2,229)) MSEK in separate bank account from Vinnova which shall be split between project participants.

4. Significant accounting estimates and assessments

The Group makes estimates and judgements concerning the future. The resulting accounting estimates will, by definition, seldom correspond to the actual results. The estimates and assumptions that involve a heightened risk of significant adjustments to carrying amounts for assets and liabilities during the next financial year.

4.1 Test of impairment of goodwill and trademarks

The Group performs tests annually to determine whether there is a need for impairment of goodwill and trademarks, in accordance with the accounting principle presented in Note 14.1 Test of impairment of goodwill and trademarks. Residual values for cash generating units are established through the calculation of the value in use. The calculation of the residual value is based on estimated future cash flows before tax. The CEO has assessed that revenue growth, EBITDA, the discount rate and long-term growth rate are the most important assumptions in the impairment test.

The recognized value of Goodwill is KSEK 257 024 and of Trademarks KSEK 143 633 at the 31st December 2024. For comparison year see Note 14.

The residual value exceeds the carrying value of goodwill and trademarks.

4.2 Measurement of deferred tax assets in connection with loss carryforwards - interest deduction

Following the introduction of the new rules on interest deduction limitations in Sweden, the Group recorded a non-deductible interest. This non-deductible interest means a changed tax expense in 2024 of 0,1 (0,1) SEK million for the Group. There is a future possible tax credit on the same amount. Given that there are time constraints in the possibility of utilizing the future tax credit, the Group has, for prudence, chosen not to record the future tax credit but will be taking the positive tax effects at the rate that the tax credit is utilized.

5. Segment information

The CEO is the chief operating decision maker of Swedish Electromagnet Invest AB Group. The CEO evaluates financial position and performance and makes strategic decisions. The CEO makes decisions on the allocation of resources and evaluate performance based on the Group as a whole. Internal reporting is also based on the Group's performance as a whole, why the Group in its entirety is deemed to make up one segment.

The majority of the Group's tangible assets relate to tangible assets in Sweden.

6. Net sales

The Group has recognized the following amounts in the statement of comprehensive income attributable to income:

	Jan – Dec 2024	Jan – Dec 2023
Revenue from contracts with customers	548 091	538 307
Total revenue	548 091	538 307

6.1 Division of revenue from customer contracts

The Group gas income according to the below specification from sales of goods and services. Income from external customers comprise mainly the production and development of ignition systems, injector stators, sensors, and other components. The majority of the Group's revenue is recognized over time.

Revenue from customer contracts per goods item and service	Jan – Dec 2024	Jan – Dec 2023
Ignition systems and components	533 970	522 800
Design and development services	14 121	15 507
Total	548 091	538 307

Net sales per geographical market	Jan – Dec 2024	Jan – Dec 2023
Sweden	62 380	64 283
Europe excl. Sweden	57 760	42 379
USA	209 964	199 496
China	158 476	195 889
Other markets	59 512	36 259
Total	548 091	538 307

7. Auditors' fees

	Group		Parent company	
	Jan – Dec 2024	Jan – Dec 2023	Jan – Dec 2024	Jan – Dec 2023
PwC				
Audit assignments	785	666	218	163
Auditing activities in addition to the audit assignment	78	43	-	-
Tax advice	100	63	40	-
Other services	-	-	-	-
Total	963	772	258	163
Other				
Audit assignments	-	-	-	-
Auditing activities in addition to the audit assignment	-	-	-	-
Tax advice	65	66	-	-
Other services	-	-	-	-
Total	65	66	-	-

Other services mostly consist of fees relating to IFRS and tax and VAT advice as well as questions in connection with refinancing. The above-mentioned fees relate to the following: PwC AB Sweden, audit assignments 429 (341) KSEK, auditing activities in addition to the audit assignment 0 (43) KSEK and tax advice 100 (63) KSEK.

8. Costs broken down by type of cost

	Jan – Dec 2024	Jan – Dec 2023
Raw materials and consumables	-258 167	-241 570
Employee benefits	-134 528	-118 055
Depreciation of tangible assets	-11 706	-11 363
Depreciation of right-of-use assets	-15 863	-14 467
Amortization of intangible assets	-10 097	-9 384
Other external expenses	-60 738	-77 605
Total operating costs	-491 099	-472 444

9. Depreciation per function

	Jan – Dec 2024				Jan – Dec 2023			
	Tangible assets	Right-of-use assets	Intangible assets	Total	Tangible assets	Right-of-use assets	Intangible assets	Total
Cost of goods sold	9 167	15 863	-	25 030	8 148	14 467	-	22 615
Selling expenses	29	-	8 444	8 473	33	-	8 444	8 477
Administrative expenses	314	-	-	314	269	-	-	269
Research and development expenses	2 196	-	1 653	3 849	2 913	-	939	3 852
Total depreciation	11 706	15 863	10 097	37 666	11 363	14 467	9 383	35 213

10. Employee benefits, etc.

	Jan – Dec 2024	Jan – Dec 2023
Salaries and other remuneration	100 628	91 278
Social security contributions	22 256	17 847
Pension costs – defined contribution plans	11 644	8 931
Total employee benefits	134 528	118 056

Salaries and other remuneration and social security expenses

	1 st Jan 2024 – 31 st Dec 2024		1 st Jan 2023 – 31 st Dec 2023	
	Salaries and other remuneration (of which bonuses)	Social security expenses (of which pension cost)	Salaries and other remuneration (of which bonuses)	Social security expenses (of which pension cost)
Board members, CEOs and other senior executives*	20 407 (926)	6 054 (2 018)	21 278 (2 540)	5 613 (2 739)
Other employees	80 219 (0)	27 846 (9 627)	69 999 (1 237)	21 165 (6 192)
Group total	100 628 (926)	33 899 (11 644)	91 278 (3 778)	26 778 (8 931)

*Pertains to all senior executives in the Parent Company and subsidiaries. Total 23(23) persons.

Average number of employees geographically broken down by country

	Jan – Dec 2024		Jan – Dec 2023	
	Number on the balance sheet date	Of which men	Number on the balance sheet date	Of which men
Sweden	153	99	131	85
Germany	1	1	1	1
China	73	20	75	22
North America	1	1	1	1
Group total	228	121	208	109

Gender distribution in the Group (incl. subsidiaries) for Board members and other senior executives

	Jan – Dec 2024		Jan – Dec 2023	
	Number on the balance sheet date	Of which men	Number on the balance sheet date	Of which men
Board members	6	5	6	5
President and other senior executives	17	12	17	12
Group total	23	17	23	17

Remuneration and other benefits 2024 (2023)

Below only applies to Group executives.

