



WE ARE
RELIABLE

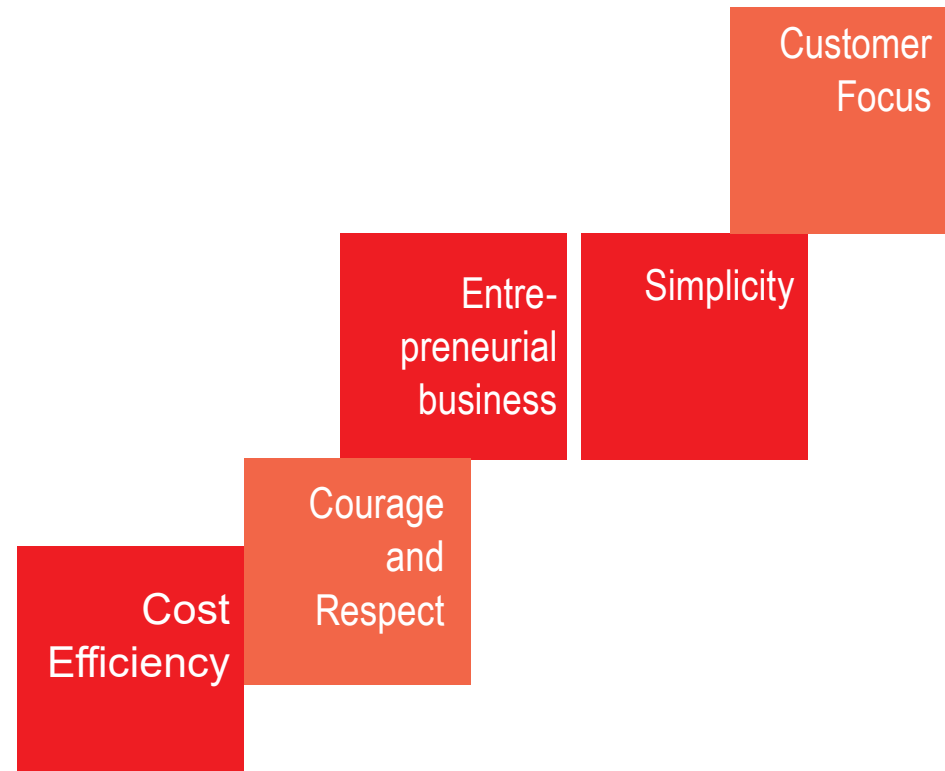


www.aqgroup.com

AQ Group AB

Annual Report
2023

WE ARE RELIABLE

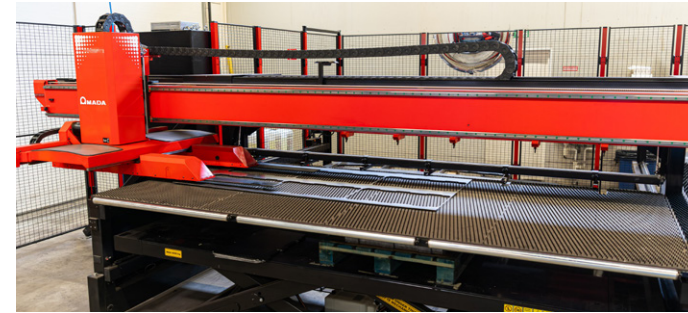


Our business is **production**, we have a long term view and we fully commit ourselves to live up to customer expectations for quality, delivery performance, technological development and service.



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The front page photo is taken by AQ employee Aimar Laadi



AQ Group

is a global manufacturer of components and systems for industrial customers with high demands.

The business consists of the System and Component segments. The System segment includes our Electric Cabinets and System Products business areas. The Component segment encompasses our business areas of Injection Molding and Precision stamping, Inductive Components, Wiring Systems, Sheet Metal Processing as well as Special technologies and Engineering.

Business activities take place in these specialised business areas through operating companies, which offer our customers cost-efficient solutions. The consolidated knowledge within AQ Group, combined with a global presence, offers unique benefits for customers all over the world. Quality is always central to everything we do and is something we strive constantly to develop. In our world, quality and efficiency go hand in hand.

Since its inception in 1994, AQ Group has reported steady, rapid growth with good profitability. The Group has approximately 8,000 employees in total, whereof 89% in countries outside of Sweden. Net sales is SEK 9 billion. The company is listed on Nasdaq Stockholm's main market since January 16, 2017.

BUSINESS CONCEPT

To develop, manufacture and assemble components and systems for industrial customers with high demands.

With our commitment to total quality our customers become long-term partners.

SYSTEM

- Electric cabinets
- System products

COMPONENT

- Injection molding and Precision stamping
- Inductive components
- Wiring Systems
- Sheet metal processing
- Special technologies and Engineering



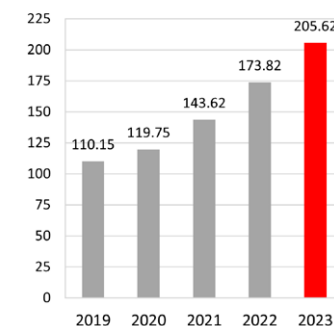
AQ:S WORLD

AQ currently has operations in: Sweden, Bulgaria, Hungary, Estonia, Poland, Lithuania, Mexico, Italy, India, China, Finland, USA, Canada, Brazil and Germany.

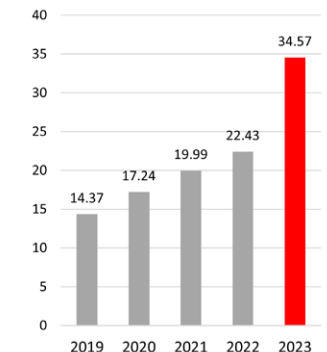
HISTORY IN BRIEF

1994	AQ Group is founded via a merger of Aros Kvalitetsplast and the transformer division of ABB
1995	The AQ Group consists of AQ Plast, AQ Komponent and AQ Trafo
1996	Acquisition of a transformer factory in Bulgaria, AQ Magnit
1997	Acquisition of three companies in electric cabinets in Sweden, AQ Elautomatik
2001	AQ's stock listed on Aktietorget on June 6. Acquisition of a company in medical technology in Uppsala, AQ M-Tech
2003	Acquisition of a company in Bulgaria in mechanical components and electric cabinets, AQ Electric
2004	Acquisition of two companies in sheet metal and injection molding, with operations in Sweden and China, AQ Enclosure Systems and AQ Plast
2006	Acquisition of companies in sheet metal with operations in Sweden and in Pärnu, Estonia, AQ Special Sheet Metal and AQ Lasertool
2008	Acquisition of transformer manufacturer in Suzhou China, AQ Electric
2010	Acquisition of a company in wiring harness manufacturing in Poland, AQ Wiring Systems
2011	Start of a new company in wiring systems and mechanical components in Pune India, AQ Mechanical & Electrical
2012	Acquisition of a company in wiring systems manufacturing with operations in Lithuania and Mexico, AQ Wiring Systems
2013	Acquisition of bankruptcy estate active in the assembly of packaging machines in Falköping, AQ Enclosure Systems Acquisition of bankruptcy estate within special silencers in Lyrestad, AQ Special Sheet Metal
2014	Acquisition of companies in injection molding and assembly in Bulgaria, AQ Plastronic Acquisition of surface treatment company (ED) in Estonia, AQ Lasertool
2015	Acquisition of a company in injection molding and advanced mechanical components in Hungary, AQ Anton
2016	Acquisition of a Group within wiring systems and mechanical manufacturing, AQ Wiring Systems and AQ Components
2017	The share admitted to trading on Nasdaq Stockholm's main list, Mid Cap
2018	Acquisition of mechanical manufacturers in Finland and Estonia, AQ Mecanova Acquisition of wiring systems manufacturers in Canada and the USA, AQ Wiring Systems Canada, Inc and AQ Wiring Systems NY, Inc.
2019	Acquisition of manufacturer of inductive components in Finland, Estonia, China, Brazil and Germany, AQ Trafotek Acquisition of company specialized in sales of connection technology products in Sweden, AQ MiniCon
2021	Acquisition of manufacturers of inductive components - AQ Inductive Components Germany (Germany), AQ Inductives Hungary (Hungary), AQ Transformer Solutions (USA) and AQ Power Magnetics Shanghai (China)