	Basic salary/ Board fee	Variable remuneration	Other benefits	Pension costs	Total
Chairman, Halvar Jonzon	200 (350)	- (-)	- (-)	- (-)	200 (350)
Board member, Christina Hallin	200 (67)	- (-)	- (-)	- (-)	200 (67)
Board member, Hasse Johansson	200 (200)	- (-)	- (-)	- (-)	200 (200)
Board member, Jan Palmqvist	200 (117)	- (-)	- (-)	- (-)	200 (117)
President Magnus Hellström	1 172 (616)	133 (125)	118 (47)	560 (158)	3 146 (946)
President Christina Hallin	- (1 845)	- (219)	- (68)	0 (412)	- (2 544)
Other senior executives (8 persons)	7 164 (6 918)	56 (64)	375 (379)	1 458 (1 357)	9 053 (8 718)
Total	9 136 (10 113)	189 (408)	493 (494)	2 018 (1 927)	11 836 (12 942)

Other benefits pertain to fuel and car benefits as well as health insurance.

10.1 Guidelines

The chairman of the board, Halvar Jonzon, and members Christina Hallin, Hasse Johansson and Jan Palmqvist are paid a fee of KSEK 200 per full year according to the decision of the general meeting. The general meeting has decided that remuneration to the CEO and other senior executives consists of basic salary, variable remuneration (CEO only), other benefits and pension. Other senior executives refer to the eight people who, together with the CEO, make up SEM AB's management team. Remuneration for the General manager in SEM China consists of basic salary, variable remuneration and benefits for accommodation and schooling for children.

10.2 Bonuses

For the CEO, the bonus is based both on the group's operating profit and on individual targets set by the board. Bonus amounts have been paid to the CEO for 2024, for details see note 10.

10.3 Pensions

The Group has defined benefits plans as well as defined contribution plans in accordance with the central collective agreement, except for the President, who as a pension provision of 30% in accordance with a special agreement. Pension cost pertains to the cost that has impact profit/loss for the year. The retirement age for the President, as well as for other senior executives, is 68 years. No pension obligations have been made for any Board member.

10.4 Severance pay

A mutual notice period of 6 months applies between the company and the CEO. Severance pay in addition to salary during the notice period is paid with six months' salary.

Between the Company and other senior executives, periods of notice are governed by a central collective agreement, or in accordance with special agreements and, in that case, with a period of notice of 3–4 months.

11. Financial income and expenses

	Jan – Dec 2024	Jan – Dec 2023
Interest income	1345	1 040
Total financial income	1345	1 040
Interest expenses – bond loan	-19 734	-14 695
Interest expenses – leasing debt	-1 607	-1 473
Other financial expenses	-7 913	-8 392
Total financial expenses	-29 254	-24 560
Financial items – net	-27 909	-23 520

12. Income tax

	Jan – Dec 2024	Jan – Dec 2023
Deferred tax	7 464	2 784
Tax attributable to previous years	28	327
Current tax	-15 672	-14 590
Total tax	-8 180	-11 479

	Jan – Dec 2024		Jan – Dec 2023	
	Profit/Loss	Tax, %	Profit/Loss	Tax, %
Profit before tax	36 409	-	51 198	-
Theoretical tax rate	-8 077	-22,2%	-12 132	-23,7
Tax effects from:				
Non-tax items	5 831	16,0%	7 053	13,8
Non-deductible items	-10 693	-29,4%	-10 773	-21,0
Change in valuation of deferred tax	7 464	20,5%	2 784	5,4
Tax effect attributable to standard income on accruals	-22	-0,1%	-4	0,0
Foreign filial, tax on profit for the year	-	-	-3	0,0
Tax attributable to previous years	28	0,1%	327	0,6
Tax effect attributable to changes in taxation in China	-2 784	-7,6%	1 143	2,2
Other	73	0,2%	126	0,2
Income tax	-8 180	-22,5%	-11 479	-22,4

The theoretical tax rate is calculated based on a weighting of the Group's profit/loss before tax, by country, multiplied by local corporate tax.

The corporate tax rate in Sweden has been 20,6 (20,6) % during 2024.

Tax attributable to components of other comprehensive income is KSEK 75 (28).

Measurement of deferred tax assets in connection with loss carry forwards - interest deduction

Following the introduction of the new rules on interest deduction limitations in Sweden, the Group recorded a non-deductible interest. This non-deductible interest means a changed tax expense in the period Jan – Dec 2024 of 0,1 (0,1) MSEK for the Group. Given that there are time constraints in the possibility of utilizing the future tax credit, the Group has, for prudence, chosen not to record the future tax credit.

13. Investments in subsidiaries

The Group had the following subsidiaries at the 31st December 2024:

Name	Country of registration and operations	Operations	Share of ordinary shares owned directly by the Parent Company (%)	Share of common shares owned by the Group (%)
<i>Direct ownership</i>				
Swedish Electromagnet Holding AB	Sweden	Intra-Group services	100%	100%
<i>Indirect ownership</i>				
SEM AB	Sweden	Production/Sales		100%
SEM Technology (Suzhou) Co Ltd	China	Production/Sales		100%
Senfusion AB	Sweden	Patents		100%
SEM Technology Inc	USA	Sales services		100%

14. Intangible assets

Per 1 januari 2023	Goodwill	Trademarks	Customer relations	Capitalized expenditure for development work and patents	Advanced for development activities	Total
Accumulated cost	257 024	143 633	168 417	9 153	35 782	614 009
Accumulated amortization	-	-	-33 776	-6 158	-	-39 934
Carrying amount	257 024	143 633	134 641	2 995	35 782	574 075
Accounting year 2023						
Opening carrying amount	257 024	143 633	134 641	2 995	35 782	574 075
This year's acquisitions, divestments, and scraps	-	-	-	-	11 633	11 633
Depreciation for the year	-	-	-8 444	-940	-	-9 384
Carrying amount at 31 Dec 2023	257 024	143 633	126 197	2 055	47 415	576 324
Per 31 December 2023						
Accumulated cost	257 024	143 633	168 417	9 153	47 415	625 642
Accumulated amortization	-	-	-42 220	-7 098	-	-49 318
Carrying amount	257 024	143 633	126 197	2 055	47 415	576 324
Per 1 January 2024						
Accumulated cost	257 024	143 633	168 417	9 153	47 415	625 642
Accumulated amortization	-	-	-42 220	-7 098	-	-49 318
Carrying amount	257 024	143 633	126 197	2 055	47 415	576 324
Accounting year 2024						
Opening carrying amount	257 024	143 633	126 197	2 055	47 415	576 324
This year's acquisitions, divestments, and scraps	-	-	-	-	7 379	7 379
Reclassification	-	-	-	40 988	-40 988	-
Depreciation for the year	-	-	-8 444	-1 653	-	-10 097
Carrying amount at 31 Dec 2024	257 024	143 633	117 753	41 390	13 806	573 606
Per 31 December 2024						
Accumulated cost	257 024	143 633	168 417	50 141	13 806	633 020
Accumulated amortization	-	-	-50 664	-8 750	-	-59 414
Carrying amount	257 024	143 633	117 753	41 390	13 806	573 606

14.1 Test of impairment of goodwill and trademarks

The CEO assesses the operating performance based on the Group as a whole. Goodwill and trademarks are monitored by the CEO, based on the Group as a whole.

The assessment in our continuous impairment test is that order intake continues to be good and the long-term business opportunities remain. The annual impairment test have been carried out and no impairment has occurred. Residual values for cash generating units are established through the calculation of the value in use. The calculation of the value in use is based on estimated future cash flows before tax based on a financial budget which cover a period of five years and approved by Company management. The calculation is based on management experience and historical data. The long-term sustainable growth rate is assessed based on industry forecasts. The CEO has deemed that sales growth, EBITDA, discount rate and long-term growth rate are the most significant assumptions in the impairment test. A discount rate before tax of 11,5% (12,1 %) has been used in the present value calculation of estimated future cash flows. Discounted cash flows have been extrapolated with a long-term growth rate of 2% (2%) after the forecast period of 5 years.

The residual value exceeds the carrying amount of goodwill and trademarks. This is also valid for assumptions if:

- the discount rate before tax had increased with 10% (10%), so to say, had been 12,6%,
- the estimated growth rate to extrapolate cash flows beyond the 5-year period had been 1% (1%) or 50% lower,
- the estimated EBITDA decreases with 10% (10%)

15. Tangible assets

	Plant and machinery	Right-of-use assets	Equipment, tools, fixtures and fittings	Total
2023				
Opening accumulated cost	67 732	87 050	65 979	220 762
Acquired cost	5 650	27 069	10 918	43 637
Disposals	-	-11 003	-1 311	-12 314
Translation differences	-1 908	-	-2 059	-3 967
Reclassification	-	-	-	-
Closing accumulated acquisition cost	71 475	103 117	73 526	248 118
Opening accumulated depreciation	-36 476	-40 813	-58 585	-144 874
Depreciation for the year	-7 277	-15 345	-3 207	-25 830
Disposals	-	11 003	1 310	12 313
Translation differences	1 469	-	868	2 337
Closing accumulated depreciation	-42 284	-54 155	-59 615	-156 054
Carrying amount at 31st December 2023	29 190	48 961	13 912	92 063
2024				
Opening accumulated cost	71 475	103 117	73 526	248 118
Acquired cost	6 631	5 112	5 503	17 246
Disposals	-	-11 395	-58	-11 453
Translation differences	-	-	5 045	5 045
Reclassification	2 142	-	1 576	3 718
Closing accumulated acquisition cost	80 248	96 833	85 592	262 673
Opening accumulated depreciation	-42 284	-54 155	-59 615	-156 054
Depreciation for the year	-7 841	-15 862	-3 866	-27 570
Disposals	-	11 395	10	11 405
Translation differences	-1 486	-	-896	-2 382
Closing accumulated depreciation	-51 612	-58 623	-64 367	-174 601
Carrying amount at 31st December 2024	28 637	38 211	21 224	88 072

From the 1st of January 2019 leased assets are reported in a separate row in the balance sheet as "Right-of-use assets", see Note 24. Leasing and Note 2.6 for enlightenment about amended accounting principles.

16. Financial instruments by category

	Financial assets measured at amortized cost	
	31 st Dec 2024	31 st Dec 2023
Assets in the balance sheet		
Accounts receivable	83 908	113 008
Cash and cash equivalents	57 919	62 728
Total	141 827	175 736

	Financial debts measured at amortized cost	
	31 st Dec 2024	31 st Dec 2023
Liabilities in the balance sheet		
Bond loan	302 858	311 494
Accounts payables	46 752	72 248
Leasing liability	39 124	50 613
Total	388 734	434 355

17. Inventories

During the financial year 1st January 2024 – 31st December 2024, cost of goods of KSEK 258 167 (241 569) have been recognized in the statement of comprehensive income. It was recognized as cost of goods sold.

Impairment of inventories to the net sales value amounts to KSEK 0 (0).

18. Accounts receivable

	31 st Dec 2024	31 st Dec 2023
Accounts receivable	83 908	113 008
Less: provision for expected credit losses	0	0
Accounts receivable – net	83 908	113 008

Carrying amounts, by currency, for the Group's accounts receivable are as follows:

	31 st Dec 2024	31 st Dec 2023
SWEDISH KRONOR (SEK)	15 759	23 810
USD	48 022	48 036
EUR	9 022	2 196
CNY	11 105	38 960
GBP	-	5
Total	83 908	113 008

The maximal exposure to credit risk on the balance sheet date is the carrying amounts according to the above. Fair value of accounts receivable corresponds to their carrying amounts, as the discount effect is not significant.

19. Other receivables

	31 st Dec 2024	31 st Dec 2023
Value added tax	3 074	1 620
Deposits	999	942
Advance payments from customers	75	128
Outlay for customers	611	6 154
Advanced payment to supplier	1 833	7 225
Other items	-11	-10
Total	6 581	16 060

20. Prepaid expenses and accrued income

	31 st Dec 2024	31 st Dec 2023
Prepaid insurance payments	279	1 443
Prepaid supplier invoices	1 730	1 322
Other items	954	2 194
Total	2 963	4 960

21. Cash and cash equivalents

	31 st Dec 2024	31 st Dec 2023
Bank balances	57 919	62 728
Total	57 919	62 728

22. Share capital and other contributed capital

On the 31st December 2024, share capital consists of 2 000 000 ordinary shares with a quota value of SEK 0.25 with a quota. The shares carry a voting power of one vote/share. All shares issued by the Parent Company are fully paid.

Other contributed capital consists of an unconditional shareholders' contribution of KSEK 345 000 (345 000) of which KSEK 325 000 in connection with the acquisition of the Swedish Electromagnet Holding AB group and KSEK 20 000 in connection with the renegotiation and prolonging of the terms and conditions of the bond in 2023.

Reserves of KSEK 10 677 (5 077) consists of exchange differences occurring from the translation of foreign operations in another currency than the functional currency of the Group (SEK) and the revaluation of defined benefit plans.

Retained earnings including profit/loss for the year of KSEK 91 814 (63 585) consists of accumulated profits.

23. Borrowing

	31 st Dec 2024	31 st Dec 2023
Non-current		
Bond loan	293 858	295 494
Leasing liability	27 623	35 021
Total	321 481	330 515
Current		
Bond loan	9 000	16 000
Credit facility	11 162	15 676
Leasing liability	11 501	15 592
Total	31 663	47 268

Bond loan

The company has issued a senior secured bond, ISIN SE0011167600 (the "Bond"), with a nominal value of SEK 350 million. The bond runs after extension until June 30, 2026. For updated bond terms and details, refer to the website www.sem.se under Investor Relations. In 2024, the mandatory amortization and interest payments have been made.