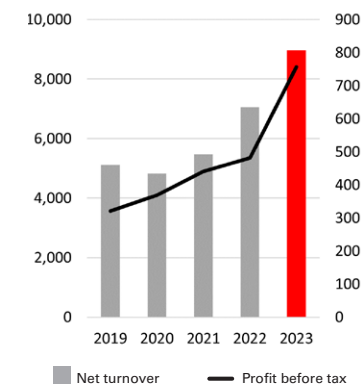
Equity per share, SEK



Earnings per share before dilution, SEK



Net sales and profit before tax, SEKm



AQ Group 2023

- Turnover and profit record once again
- Focus on improved inventory turnover rate which have resulted in strong cash flow
- Serie production of several large customer project within electrification, commercial vehicles and ships
- Expansion of the wiring systems factory in Poland for the production of wiring systems for commercial vehicles
- New deals in electrification, electric vehicles, renewable energy, medical technology, and energy storage



MARKET

AQ has since the foundation in 1994 worked with electrification. We now see a strong growth with our customers that manufacture technical solutions for transfer, store and transform energy in an efficient way. This means that during the year we saw a strong increase in volume within our business areas for Inductive components, Sheet metal processing, Electrical cabinets and Wiring systems. Our net sales increases on all geographical markets except China. Our sales from Eastern Europe has shown the fastest increase during the year.

Net sales increased by 27% in 2023, of which 21% was organic growth. We grow organically in all business areas and market segments, but above all in components and systems for electrification, the defense industry and commercial vehicles.

During the year, we have started deliveries of battery storage systems for the storage of renewable energy as well as wiring systems for cabs to demanding industrial customers. We have also increased our deliveries of inductive components to leading suppliers of frequency converters and transformers for ships.

During the year, we won new orders for components for vehicles and ships in the defense industry, as well as a large number of orders for electrical cabinets and sheet metal processing for the transmission of electricity. By the end of 2023, we have also completed prototypes for fast chargers for heavy commercial vehicles and sheet metal cabinets for frequency converters for large solar parks.

Unfortunately, in 2023 we have completed all projects in energy storage for our customer in Bulgaria and do not see any additional projects in 2024.

PROFIT AND CASH FLOW

Profit before tax (EBT) increased by 57% to SEK 757 m and our profit per share increased by 54% to 34.57 kr. The profit improvement comes from high organic growth, and productivity improvements at our factories which in 2022 had low profitability. Our profit margin before tax was 8.4%. That is higher than our target of 8%. Cash flow from current operations was SEK 980 m in 2023. This is a record. This is due to the improvement project that we started in the second part of 2022 to increase the inventory turnover rate throughout the group.

DIVIDEND

This year, the board has proposed a dividend of SEK 6.66 per share. We basically have no net debt and strong cash flow. Therefore, the Board proposes to double the dividend compared to previous year. Despite this, we continue to have a good financial position and have good opportunities to carry out acquisitions and invest in new production capacity for our customers as well as necessary investments to reduce our carbon footprint.

DELIVERY CAPABILITY & CAPACITY

During the year, our ability to deliver has been poor. We have had problems delivering due to our strong growth. We have not managed to increase our capacity at the same rate as our customers' demand. In 2023, we delivered 90% of our orders on time. It's not good enough. To improve this, we have invested in increased production capacity during the year.

Some of the important initiatives we carried out during the year;

- Investment in real estate and production equipment to increase the production capacity of wiring systems in Poland.
- Increased our production capacity of transformers for ships in Finland.
- Doubled our production capacity for engineering services, wiring systems and sheet metal components for the defense industry in Sweden and Poland.
- Employed additional 500 people in our factory in Lithuania for wiring systems production for heavy vehicles.

ACQUISITIONS

We work continuously to identify potential acquisitions that fit into AQ. We are very careful that the acquisitions we carry out contribute to and develop the group in the long term. At the end of 2023, we held lengthy discussions with some companies about acquiring them.

ENVIRONMENT

We need to do more to reduce our carbon dioxide emissions. Within AQ Group, we have chosen to do so within the framework of our environmental management systems in our operational production units. In these there are concrete targets, metrics and activities to reduce our environmental impact and in our Sustainability Report for 2023 we report our carbon dioxide emissions according to scope 1 and 2 as well as targets for reduction. Our carbon dioxide emissions according to scope 1 and 2 in relation to net sales have decreased by 12% during the year. Our goal is to continue to reduce these by 4% per year going forward.



During the year, we invested in new production equipment that is more energy-efficient, optimized several of our painting facilities to reduce energy consumption, and decided to invest in solar cells on production properties in Bulgaria and India. At the same time, we have extra focus on taking advantage of the opportunities we have to produce components and systems for our customers' products that improve the environment. Some examples of this are our production of electrical automation for power transmission, production of inductive components for battery-electric trains and aluminum components for wind turbines.

ORGANISATION

AQ Group has a culture with a decentralized leadership and strong values in customer focus, simplicity, entrepreneurship, cost efficiency as well as courage and respect. We run our business in independent companies with talented leaders and employees who work closely with our customers and have a mandate to make quick decisions to help our customers. In this way, we can be swift and take advantage of the opportunities that exist together with our customers. This, in combination with the fact that we can identify synergies in sales, purchas-

ing, IT and finance at group level, means that we can continue to grow, our company, our employees, our turnover and our profit.

OUTLOOK

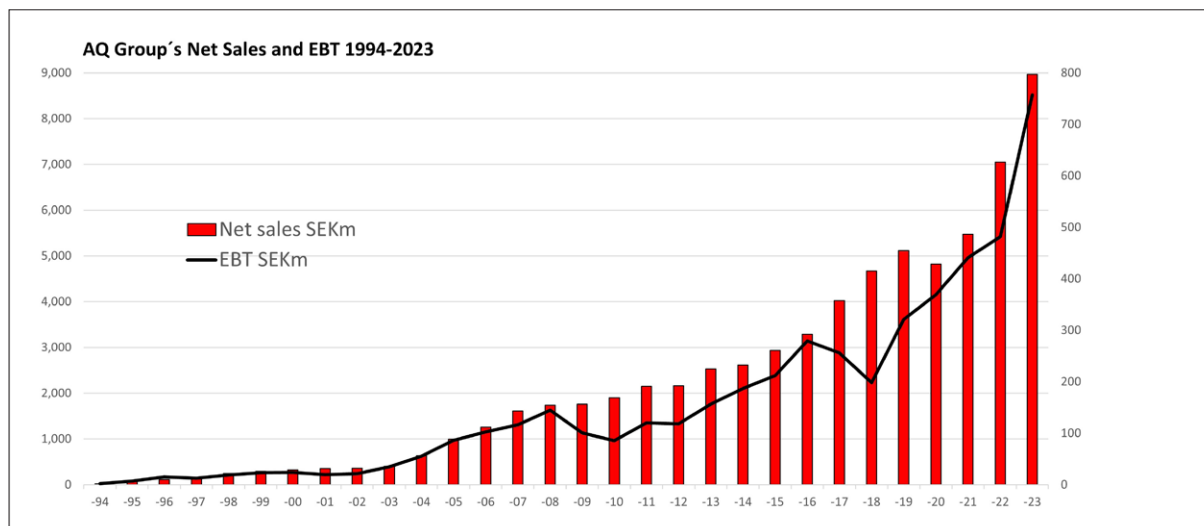
We want to be a long-term, growing and profitable company with a profit margin before tax of at least 8% and with a strong financial position. We enjoy doing business with demanding industrial customers. With strong relationships with world-leading customers and committed employees, we must do everything to create organic growth and implement new acquisitions. An important part of this is our values and our aspiration to be a long-term and "reliable" supplier to leading industrial customers. In the long term, we see an even greater focus on driving solutions to make us all independent of fossil energy. This leads to an increased focus on AQ's customers in renewable energy, electromobility and electrification.