Funding and liquidity

The group's bond loan expires by agreement on April 26, 2023 with an extension to June 30, 2026

	Carrying amount 31 st Dec 2024	Fair value 31 st Dec 2024	Carrying amount 31 st Dec 2023	Fair value 31 st Dec 2023
Bond loan	302 858	281 658	311 494	288 236

Fair value of the bond loan has been valued at level 1 of the fair value hierarchy, ie the quoted market price per 2024-12-31. The carrying amount has been calculated using the effective interest rate method and refers to the liability as of 2024-12-31, provided that the bond loan has a maturity of the entire contract period and will not be redeemed until 30 June 2026 at a price of 109.

24. Leasing

Reported amount in Balance Sheet regarding leasing debt	31 st Dec 2024	31 st Dec 2023
Right-of-use assets		
Machinery	7 011	9 539
Premises and cars*	31 199	39 423
Total	38 210	48 962
Leasing debt		
Long-term leasing debt	27 623	35 021
Short-term leasing debt	11 501	15 592
Total	39 124	50 613

Additional right-of-use assets during 2024 amount to thousands 5 111 (27 070) SEK.

The leasing agreements runs between 2 – 6 years but options to extend or terminate agreements exists.

As of December 31, 2024, potential future cash outflows during the option period of SEK 1 584 (1 515) thousand had not been included in the leasing debt, as extensions of options take place during Q1 each year when all index increases also occur.

Below amounts considering leasing agreements is included in the statement of comprehensive income:

	2024	2023
Depreciation right-of-use assets		
Machinery	5 504	5 880
Premises and cars*	10 358	8 587
Total	15 862	14 467
<i>Financial costs</i>		
Interest cost leasing debt	1 627	1 473
Total	1 627	1 473

Fees regarding leasing agreements for which the underlying asset is of low value and not classified as short-term including with KSEK 207 (106) in administrative expenses in the total comprehensive income for the period.

Contracted investments regarding right-of-use assets at the end of the reporting period that have not yet been reported in the financial reports amount to 3 230 (2 465) KSEK. The investment concerns to machines for the factory in Åmål. The contracts are expected to start in the first half of 2025.

Total cash flow from leasing agreements during 2024 amounts to thousands 17 870 (15 892) SEK.

Maturity analysis for leasing liabilities is presented in Note 3.1.

*Cars consist of only a few leasing cars, which is why they make up a small proportion of both the rights of use and the depreciation of the rights of use.

25. Provisions for pensions and similar obligations

The Group has an unfunded, defined benefit plan in Sweden which is closed for future vesting of pensions. The defined benefit plan is based on final salary, which gives employees covered by the plan benefits in the form of a guaranteed level of the pension payments during their lifetime. The level of the benefit is dependent on the employee's years of service and salary at pension.

The amounts recognized in the statement of financial position and changes in the defined benefit plan for the year, are as follows.

	Present value of the obligation
Starting balance	2 994
Cost of service in the current year	-
Cost of service in previous years	-
Interest expenses/(income)	110
Total	3 104
Revaluations:	
- (Profit)/loss resulting from changed financial assumptions	411
- (Profit)/loss resulting from experience-based adjustments	-45
Total recognized in other comprehensive income	366
Fees from:	
- The employer	-
- Employees covered by the plan	-
Payments from the plan	-401
31st of December 2024	3 069

The most significant actuarial assumptions were as follows:	2024-12-31
Discount rate	2,75%
Inflation	1,80%

Assumptions regarding life expectancy is based on official statistics and experience from mortality investigations in Sweden and are set in cooperation with actuarial experts. The mortality assumption in the calculation for 2024 results in the remaining life expectancy for a 65-year-old woman being 23,9 years and for a man 21,9 years.

The sensitivity of the defined benefit plan regarding changes in the weighted significant assumptions are:

	Impact on the defined benefit obligation		
	Changes in assumptions	Increase in assumptions	Decrease in assumptions
	31 st Dec 2024	31 st Dec 2024	31 st Dec 2024
Discount rate	+/-0,5%	Decrease of 3,7%	Increase of 3,4%
Inflation	+/-0,5%	Increase of 3,5 %	Decrease of 3,7%
Life expectancy	+/- 1 år	Increase of 3,9 %	Decrease of 3,9%

The above sensitivity analyses are based on a change in one assumption, while all other assumptions are held constant. In reality, this is unlikely to happen, and changes in some of the assumptions might be correlated. In the calculation of the sensitivity of the defined benefit obligation of significant actuarial assumptions, the same method is applied (the present value of the defined benefit obligation with the application of the projected unit credit method at the end of the reporting period) which, at the calculation of the pension liability, is recognized in the statement of financial position.

Weighted average term for the pension obligation amounts to 6 (7) years.

26. Deferred tax

Deferred tax assets refers to reclassification from deferred tax liability 1 254 KSEK.

Deferred tax liabilities mainly pertain to other temporary differences and intangible assets related to acquisitions and amount to KSEK 54 355 (56 107) at the 31st December 2024 and are expected to be after 12 months. Net profit/loss change amounts to KSEK -1 752 (-2 498).

Gross changes in deferred tax liabilities during the year, without consideration taken to off settings made within the same fiscal jurisdiction, is presented below:

Deferred tax assets	Other	Total
Opening balance 1st January 2023	-	-
Reclassification from deferred tax liability	516	516
Recognized in the statement of comprehensive income	738	738
Closing balance 31st December 2023	1 254	1 254

Deferred tax assets	Other	Total
Opening balance 1st January 2024	1 254	1254
Reclassification from deferred tax liability	1 335	1 335
Provision for guarantees and effect of effective interest rate	4 438	4 438
Closing balance 31st December 2024	7 027	7 027

Deferred tax liabilities	Group surplus value of intangible assets	Deferred tax on untaxed reserves	Other	Total
Opening balance 1st January 2023	57 323	1 622	-340	58 605
Recognized in the statement of comprehensive income	-1 740	-1 536	-69	-3 345
Reclassification to deferred tax asset	-	-	516	516
Exchange differences	-	-	331	331
Closing balance 31st December 2023	55 583	86	438	56 107

Deferred tax liabilities	Group surplus value of intangible assets	Deferred tax on untaxed reserves	Other	Total
Opening balance 1st January 2024	55 583	86	438	56 107
Recognized in the statement of comprehensive income	-1 740	1 150	574	-1 164
Reclassification to deferred tax asset	-	-	1 335	1 335
Exchange differences	-	-	-1 923	-1 923
Closing balance 31st December 2024	53 843	1 236	-724	54 355

27. Other provisions

	Warranty commitments	Total
Opening balance 1st January 2023	950	950
Change during the year*	-	-
Closing balance 31st December 2023	950	950

	Warranty commitments	Total
Opening balance 1st January 2024	950	950
Change during the year*	-	-
Closing balance 31st December 2024	950	950

*The Group's provision to repair or replace erroneous products in accordance with normal warranty regulations is recognized as a provision.

28. Current financial liabilities

	31 st Dec 2024	31 st Dec 2023
Credit facility (Limit 30 MSEK)	11 162	15 676
Total	11 162	15 676

29. Other current liabilities

	31 st Dec 2024	31 st Dec 2023
Personnel tax	1 748	1 711
Salary tax and social security contributions	3 508	3 381
Other items	6 080	8 542
Total	11 337	13 634

30. Invoiced income - not yet accrued

	31 st Dec 2024	31 st Dec 2023
Advanced payment from customer concerning development project	4 518	4 948
Total	4 518	4 948

Income will be reported during the first half of 2025.

31. Accrued expenses and deferred income

	31 st Dec 2024	31 st Dec 2023
Accrued payroll	3 706	6 444
Accrued holiday pay	12 311	9 868
Accrued social security contributions	3 979	3 223
Accrued interest rate bond loan	5 241	2 548
Accrued complaint costs	23 325	6 981
Other items	3 055	3 115
Total	51 616	32 180

32. Pledged collateral

	31 st Dec 2024	31 st Dec 2023
Amounts recognized for assets pledged as collateral		
<i>Regarding provisions for pensions and similar obligations</i>		
Chattel mortgages	8 000	8 000
<i>Regarding liabilities to credit institutions</i>		
Chattel mortgages	50 000	50 000
<i>Regarding bond loan</i>		
Shares in subsidiaries	420 893	420 893
<i>Leasing</i>		
Plant and machinery	7 011	9 539
Total	485 904	488 432

33. Related-party transactions

Swedish Electromagnet Invest AB (publ) is majority owned by Procuritas Capital Investors V, L.P., headquartered in Guernsey. Swedish Electromagnet Invest AB (publ) is the largest Group in which consolidated accounts are prepared. Related parties are all subsidiaries within the Groups as well as senior executives and their associates. Sales are performed between the Group's subsidiaries. Information of the Board of Directors and senior executives as well as remuneration for these are found in Note 10 Employee benefits. For disclosures of the Parent Company's transactions with related parties, please refer to Note 48 Related under the Parent Company.

34. Changes in Liabilities attributable to financing activities

2023	Starting balance	Cash inflow	Cash out-flow	Items not affecting cash flow	31 st Dec 2023
Bond loan	336 250	-	-30 552	5 796	311 494
Credit facility	11 416	4 260	-	-	15 676
Non-current leasing liability	25 128	-	-13 806	23 699	35 021
Current leasing liability	13 513	-	-613	2 692	15 592
Total	386 307	4 260	-44 971	32 187	377 783

2024	Starting balance	Cash inflow	Cash out-flow	Items not affecting cash flow	31 st Dec 2024
Bond loan	311 494	-	-16 549	7 913	302 858
Credit facility	15 676	-	-4 514	-	11 162
Non-current leasing liability	35 021	-	-11 060	3 662	27 623
Current leasing liability	15 592	-	-5 203	1 112	11 501
Total	377 783	-	-37 326	12 687	353 144

35. Events after the end of the reporting period

After the end of the financial year, global events have occurred that have an impact on our business. We are monitoring the continued development in order to adapt to the circumstances in the best possible way.

Parent Company financial statements

PARENT COMPANY INCOME STATEMENT

Amounts in KSEK	Note	Financial year	
		1 st Jan – 31 st Dec 2024	1 st Jan – 31 st Dec 2023
Net sales	48	11 040	11 040
Gross profit		11 040	11 040
Administrative expenses	37	-6 125	-5 443
Operating profit (loss)		4 915	5 597
Profit (loss) from financial items			
Financial income	38	66	1 097
Other financial income		146	
Financial expenses	38	-17 995	-13 350
Other financial expenses	38	-7 913	-8 392
Net financial items		-25 696	-20 645
Profit (loss) after financial items			
Group contribution	48	55 800	45 500
Profit (loss) before tax		35 019	30 452
Tax for the period	39	-7 134	-6 169
Net result for the period		27 884	24 283

In the Parent Company, there are no items recognized as other comprehensive income, why the total comprehensive income for the year corresponds to profit/loss for the year.

The notes on pages 44 to 50 constitute an integrated part of the Parent Company accounts.

PARENT COMPANY BALANCE SHEET

Amounts in KSEK	Note	31 st Dec 2024	31 st Dec 2023
ASSETS			
Non-current assets			
<i>Financial assets</i>			
Participation in Group companies	40	420 893	420 893
Receivables from Group companies	48	315 343	298 143
Deferred tax assets	41	2 965	1 335
Total financial assets		739 201	720 371
Total non-current assets		739 201	720 371
Current assets			
<i>Current receivables</i>			
Receivables from Group companies	48	6 019	7 169
Current tax asset		7 392	7 386
Prepaid expenses and accrued income	42	258	167
Total current assets		13 669	14 722
Cash and bank balances	43	6 607	3 113
Total current assets		20 276	17 835
TOTAL ASSETS		759 477	738 206

The notes on pages 44 to 50 constitute an integrated part of the Parent Company accounts.

PARENT COMPANY BALANCE SHEET

KSEK	Note	31 st Dec 2024	31 st Dec 2023
EQUITY AND LIABILITIES			
EQUITY			
Restricted equity			
Share capital		500	500
Non-restricted equity			
Retained earnings	50	403 329	379 046
Profit/(loss) for the period	50	27 884	24 283
Total equity		431 713	403 829
UNTAXED RESERVS			
Accrued fund		4 143	4 143
Total untaxed reservs		4 143	4 143
LIABILITIES			
Non-current liabilities			
Bond loan	44	293 858	295 494
Total non-current liabilities		293 858	295 494
Current liabilities			
Bond loan	44	9 000	16 000
Trade payables		240	50
Liabilities to Group companies	44	6 019	6 019
Current tax liabilities		8 792	9 043
Other liabilities	45	283	876
Accrued expenses and prepaid income	46	5 429	2 753
Total current liabilities		29 763	34 740
Total liabilities		323 621	330 234
TOTAL EQUITY AND LIABILITIES		759 477	738 206

The notes on pages 44 to 50 constitute an integrated part of the Parent Company accounts.

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

	Restricted equity	Non-restricted equity			Total equity
	Share capital	Other contributed capital	Retained earnings	Profit for the year	
FY 2023					
Opening balance at 1st December 2023	500	325 000	20 675	13 371	359 546
Disposition of result according to the Annual General Meeting	-	-	13 371	-13 371	-
Unconditional shareholder contribution	-	20 000	-	-	20 000
Profit/loss for the year and comprehensive income	-	-	-	24 283	24 283
Closing balance at 31st December 2023	500	345 000	34 046	24 283	403 829
FY 2024					
Opening balance at 1st December 2024	500	345 000	34 046	24 283	403 829
Disposition of result according to the Annual General Meeting	-	-	24 283	-24 283	-
Unconditional shareholder contribution	-	-	-	-	-
Profit/loss for the year and comprehensive income	-	-	-	27 884	27 884
Closing balance at 31st December 2024	500	345 000	58 329	27 884	431 713

The notes on pages 44 to 50 constitute an integrated part of the Parent Company accounts.