AQ's strategy and core values are fixed. We work long-term with demanding industrial customers who have high demands on quality and delivery reliability. We constantly want to do the "little extra" for our customers and help them be successful in their markets. The

key to this is talented employees who work in decentralized companies led by strong entrepreneurs. We are simple and cost-effective, which means we are competitive. Finally, we dare to go our own way and say it like it is, which helps us to grasp the problems and opportunities that arise in each company.

At AQ, we deliver shareholder value. We therefore have no adjusted profit measures, but choose to focus on the profit accruing to the shareholders. We have increased earnings per share by an average of 16% per year for the past 10 years and with the last quarter of the year we have reported profitability for 117 consecutive quarters. We are proud of the development AQ has had since its inception in 1994 and will do everything in our power to continue increasing our sales and profit. Together with our fantastic employees and customers, we leave 2023 stronger and aim for 2024, the year when AQ turns 30, to be better.

James Ahrgren
CEO



Core values

Our core values form an important basis for our business and unites AQ's companies worldwide. Our building blocks **Customer focus**, **Simplicity**, **Entrepreneurial business**, **Cost efficiency** and **Courage and Respect** are based on a fundamental respect for our customers, employees and partners. We have a decentralised organisation to strengthen the driving forces within innovation and ambition.



CORE VALUES

The core values help to create a unique corporate culture. They have been around since the start in 1994 and continue to permeate throughout the company. The values are based on a fundamental respect for the individual and a belief in people's abilities to take initiative. There is an openness to new ideas and a desire for continuous improvement throughout the company. Simplicity, cost efficiency and courage and respect are other examples of values that contribute to our prestigeless culture. By sharing core values, colleagues from all parts of the world can work together in a fast pace, rely on each other's knowledge and skills, develop together and create customer value the best way.

In 2023, we have continued to implement the core values in our units. The CEO and HR Manager have, for example, together met the management teams and gone through everything from AQ's history to AQ's core values. Our values are documented in sixteen different languages. Our business is characterised by "We Are Reliable" no matter where or with whom at AQ that you meet.

EMPLOYEES

Commitment by employees is the key to AQ's success worldwide. The primary basis for AQ's success is all our dedicated and talented employees with widely diverse backgrounds and nationalities. This combination of competencies is a prerequisite for AQ's future development in a challenging market. Each employee makes a difference in the workplace to create the best offering and best experience for customers. Everyone can contribute with their own ideas and new perspectives.

We target customers who are world leaders in their respective niches. For them to be world leaders, they must work with world-leading suppliers. AQ shall be the world leader in cost efficiency, quality, delivery precision, flexibility and service. This is the meaning of "We Are Reliable". AQ has no great patents or other protection, we live on the fact that we have the best employees. To deserve motivated and committed employees we must be honest, open, interested, have courage, give feedback and welcome views and ideas. The responsibility for this lies with everyone. Managers at AQ have an additional responsibility to lead by example and ensure good communication with employees.

” Together we will be the world's best supplier! ”

WE ARE RELIABLE

Customer
Focus

Simplicity

Entre-
preneurial
business

Cost
Efficiency

Courage
and
Respect

Business model

AQ's customers are often world leaders in what they do. Some of our largest customers are the driving force in the development of electric power transmissions, commercial and rail vehicles, off-road and telecom equipment. They depend on getting components and systems of good quality, delivered on time, from AQ. At the same time, they place high demands on us so that we produce our products in a sustainable way. AQ adds customer value in essentially four different areas.



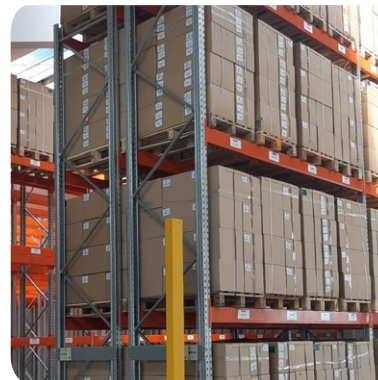
Design

AQ can, thanks to its long experience in manufacturing, help customers with the design of components and systems. This works best when AQ is involved early in the product development process.



Industrialization

In many cases, AQ helps its customers with industrializing a prototype. It basically means that we set up an optimal production structure as close to customer markets as possible in one of our many factories.



Purchasing/Logistics

Through our global presence, we often help our customers find an equivalent component alternative at lower prices internally within AQ, but also externally. This allows us to reduce the total cost for our customers.



Serial production

AQ's many manufacturing units are focused on delivering the desired quality on time and as efficiently as possible. We often say that we sell reliability. It is our understanding that this is what our customers value most.

Goals and strategies

Our Vision is to be a reliable growing partner for demanding industrial customers.

VISION

To be a reliable growing partner for demanding industrial customers.

BUSINESS CONCEPT

Our business concept is to develop, manufacture and assemble components and systems for industrial customers with high demands. With our commitment to **TOTAL QUALITY**, our customers become long-term partners.

OVERALL GOALS

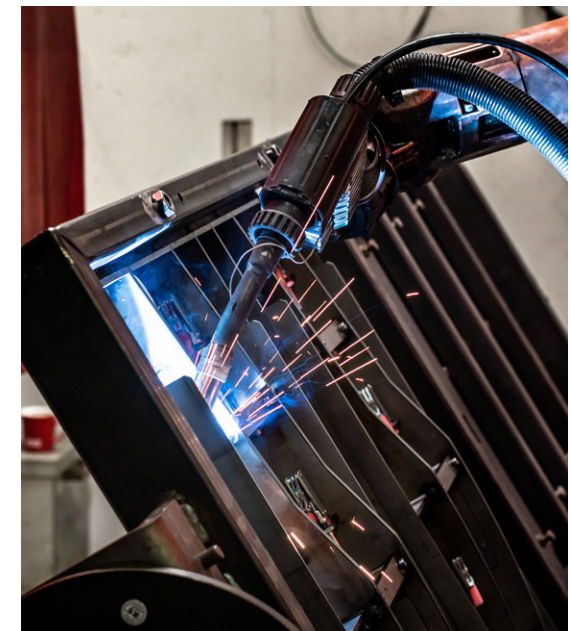
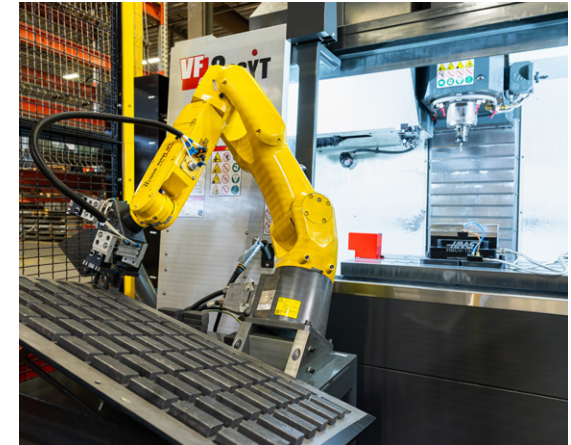
AQ Group's Board has set a few operational targets for the Group, which should be easy for all employees to understand and strive for. The objectives assure that the Group is being managed towards a good profit, high quality and delivery reliability, and strong growth with a sound level of financial risk.