PARENT COMPANY CASH FLOW STATEMENT

Amounts in KSEK	Not	Financial year 1 st Jan – 31 st Dec 2024	Financial year 1 st Jan – 31 st Dec 2023
Cash flow from operating activities			
Operating profit (loss)		4 915	5 597
<i>Adjustment for non-cash items</i>			
- Other non-cash items		7 767	6 482
Interest received		212	1 704
Interest paid		-23 216	-21 040
Income taxes paid		-9 021	-9 744
Cash flow from operating activities before changes in working capital		-19 343	-17 001
Cash flow before changes in working capital			
Increase/decrease of trade receivables		1 150	-1 150
Increase/decrease of other current receivables		-23	-59
Increase/decrease of trade payables		190	-64
Increase/decrease of other current payables		-676	-600
Total changes in working capital		641	-1 873
Cash flow from operating activities		-18 702	-18 874
Cash flow from investing activities			
Investments in other financial fixed assets		-55 800	-
Divestment/amortization of other financial fixed assets		38 600	-
Cash flow from investing activities		-17 200	-
Cash flow from financing activities			
Shareholder contribution		-	20 000
Repurchase bond		-	-18 664
Repayment of bond		-	-11 888
Amortization of debt	52	-16 403	-
Group contributions received		55 800	32 400
Cash flow from financing activities		39 397	21 848
Decrease/increase of cash and cash equivalents			
Opening cash and cash equivalents		3 113	139
Net cash flow during the period		3 495	2 974
Exchange rate differences in cash and cash equivalents		-2	-
Closing cash and cash equivalents		6 607	3 113

The notes on pages 44 to 50 constitute an integrated part of the Parent Company accounts.

36. Parent Company accounting policies

The most significant accounting policies that were applied in the preparation of these annual accounts are presented below. These policies have been applied consequently for all financial years presented, unless otherwise stated.

The Annual Report for the Parent Company was prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. If the Parent Company applies other accounting policies than the Group's account policies these are presented below.

The annual accounts have been prepared in accordance with the acquisition cost method.

Areas that comprise a high level of assessments, that are complex, or areas where estimates and assessments are significant for the consolidated financial statements, are presented in Note 4 of the consolidated accounts.

The Parent Company is, through its operations, exposed to a number of different financial risks: market risk (currency risk and interest rate risk), credit risk and liquidity risk. The overall risk management policy of the Parent Company is focused on the unpredictability of the financial markets and strive to minimize potential negative effects on the Group's performance. For more information on financial risks, please refer to the consolidated financial accounts, Note 3.

The Parent Company applies different accounting policies than the Group in the cases presented below:

36.1 Formats

The income statement and balance sheet are in accordance with the format of the Annual Accounts Act. Statement of changes in equity is in accordance with the Group's format but should contain the columns stipulated in the Annual Accounts Act. Further, this entails differences in terms, mainly regarding financial income and costs and equity.

36.2 Participations in subsidiaries

Participations in subsidiaries are recognized at cost, adjusted for any impairment. In cost are included acquisition related costs and any additional purchase price.

Whenever there is an indication that participations in subsidiaries have decreased in value, a calculation of the recoverable amount is performed. If this is lower than the carrying value, an impairment is made. Impairment is recognized in the item "Performance from participation in Group companies".

36.3 Shareholders' contributions and Group contributions

Group contributions from Parent Company to subsidiaries and Group contributions received by the Parent Company from a subsidiary are recognized as appropriations. The shareholders' contribution paid is recognized in the Parent Company as an increase of carrying value of the participation, and in the receiving company as an increase of equity.

36.4 Financial instruments

IFRS 9 is not applied in the Parent Company. Instead, the Parent Company applies the points in RFR 2 (IFRS 9 Financial instruments, p. 3-10).

3.6 Leases

The parent company does not report leasing agreements in the balance sheet as right-of-use assets and leasing liabilities. Leasing fees are reported as costs linearly over the lease period in accordance with the exemption from IFRS 16 found in RFR 2 Accounting for legal entities.

37. Employee benefits, etc.

Salaries and other remuneration and social security expenses

	Jan 2024 - Dec 2024	Jan 2023 - Dec 2023
Salaries and other remuneration	813	733
Social security contributions	169	114
Total employee benefits	982	847

Board members have received salaries and social security expenses, according to above.

Average number of employees

	Jan 2024 - Dec 2024 Number on the balance sheet day	Jan 2023 - Dec 2023 Number on the balance sheet day
Women	1	1
Men	2	2
Total	3	3

Members of the Board and senior executives

	Jan 2024 - Dec 2024		Jan 2023 - Dec 2023	
	Number on the balance sheet date	Of which men	Number on the balance sheet date	Of which men
Board members	6	5	6	5
President and other senior executives	1	1	1	1
Total	7	6	7	6

During the year, the President have not received salaries or other remuneration.

38. Interest income and similar profit/loss items and interest expenses and similar items

	Jan 2024 - Dec 2024	Jan 2023 - Dec 2023
Interest income, bonds	58	427
Other financial income	154	670
Total interest income and similar profit/loss items	212	1 097
Interest expenses, external	-17 994	-13 350
Other financial expenses	-7 912	-8 392
Total interest expenses and similar profit/loss items	-25 906	-21 742
Total financial items – net	-25 696	-20 645

39. Tax on profit for the year

Recognized tax in the income statement	Jan 2024 - Dec 2024	Jan 2023 - Dec 2023
Current tax:	-8 764	-7 504
Deferred tax:	1 630	1 335
Tax on profit for the year	-7 134	-6 169

	Jan 2024 - Dec 2024		Jan 2023 - Dec 2023	
	Profit/loss	Tax, %	Profit/loss	Tax, %
Profit before tax	35 019		30 452	
Theoretical tax rate	-7 214	20,6	-6 273	20,6
Tax effects from:				
Non-deductible items	-1 631	-4,7	-1 353	-4,4
No taxable income	2	0,0	-	-
Change in valuation of deferred tax	1 630	4,7	1 335	4,4
Tax effect of flat-rate interest on accrual fund	-22	-0,1	-4	0,0
Tax previous years	28	-	-	-
Other	73	0,2	126	0,4
Income tax	-7 134	-20,4	-6 169	20,3

Measurement of deferred tax assets in connection with loss carry forwards - interest deduction

interest. This non-deductible interest means a changed tax expense in 2024 of 0,1 (0,1) SEK million for the Group. There is a future possible tax credit on the same amount. Given that there are time constraints in the possibility of utilizing the future tax credit, the Group has, for prudence, chosen not to record the future tax credit but will be taking the positive tax effects at the rate that the tax credit is utilized.