- We aim to be a world leader in terms of quality, delivery precision and customer service
- Our goal is to be close to our customers geographically in order to offer products with the best total cost and at the same time with low environmental impacts
- We strive for profitable growth

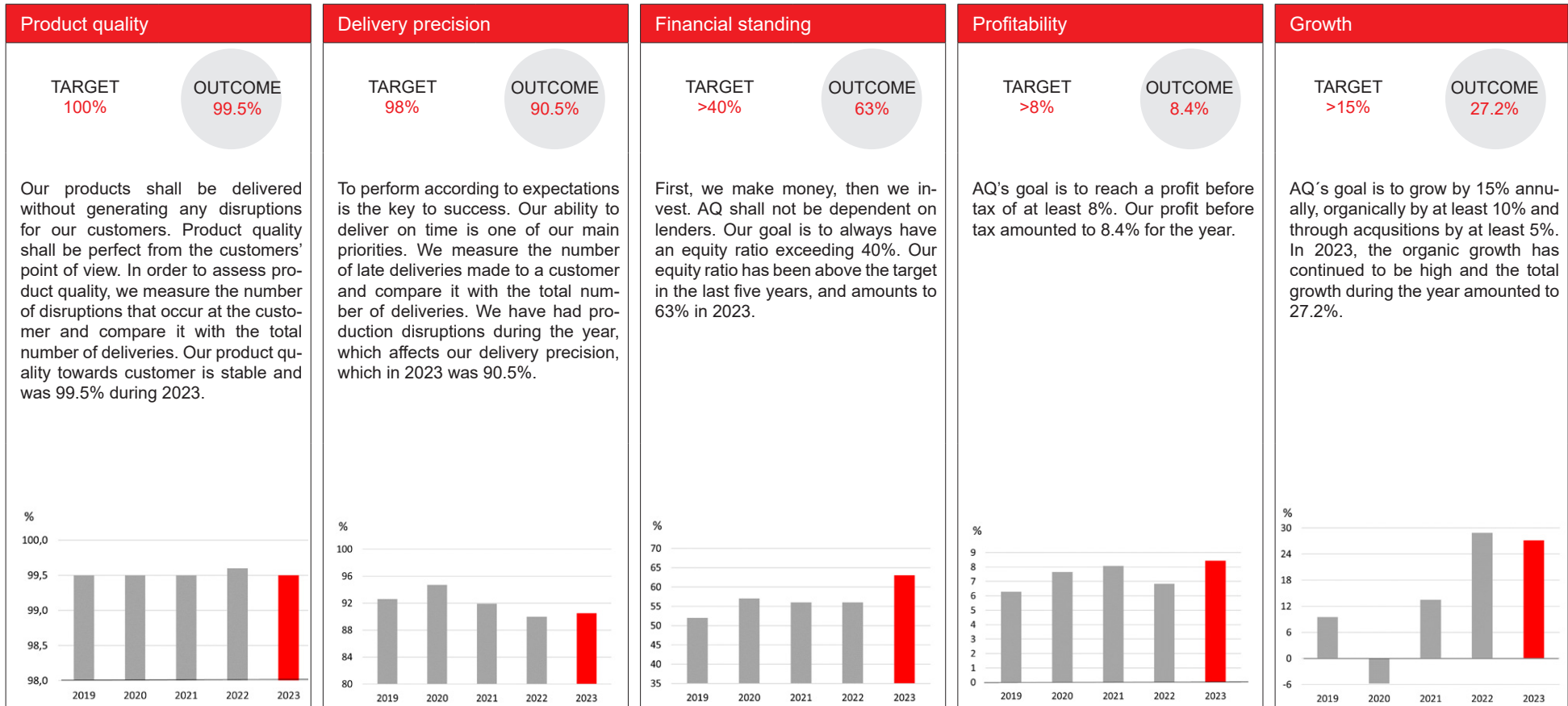
STRATEGY

The main points in the strategy for profitable organic growth are:

- to be reliable, which means high quality and delivery precision
- to use modern and efficient production
- to participate in customer development and engineering work
- decentralised organization for strong driving forces within innovation and ambition
- to utilize economies of scale in purchasing and logistics
- adhere to our values in terms of ethics and moral in terms of sustainability
- to be close to our customers' production units around the world



Goals and fulfillment



Market segments

One of AQ Group's strengths is that we have world-leading customers in several different market segments. This means we have good risk diversification that helps us to manage demand fluctuations. None of our 15 areas is a dominating part of the net sales, our business is well distributed over many customers. AQ Group are working with commercial vehicles that operate both on and off public roads. We have an emphasis on vehicle manufacturers with a high variety, lower volumes and special applications. Most of these vehicle customers are currently developing electrical vehicles and AQ is part of this development. We have business in power, automation, railway and renewable energy which are key technologies to enable the sustainable society of the future. Our combined business to bus and railway customers means we have a certain exposure to local transit systems. Our marine businesses are both for port infrastructure as well as ships. Finally we manufacture complete machines for both food and beverage, medical and traffic infrastructure customers.

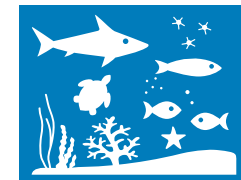


Components and systems for a better environment

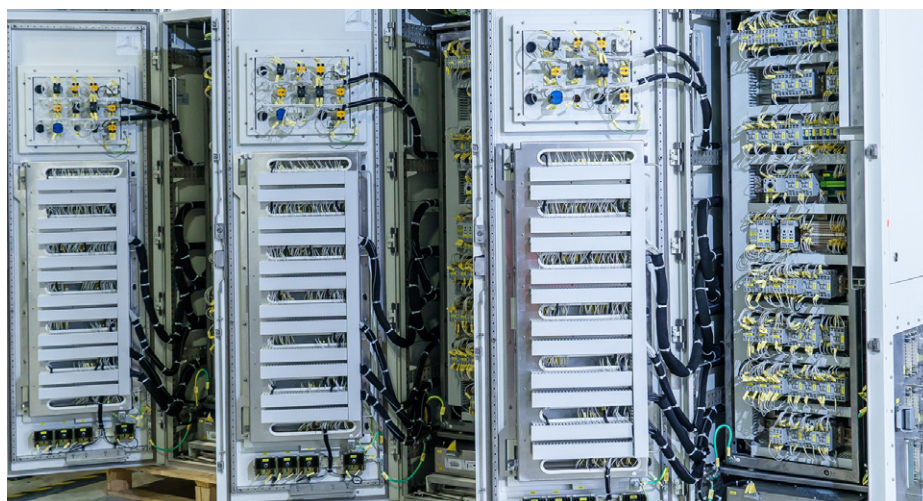
AQ has many customers who are leading in technology to improve our environment. We help them produce parts or complete products. Over the years, AQ has seen increased demand in these areas. In order for our customers to succeed, it is of the utmost importance that the products work for a long time, but also that they have as low a cost as possible. We help them with everything from realizing an idea to serial production with deliveries globally close to our customers' markets. We can most clearly see the trend in commercial vehicles where several of our customers switch to full or partial electrical propulsion. There, AQ can assist them with the competence to produce for the automotive industry combined with our knowledge in electric power and electrical automation.

REFERENCE PROJECTS

- Design, industrialization and serial deliveries of battery systems for the storage of renewable energy.
- We supply inductors to industrial drives which helps to lower electricity consumption by using electric motors only when they are needed.
- Serial deliveries of liquid-cooled inductors for wind turbine converters for customers in Denmark and Finland.
- Serial deliveries of aluminum structure for cooling systems for wind power in Germany
- Industrialization and serial deliveries of power wiring systems and fuse boxes for commercial electric vehicles.
- Design, industrialization and serial deliveries of electric automation cabinets to a product that cleans ballast water on board boats.



Cleaning of ballast water means that ships can fulfill the UN's climate goals to preserve marine ecosystems.



Electric cabinets

AQ is a complete partner for customers who need electrical systems. Our equipment is used in a variety of applications that are delivered worldwide.

Some examples are electric cabinets for demanding food processing, control and power equipment for ship cranes, control equipment for automated handling of goods in ports, monitoring and control systems for large motors and generators.

Through a common and long-term cooperation with our customers, we have developed products that are adapted to today's requirements for security and information technology. All units are certified to ISO 9000, and we can also deliver quality assured equipment according to UL standards.

We have an approach that is very customer focused and flexible. We are organized into customer teams, an organizational form that has streamlined decision-making and takes full responsibility for the customer. This allows us to undertake assignments that place high demands on flexibility and supply reliability with short lead times.