40. Participations in subsidiaries

Name	Corporate Identity Number	Domicile and place of business	Number of shares	Carrying amount
Directly owned				
Swedish Electromagnet Holding AB	559060-1000	Stockholm, Sweden	2 000 000	420 893
Total directly owned			2 000 000	420 893
Indirectly owned				
SEM AB	556023-5748	Åmål, Sweden	24 090	218 223
SEM Technology Suzhou Co. Ltd	320500400019506	Suzhou, China	1	21 924
SEM Technology Inc.	830525273	Indianapolis, US	1 000	92
Senfusion AB	556823-8454	Åmål, Sweden	1 334	-
Total indirectly owned			2 335	240 239

All companies are a 100% owned. Share of capital corresponds to share of votes.

	31 st Dec 2024	31 st Dec 2023
Opening balance	420 893	420 893
Acquisitions for the year	-	-
Closing balance	420 893	420 893

41. Deferred tax

Deferred tax assets are reported for tax loss deductions or other deductions to the extent that it is likely that they can be utilized through future taxable profits. In 2024, the parent company reported a deferred tax asset of KSEK 2 965 regarding the reported value of the bond loan according to the effective interest method and refers to the debt as of 12/31/2024 on the condition that the bond loan runs for the entire agreement period and is only redeemed on June 30, 2026 at the exchange rate of 109.

Deferred tax assets	Other	Total
Opening balance 1st January 2023	-	-
Deferred tax liability refers to the reported value of bond debt	1 335	1 335
Closing balance 31st December 2023	1 335	1 335

Deferred tax assets	Other	Total
Opening balance 1st January 2024	1 335	1 335
Deferred tax liability refers to the reported value of bond debt	1 630	1 630
Closing balance 31st December 2024	2 965	2 965

42. Prepaid expenses and accrued income

	31 st Dec 2024	31 st Dec 2023
Prepaid insurance	48	59
Other items	210	108
Total	258	167

43. Cash and bank balances

Correspond to cash and cash equivalents in the cash-flow statement.

	31 st Dec 2024	31 st Dec 2023
Bank balances	6 607	3 113
Total	6 607	3 113

44. Borrowing

	31 st Dec 2024	31 st Dec 2023
Non-current		
Bond loan	293 858	295 494
Total	293 858	295 494

Current		
Bond loan	9 000	16 000
Liabilities to Group companies	6 019	6 019
Total	15 019	22 019

Bond loan

The company has issued a senior secured bond, ISIN SE0011167600 (the "Bond"), with a nominal value of SEK 350 million. The bond runs after extension until June 30, 2026. For updated bond terms and details, refer to the website www.sem.se under Investor Relations. In 2023, the mandatory amortization and interest payments have been made. The mandatory amortization and interest payment per quarter four fell due on the second of January 2024 and the amortization was reduced by the voluntary repurchases made during quarter four 2023 of SEK 4.9 million nominally.

Funding and liquidity

The group's bond loan expires by agreement on April 26, 2023 with an extension to June 30, 2026

	Carrying amount 31 st Dec 2024	Fair value 31 st Dec 2024	Carrying amount 31 st Dec 2023	Fair value 31 st Dec 2023
Bond loan	302 858	281 658	336 250	323 641

Fair value of the bond loan has been valued at level 1 of the fair value hierarchy, ie the quoted market price per 2023-12-31. The carrying amount has been calculated using the effective interest rate method and refers to the liability as of 2023-12-31, provided that the bond loan has a maturity of the entire contract period and will not be redeemed until 30 June 2026 at a price of 109.

45. Other current liabilities

	31 st Dec 2024	31 st Dec 2023
VAT payable	0	620
Personnel tax	200	183
Salary tax and social security contributions	83	73
Total	283	876

46. Accrued expenses and deferred income

	31 st Dec 2024	31 st Dec 2023
Accrued interest bond loan	5 241	2 550
Other items	189	203
Total	5 429	2 753

47. Pledged collateral

	31 st Dec 2024	31 st Dec 2023
<i>For own liabilities</i>		
Shares in subsidiaries	420 893	420 893
Intra-Group loan	246 476	246 476
Total	667 369	667 369

48. Related-party transactions

Swedish Electromagnet Invest AB (publ) (the "Company"), is majority owned by Procuritas Capital Investors V, L.P. headquartered in Guernsey. Swedish Electromagnet Invest AB (publ) is the largest Group in which consolidated accounts are prepared. Related parties are all subsidiaries within the Groups as well as senior executives and their associates.

The following related-party transactions have been performed:	Jan – Dec 2024	Jan – Dec 2023
(a) Sales of services		
- Administration services from the Parent Company	11 040	11 040
Total	11 040	11 040

Services are purchased and sold to related parties at normal commercial terms and adhere to the following transfer pricing policy.

Receivables and liabilities at year-end as a result of sales and purchases of goods and services

	31 st Dec 2024	31 st Dec 2023
Receivables from related parties:		
Management fee	-	1 150
Liabilities to related parties		
Current liability	-	-
At year-end	-	1 150

Loans to related parties

	31 st Dec 2024	31 st Dec 2023
Loan to Swedish Electromagnet Holding AB		
Starting balance	246 476	246 476
Ending balance	246 476	246 476
Loan to SEM AB		
Starting balance	57 686	44 586
Amounts repaid	-38 600	-32 400
Loans raised during the year (group contribution, given, not paid)	55 800	45 500
Ending balance	74 886	57 686
Total at year-end	321 362	304 162

<i>Loan from related parties</i>	31 st Dec 2024	31 st Dec 2023
<i>Loan from Swedish Electromagnet Holding AB</i>		
Starting balance	-6 019	-6 019
Outgoing balance	-6 019	-6 019
Total at year-end	-6 019	-6 019

The Group had no provisions for bad debts attributable to related parties. Neither has the Group recognized any expenses for bad debts from related parties during the period. No assets have been pledged for the receivables.

Liabilities to related parties are mainly attributable to the settlement of loans in the subsidiaries in connection with new financing.

49. Changes in liabilities related to financing activities

	1 st January 2023	Cash inflow	Cash outflow	Capitalized interest	Recognized part of acquisition cost	31 st December 2023
Bond loan	336 250	-	-30 552	5 796	-	311 494
Total:	336 250	-	-30 552	5 796	-	311 494

	1 st January 2024	Cash inflow	Cash outflow	Capitalized interest	Recognized part of acquisition cost	31 st December 2024
Bond loan	311 494	-	-16 549	7 913	-	302 858
Total:	311 494	-	-16 549	7 913	-	302 858

50. Proposed appropriation of profits

The following profits are at the disposal of the Annual General Meeting:

Retained earnings	403 329
Profit for the year	27 884
KSEK	431 213

The Board of Directors proposes that the available profits be carried forward as follows:

KSEK	431 213
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The consolidated income statement and balance sheet will be presented to the Annual General Meeting for adoption on 2024-04-30.