Sales, product development and production take place in:

- Sweden
- Bulgaria
- China
- India
- Poland
- Canada



System products

AQ offers a spectrum of machines and automats. Examples are medtech skids, ticket machines for parking and travel tickets, ATMs, packaging machines, printers and passport machines.

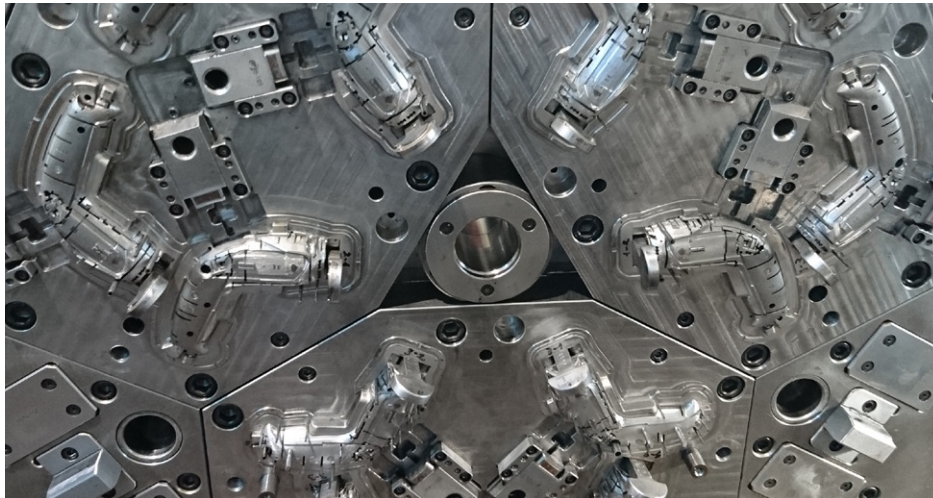
The products, which are often technically advanced, are developed and refined in close collaboration with our customers to achieve solutions that are cost-effective and technically optimized.

We utilize AQ's entire production and purchasing network to manufacture components that are part of these systems. Our strong expertise in everything from sheet metal processing, injection molding and electrical assembly is used to cut costs and improve quality and thereby increase our customers' competitiveness.

We work to create and preserve long-term business relationships where we are the customer's producing party, which creates added value in terms of cost efficiency, quality, development, delivery precision and logistics solutions.

Sales, product development and production take place in:

- Sweden
- Bulgaria
- China



Injection molding & Precision stamping

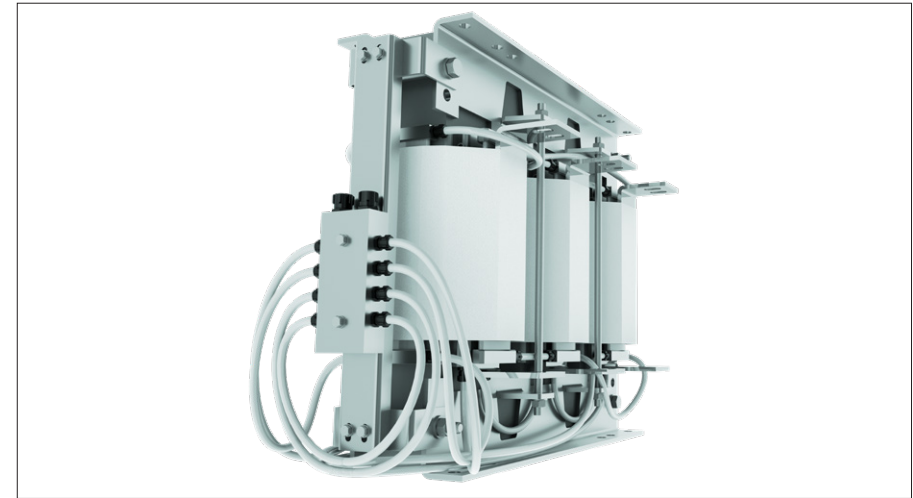
AQ is a global supplier of manufacturing and assembling tool-bound sheet metal and thermoplastic parts to demanding industrial customers. With our commitment to total quality, our customers become long-term partners. Our customer base is made up of large industrial customers in various industries such as the automotive, medical, telecom and engineering industries.

We have a modern machine park with more than 120 injection molding machines with locking force from 25 to 1500 tons and 20 punching machines. The series size can vary from a few to a million details per year. We process most construction plastics, but also high-performance plastics that can withstand temperatures above 200°C. We have extensive experience of punching complex materials with high tolerance requirements and advanced design capabilities and tool manufacturing in-house. We also have the capacity to injection mold plastic with up to 4 different materials in one and the same component. Other processes are stamping, bending and surface treatments.

Choosing AQ as a partner, is to work with enthusiastic and cooperating colleagues at every stage of the project - from idea to finished product.

Sales, product development and production take place in:

- Sweden
- Hungary
- Bulgaria
- China



Inductive components

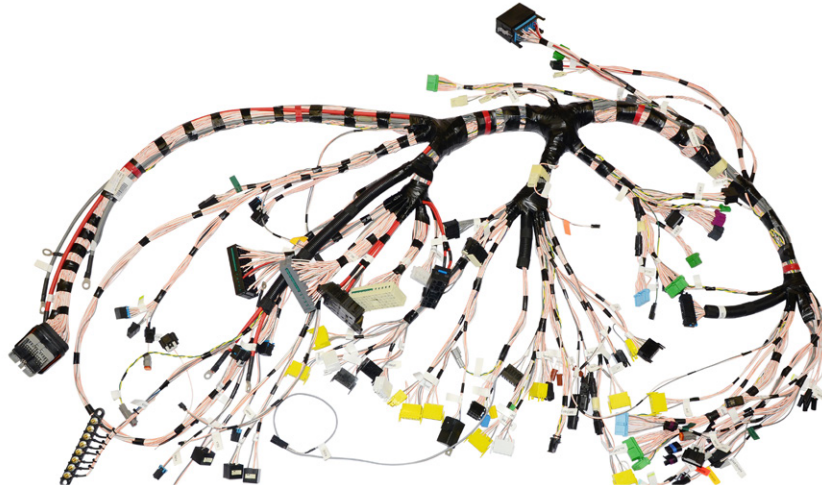
Inductive components from AQ are found in some of the most demanding applications, such as in motor drives, rail transport and trackside equipment, solar and wind energy, marine and offshore technics, relay protection systems, military equipment, airplanes and equipment for process automation.

Our products are mainly developed in cooperation with the customer. This possibility is used by more and more companies because it provides the opportunity to realize economically and technically optimal solutions.

This business area works with electrical and mechanical design, engineering and manufacturing of inductive components for enhanced power quality, improved energy efficiency and utilization of renewable energies. We are also an electro-technical supplier for inductive components and systems for low and medium voltage applications.

Sales, product development and production take place in:

- Sweden
- Bulgaria
- Finland
- Estonia
- India
- Italy
- China
- Brazil
- Germany
- USA
- Hungary



Wiring systems

Wiring systems is a business area that globally provides a wide range of customized industrial wire harnesses and electromechanical modules for demanding customers around the world. We work from design to assembly.

We have extensive experience and knowledge when it comes to working with clients in the railway, cars, trucks, buses, engines, agriculture and forestry, construction and mining, material handling, and general engineering industries. This has taught us to consistently strive to improve our processes and products and have seen us assume a leading position in the market. In recent years, we have actively participated in the conversion to electrically powered vehicles.

Our global presence, together with our expertise and experience in producing all kinds of wiring systems and electromechanical modules make AQ an ideal partner for customers with qualified demands.

Sales, product development and production take place in:

- Sweden
- China
- Mexico
- USA
- India
- Lithuania
- Poland
- Canada



Sheet metal processing

AQ provides contract manufacturing of sheet metal components and complex sheet metal designs in the commercial vehicles, off-road equipment, electric power, railway and medical industries.

With high-tech equipment, knowledge, experience and creativity, we are an obvious choice in the industry.

We offer services and products such as design support & project management, punching and laser cutting, eccentric and hydraulic pressing, laser cutting and edge bending, manual and robotic welding, surface treatments, post-treatments, powder coating and assembly and functional tests.

Sales, product development and production take place in:

- Sweden
- Estonia
- India
- Bulgaria
- China
- Finland



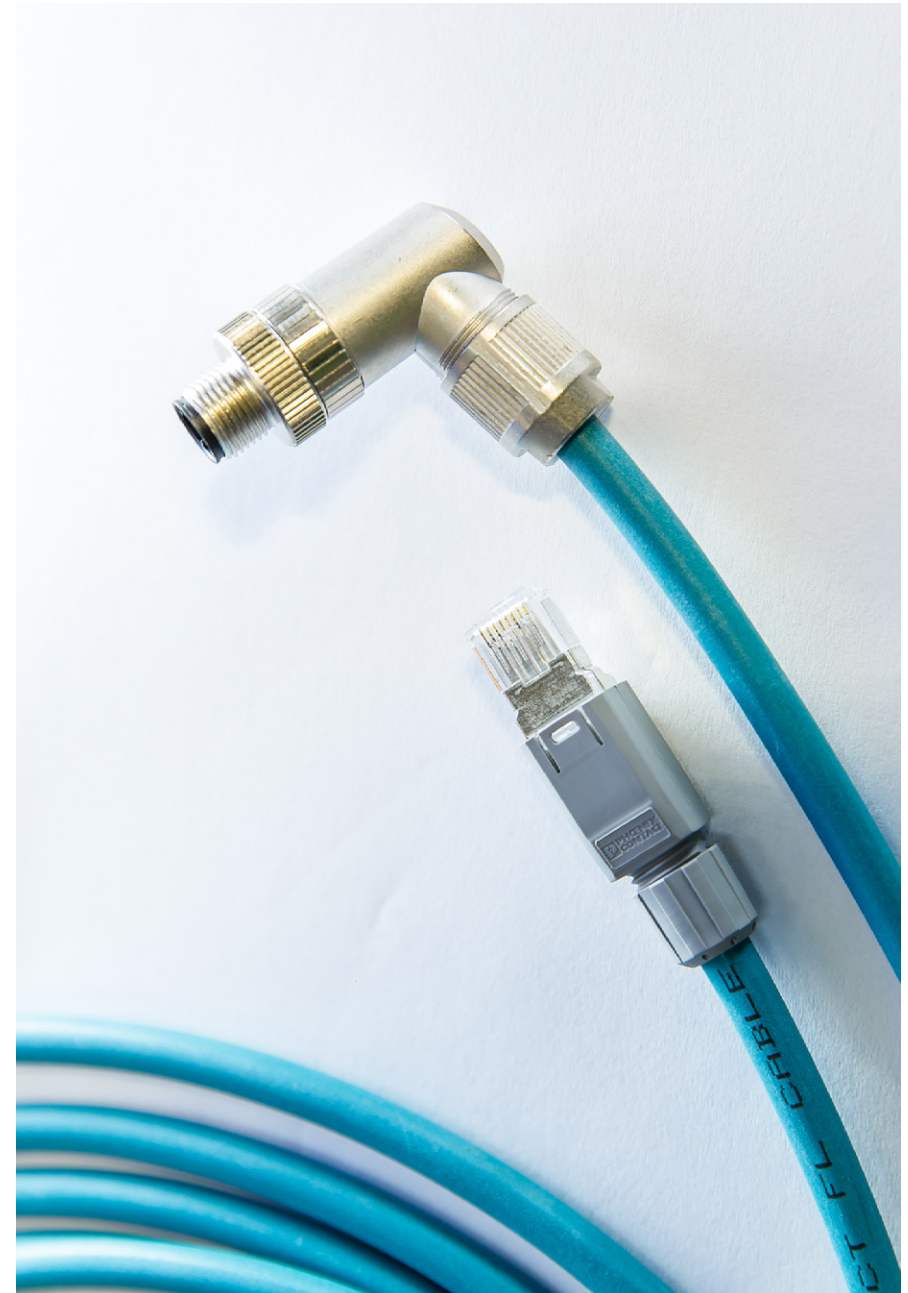
Special technologies and Engineering

The business area Special technologies and Engineering consists of AQ's operations involving a high level of technology and engineering content which supplies advanced technology products and services to demanding customers in the commercial vehicles, automotive, food & beverages, medical, railway and general industries.

The products and services vary from special machining for gas turbines, air sensors in plastic and stainless steel for medical industry, power supplies and drive controls to complete engineering of mechanics and complete systems.

Sales, product development and production take place in:

- Sweden
- Italy
- China
- Hungary
- Bulgaria
- Germany



Growth and geographical markets

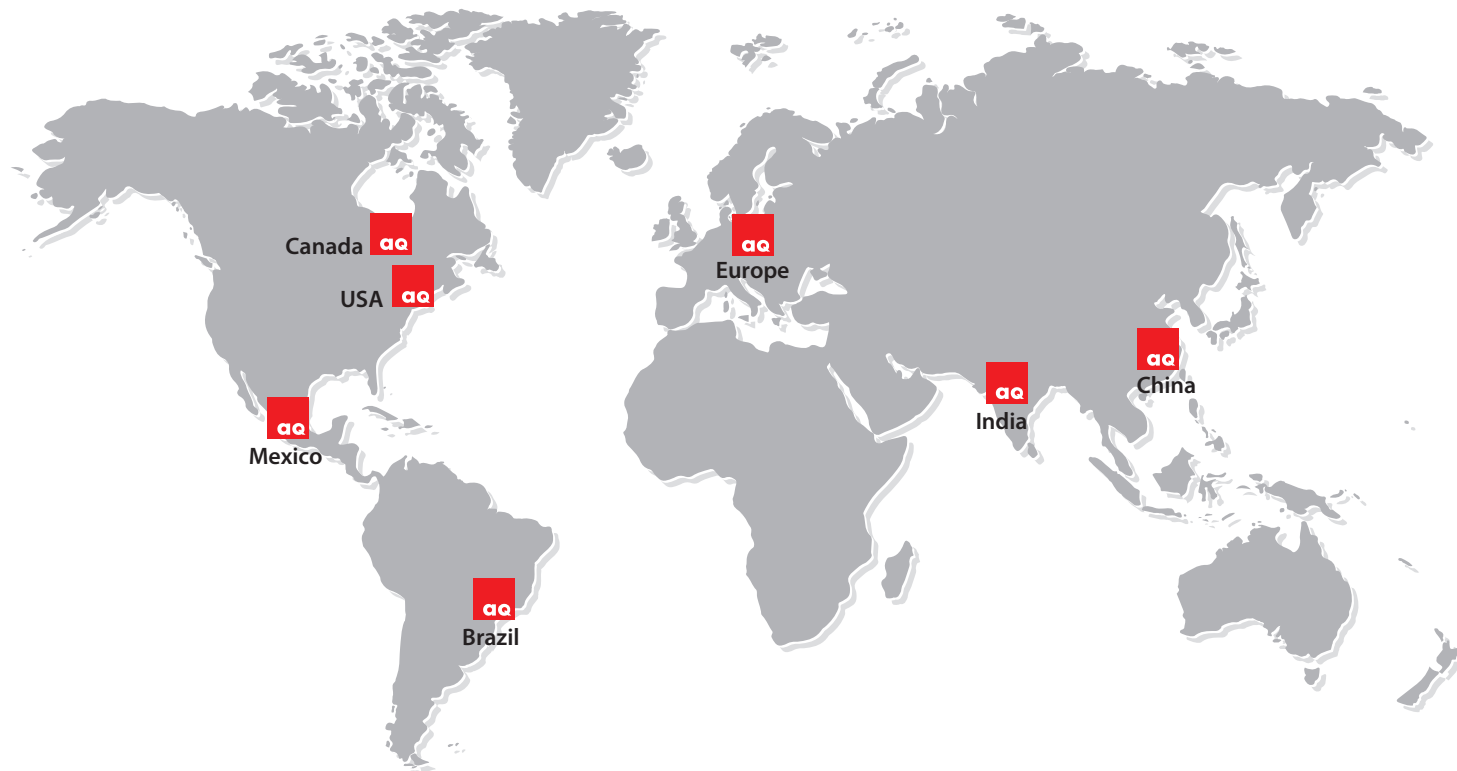
Contract manufacturing is a competitive business. AQ can't rely on patents or its brand to gain market shares. Our strategy is with local production and sales near the customer to offer the most cost-effective solutions. Our customers are global suppliers of advanced technical products. They have a continuous need to find reliable suppliers near their own production sites.