51. Events after the end of the reporting period

After the end of the financial year, global events have occurred that have an impact on our business. We are monitoring the continued development in order to adapt to the circumstances in the best possible way.

Definitions

Alternative performance measures

Alternative performance measures (APM) are financial measures that are not defined in the applicable financial reporting framework (IFRS) and are presented outside the financial statements.

APMs are used by SEM Invest when relevant to assess and describe the financial situation and provide additional relevant information and tools to enable analysis of SEM Invest's performance. The Company believes that these key ratios are useful for readers of the financial statements as a complement to other key performance indicators to assess the SEM Invest's financial position and profitability. APMs can be defined in different ways by other companies and, therefore, may not be comparable with similar measures used by other companies.

Cost of goods sold

Including Direct Material, Direct Labor, Production Overhead, Differences vs standard costs such as price and production variances and changes in inventory.

EBITDA

Profit before interest, tax, depreciation and amortization.

EBITDA (adj)

Profit before interest, tax, depreciation and amortization, adjusted for non-recurring item. The adjustments performed are cost and income of a non-recurring item, for which, according to the terms and conditions of the bond, EBITDA should be adjusted ¹.

Net debt

Net interest-bearing debt according to the terms and conditions of the bond including financial indebtedness such as the bond loan and leasing accounted for in accordance with IAS 17 (excluding leasing accounted for in accordance with IFRS 16 since the accounting principle were not applicable on the date of the issue of the bond but first applicable as of 1st January 2019) less cash and cash equivalents.

According to the bond terms, net debt is not including any pension liability.

Net debt in relation to adjusted EBITDA

Net interest-bearing debt in relation to adjusted EBITDA. The adjustments performed are cost and income of a non-recurring item, for which, according to the terms and conditions of the bond, EBITDA should be adjusted ¹.

Return on equity

Profit before tax (EBT) attributable to shareholders in relation to average shareholders' equity. (Average year-to-date, calculated on quarter-end figures.)

Return on total assets

Operating result (EBIT) attributable to shareholders, in relation to average total assets. (Average year-to-date, calculated on quarter-end figures.)

Equity/assets ratio

Equity as a percentage of the sum of shareholders' equity and liabilities.

¹ Adjustments include non-recurring figures to enable better comparison of underlying development in the business.

The Board of Directors and the President certify that the consolidated financial statements have been prepared in accordance with the international accounting standards IFRS, as endorsed by the EU and present a fair view of the Group's position and profit/loss. The annual accounts have been prepared in accordance with Swedish GAAP and present a fair view of the Parent Company's position and profit/loss.

The Administration Report of the Group and the Parent Company present a fair view of the development of the operations, position and performance of the Group and the Parent Company and describes significant risks and uncertainties to which the Parent Company and the companies in the Group are exposed.

Stockholm 2025-04-29

Halvar Jonzon
Chairman of the Board

Kenneth Christensen
Board member

Hasse Johansson
Board member

Henri Peltomäki
Board member

Christina Hallin
Board member

Jan Palmqvist
Board member

Magnus Hellström
CEO

Our auditor's report was submitted on 29th April 2025
Öhrlings PricewaterhouseCoopers AB

Peter Kjörnsberg
Authorized Public Accountant

Auditor's report

Unofficial translation

To the general meeting of the shareholders of Swedish Electromagnet Invest AB (publ), corporate identity number 559153-6510

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Swedish Electromagnet Invest AB (publ) (publ) for the year 2024 except for the corporate governance statement on pages 5-10.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 5-10. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for Opinions

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

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

Our audit approach

Focus and scope of the audit

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where the Board of Directors and the Managing Director made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of the Board of Directors and the Managing Director override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the group, the accounting processes and controls, and the industry in which the group operates.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with

qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

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

Key audit matter

How our audit considered the key audit matter

Intangible assets (note 2, 4, 14, 36 and 40)

Goodwill, customer relations and brands and participations in Group companies are reported at MSEK 518 in the consolidated balance sheet and to MSEK 421 in the Parent Company's balance sheet as of December 31, 2024. The valuation and accounting of these assets constituted a particularly important area in our audit in the light of the materiality of the amounts in relation to the financial position of the Group and the parent company. The valuation perspective regarding goodwill, brand as well as customer relations and participations in group companies is aimed at a possible impairment requirement. In cases where there are indications of impairment, the book value is tested against the estimated recoverable amount of the assets. An impairment loss is recognized when the carrying amount of an asset permanently exceeds the recoverable amount. The recoverable amount is determined by calculating the value in use for each cash-generating unit and is the present value of the future cash flows for the unit. The calculation of the recoverable value contains several assumptions and assessments, along other things, regarding the discount rate applied and the size of future cash flows. As shown in Note 14 in the annual report, the Group conducted write-down tests in 2024 regarding classified items and participations in group companies. The impairment test showed that there was no need for impairment.

As far as impairment tests are concerned, we have evaluated the business's calculation models and the reasonableness of the assumptions made. We have reviewed the process for identifying cash-generating units against established criteria and compared this with management's follow-up of operations to verify that they are in alignment. With regards to the assumptions made, we have compared these with similar objects and general financial information to form an idea of the appropriateness of the assumptions. We have followed previous year's forecasts and assessed how well the business has been able to predict the development and adjusted our review based on the outcome of this. We have also mathematically tested the company's valuation model and conducted sensitivity analyzes of key variables. We have evaluated the accounting principles and the associated information provided on material assumptions and sensitivity analyzes in the annual report and find these appropriate. We have also assessed whether the information provided in the annual report gives a true and fair view of the Group's work on impairment tests.

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

Report on other legal and regulatory requirements

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

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

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

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

with the Companies Act.

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

A further description of our responsibility for the audit of the administration is available on the Swedish Inspectorate of Auditors' website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

The auditor's examination of the Esef report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Swedish Electromagnet Invest AB (publ) (publ) for the year 2024.

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

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

Basis for Opinion

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

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

Responsibilities of the Board of Directors and the Managing Director

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

Auditor's responsibility

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

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

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

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

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



an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

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

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

The auditor's examination of the corporate governance statement

It is the Board of Directors who is responsible for that the corporate governance statement on pages 5-10 has been prepared in accordance with the Annual Accounts Act.

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

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

Öhrlings PricewaterhouseCoopers AB, Torsgatan 21, 113 21 Stockholm, was appointed as Swedish Electromagnet Invest AB (publ)'s auditor by the general meeting of shareholders on 14 of May 2024 and has been the company's auditor since 3rd of May 2018.

Stockholm the date indicated by our electronic signature

Öhrlings PricewaterhouseCoopers AB

Peter Kjörnsberg
Authorized Public Accountant

This is a translation of the Swedish language original. In the event of any differences between this translation and the Swedish language original, the latter shall prevail.