We see clearly that the demand for local content is increasing on many of our customers' markets. During the year, we have had strong growth in most of our geographic markets except in China.

We believe that local sales and production where we eliminate intermediaries such as logistics companies, sales offices and distributors, makes our products more profitable for both us and our customers. It is of course also better for the environment.

During 2023, we have continued to invest heavily in increased production capacity to meet our customers' needs. Among the major investments are:

- Investment in real estate and production equipment to increase the production capacity of wiring systems in Poland.
- Increased our production capacity of transformers for ships in Finland.
- Doubled our production capacity for engineering services, wiring systems and sheet metal components for the defense industry in Sweden and Poland.
- Employed additional 500 people in our factory in Lithuania for wiring systems production for heavy vehicles.



Acquisitions, acquisition process and integration

AQ's overall goal is to be a leading global contract manufacturer. An acquisition strategy is an important part of reaching the goal.

Acquisitions are an important part of AQ's strategy and an important building block in our goal of profitable growth. Acquisitions strengthen our competitiveness and results in a broader range of products and services, new customers and new geographic markets. Acquisitions also give us opportunities for synergies in areas such as purchasing, IT and administration. We are committed and long-term industrial owners - our companies shall be prosperous and develop in a positive way. Our goal is 100% ownership of the companies we acquire.

Potential acquisitions are evaluated based on their profile, financial history, growth and profitability potential, as well as management. The companies shall be manufacturing companies in business-to-business sector and ideally have interesting customers with strong brands. We look positively on companies with a matching corporate culture and who are entrepreneur-owned where the entrepreneurs continue being active in the companies.

Our core values are a prerequisite for the successful integration of acquired companies. Group management

holds, after an acquisition, briefings about AQ and our values with the management of acquired companies. The integration is also reinforced since employees in sales, purchasing, finance and IT rapidly become integrated into the internal networks of AQ. We see it as a way to create good relationships at various levels. The companies' part in the AQ's organization with clear reporting lines are also a priority of integration

ACQUISITIONS 2023

During 2023, AQ has continued to have high organic growth and has not carried out any significant acquisitions during the year. The focus has been on managing the continued high organic growth with investments in increased capacity.

In December, the subsidiary AQ Engineering acquired IP rights and test equipment for battery modules relating to commercial vehicles from Alelion Energy Systems' bankruptcy estate for SEK 1.5 m. We see that more and more of our customers may need this type of technology going forward.

FUTURE ACQUISITIONS

AQ will continue to grow through acquisitions. The challenge for AQ is to continue to make successful acquisitions. The acquisitions will be focused on two main areas. Partly to support our commitment to adapt our existing customer requirements and demands by being agile and adaptable, and finding companies that fit the customer requirements for production processes and market location. The other main area is to acquire companies with interesting new customers and markets, consistent with AQ's focus going forward.

AQ is well positioned for new acquisitions, both from a financial and management perspective.



Images below: new property in Łódź, Poland

The purchasing function strengthens AQ's competitiveness

In close cooperation with existing and new suppliers, the purchasing function work to ensure a reliable and sustainable supplier base over time. It creates added value for our customers and strengthens AQ's opportunities for profitable growth. The purchasing function has strategic importance for AQ Group.

In purchasing, we work to build mutually beneficial long-term relationships with our suppliers. We work to constantly improve the existing supplier base and we are looking for new and more competitive suppliers, that want to grow together with AQ. We can offer manufacturing of components in low-cost countries, often within AQ where we can benefit from AQ's competence and capabilities.

Ongoing work continues to utilize volume advantages and synergies within the group in terms of purchased materials, components and equipment. Through global collaboration in purchasing, we create the conditions for a common platform in how we develop our supplier base and achieve synergies. We strive to find suppliers with the lowest total cost and preferably with global support. This ensures a cost-effective supplier base, which can act both globally, regionally and locally.

We continue to develop the purchasing function. During the year, we gathered purchasing managers and category

managers in Poland to share experiences and learn from each other. We have also continued with our online seminars, which have now become part of our ongoing work to exchange information and knowledge between our buyers. The purpose of our activities is to make our work even sharper by making use of the synergies and volume advantages that we have within the group.

We have also continued the work of coordinating activities in our business areas to continuously ensure synergies and volume advantages for AQ's global and regional supplier base. Together with our suppliers, we strive to act and cooperate with the customer to further strengthen AQ's ability to provide added value to the customers.

Since we have a strong focus on ensuring high quality and delivery precision to our customers, our suppliers must live up to high performance. To fulfill our customers' requirements, we ensure that our suppliers meet and develop our basic requirements in terms of cost-effective quality,

reliability, capacity, service, ethics, sustainability and risk minimization. In close cooperation with our suppliers, we develop our supplier base by performing supplier assessments and giving continuous feedback on performance. In cases where a supplier does not meet our requirements, we take action and replace them.

During the year, suppliers have adapted their capacity to demand, generally availability has improved for several purchasing areas. AQ sees increased cost pressure in several indirect purchasing areas such as costs for premises, IT security and salaries.

AQ continues to focus on category management of strategically important components and purchasing areas. This strategy strengthens and develops AQ's competitiveness and provides added value to our customers also going forward.

Purchasing conference in Poland 2023





WE SUPPORT



AQ Group Sustainability Report 2023

AQ was founded in Sweden in 1994 and consists today of about 8,000 employees, with a large share working in emerging countries outside Sweden. We are a global manufacturer of components and systems for industrial customers with high demands around the world. This Sustainability Report covers all AQ companies within the Group.

AQ consists of seven business areas which are Electric cabinets, Wiring systems, Precision stamping and Injection molding, Sheet metal processing, System products, Inductive components and Special technologies and Engineering. We take pride in being a reliable supplier by producing products with high quality, delivered on time in a sustainable way. AQ has been an active member of the UN Global Compact since 2012.

AQ has set 10 principles and goals for our sustainability work. The principles correspond to the principles set forth by the UN Global Compact framework. In our sustainability report we will present the principles, how they are implemented and a presentation of goals and results.

HUMAN RIGHTS PRINCIPLES

- Principle 1: Support and respect the protection of internationally proclaimed human rights
- Principle 2: Make sure that we are not complicit in human rights abuses

Source: UN Global Compact

Assessment, policy and goals

AQ's goal is for all our employees and business partners to live up to the Universal Declaration of Human Rights. The goal is to have zero human rights violations reported.

Our core values and code of conduct outlines the way each of us should behave and clarifies our responsibility to report instances of human rights violations. The Code of Conduct is communicated to all employees within the company.

Also, our immediate supply chain should adhere to the same principles. The principles are clearly stated in the AQ Supplier Code of Conduct.

Implementation

AQ works continuously with implementation and monitoring of our core values, which were established in early 2012. One of the cornerstones of the core values is "Courage and Respect" including the principles, "Every employee has the same status" and "We treat others as we like to be treated ourselves". All AQ employees have received a booklet with AQ's values in their local language and we arrange workshops to strengthen understanding of our values throughout the company. This together with the AQ Code of Conduct gives guidance how to act within AQ.

Suppliers are regularly audited using a standard template which contains a section on human rights and that they are required to adhere to the AQ's Supplier Code of Conduct. Suppliers who have questionable ethics are not approved as an AQ supplier.

All employees and external stakeholders can report violations directly by sending a message to whistleblower@aqgroup.com if there are any violations against human rights.

Measurement of outcomes

In AQ there has been no reported incidents of human rights abuses during the year. If any issues should occur in the future they will be recorded and brought to the attention of group management and the relevant authorities. AQ is fully committed to handle any such occurrences objectively and to act quickly. In the last five years we have had zero human rights violation reports in AQ.

LABOUR PRINCIPLES

- Principle 3: Uphold the freedom of association and the effective recognition of the right to collective bargaining
- Principle 4: Uphold the elimination of all forms of forced and compulsory labour
- Principle 5: Uphold the effective abolition of child labour
- Principle 6: The elimination of discrimination in respect of employment and occupation

Source: UN Global Compact

AQ hires and treats its employees in a manner that does not discriminate regarding sex, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation, age, political opinion, social origin, HIV/AIDS status or trade union membership. Diversity in the workplace is encouraged at all levels.

Assessment, Policy and Goals

Our Code of Conduct shows employee rights and responsibilities. All employees work here willingly, and no employee is forced to work overtime unless it is ordered legally and according to contract. In AQ we have a non discrimination policy that take stand against all kind of discriminations and this is stated clearly in our code of conduct. We uphold the law and our ethical responsibility by only employing people of a legal working age.

The AQ goal for Labor Principles is to have an average self-assessment score higher than 3.5 and that no subsidiary should score below 3 in our yearly self-assessment where the lowest score is 1 and highest is 4.

Implementation

The labor unions in AQ are working well. AQ applies collective agreements that are negotiated by the parties and follow laws and regulations in the countries where we operate. With regards to the safety of our employees we evaluate, and audit working conditions and make sure that the correct protective clothing and equipment are used. We fully commit to providing a safe working environment. New employees receive relevant training to carry out their tasks safely and existing employees receive continuous training at various intervals based on their need to be able to perform their respective tasks.

Continuous work with health and safety is something that helps us becoming a more attractive employer as well as creates a better functioning business. Special focus has been put on working with identifying risks and leadership to getting more people involved with safety related work.

Measurement of outcomes

The Board of Directors of AQ Group AB consists of four men and two women. In AQ group management team seven are men (including the CEO) and three are women. Within the entire AQ, we have an even gender distribution with 47% women and 53% men.

AQ has since 2015 implemented a company self-assessment that is done by the management of every subsidiary within the group. This gives the group management a good understanding of how well the principles in UN Global Compact are adhered to. The results from the survey 2023 show high scores on average. An action plan is made to strengthen the subsidiaries where the score is considered low.

In 2023 the score for Labor principles was on average 3.73 on a scale from 1 to 4 where 4 is highest. No subsidiary within the group has scored lower than 3.

AQ's subsidiaries are continuously being audited by our customers. During 2023, several customers, such as Volvo, Scania, ABB, Hitachi, Alstom and Getinge, performed audits on our production sites. These companies focus strongly on corporate social responsibility and work environment which helps us to comply with Labor Principles.

ENVIRONMENTAL PRINCIPLES

Principle 7: Support a precautionary approach to environmental challenges

Principle 8: Undertake initiatives to promote greater environmental responsibility

Principle 9: Encourage the development of environmentally friendly technologies

Source: UN Global Compact

Assessment, Policy and Goals

In our environmental policy on our website, we explain AQ's view on how we will improve the environment. "Our business and processes are designed in such a way that energy and resources are used efficiently, and waste and rest products are minimized over the life cycle of our products". We shall follow rules and legislation and constantly work on improvements to reduce or prevent our environmental impact, from design to delivery. A key environmental goal for AQ is that all production sites shall be ISO 14001 certified and have a higher environmental result than 3 on our annual self-assessment.

During the past years it has been clear both within the Group, from shareholders and from other stakeholders that we need to do more to reduce carbon dioxide emission. Within AQ we have chosen to act through our environmental management system, where there are concrete goals and actions to reduce carbon dioxide emissions in all companies.

In 2021, we also set the goal of reducing our carbon dioxide emissions in relation to our turnover by 2% for 2022 and by 4% for 2023.

Implementation

Environmental concerns and improvements are part of our daily work and continuously discussed during regular follow-up meetings in our subsidiaries. We conduct risk analysis when necessary and work according to our management systems. We work according to the precautionary principle by avoiding materials and methods related to possible environmental and health risks when other alternatives are available.

We also share best practices between our sites through our CEO's weekly newsletter. One example of this is the widespread implementation of LED lighting in most of the

AQ production units and offices to reduce electricity consumption. Another example is the use of heat exchangers in our plants to reuse excess heat from production processes.

A major environmental impact is the truck transports that takes place between our suppliers, our factories and our customers. We work to reduce our truck transports through more efficient transport solutions and coordination of transports. We also offer production in many countries close to customers and suppliers. Furthermore, we participate as a supplier in the transportation industry's transition to new fuels and technologies

Measurement of outcomes

All AQ units ensure that national environmental laws are complied with. This is ensured at Group management level through AQ's self-assessment and the external ISO audits that are carried out. The result of the self-assessment with respect to the environment in 2023 was 3.74 on a scale between 1 and 4.

For the third year, we have also compiled our carbon dioxide emissions according to scope 1 and 2, i.e. emissions from our own operations and control. In total, our carbon dioxide emissions according to scope 1 and 2 amount to 25,348 tons in 2023, which corresponds to a reduction of 12% in relation to our net sales compared to previous year. The plan for 2024 is to continue to identify possible renewable energy sources and to start measuring scope 3, i.e. the carbon dioxide emissions of the entire value chain.

AQ is convinced that continuous improvement through more efficient, more economical and more sustainable energy consumption is a key to success and cost-effectiveness. We have processes in place to identify and follow up on changes in our purchasing, production and delivery processes that contribute to improving the environment. Some of the concrete measures that have been taken in this regard are:

- The Covid-19 pandemic has led to a reduction of business trips and a widespread use of digital meeting technology
- Many of the AQ factories have implemented LED lighting and motion sensors to reduce energy consumption
- AQ has four production sites that have installed solar-



- panels or solar heating devices
- All AQ's facilities in Sweden are powered with 100% renewable energy
- Many of AQ's production facilities reuse the heat generated from production processes to heat the factory
- Many companies have installed so called BMS systems to better control and monitor their consumption of energy for heat, cooling and ventilation
- AQ is as a supplier actively taking part in the conversion from conventional to electric commercial vehicles
- We work to reduce scrap percentage from the material we use. This is for example done by improved programming in sheet metal working machines and by adapting the design together with our customers.
- We continue the work to increase the recycling of rest products from the injection molding process. We grind it and reuse it in our production
- We continuously reduce hazardous chemicals in co-operation with our customers
- We implement a process to reuse packing material in cooperation with our customers

ANTI-CORRUPTION PRINCIPLE
 Principle 10: Work against corruption in all its forms, including extortion and bribery
Source: UN Global Compact

Assessment, Policy and Goals

AQ Group puts great emphasis on building trust and long-lasting relations with our employees, customers and suppliers. It lies in our business ethics to always follow laws and regulations as a minimum requirement in all



countries we operate.

We do not, under any circumstances, accept bribery, extortion or any other kind of corrupt activities. It is stated in our code of conduct that we shall always conduct good business ethics and that we do not offer rewards or benefits, which conflict with laws or regulations, to customers, suppliers or authority representatives.

Every employee that is involved in business transactions receive training on our code of conduct and our supplier code of conduct which clearly indicates our stance on corruption: "If an employee is offered a gift, a bribe, an illegitimate commission, or any other form of personal payment, it must not be accepted."

A preliminary evaluation of the risk of corruption has been made. The biggest risks come in the form of gifts and bribes from suppliers. Therefore, we have introduced a special Code of Conduct for suppliers where we have made it clear that it is strictly forbidden to give personal gifts to our employees.

The AQ Goal for anti-corruption is to have zero reported corruption cases. We also stimulate a culture where you should raise your hand and advice your manager and colleagues if you are not sure what to do. This way we can advise and support the right behavior according to our Code of Conduct.

Implementation

It is all managers' responsibility to inform employees about our anti-corruption policy and code of conduct. All managers shall furthermore encourage employees to report on indications of any type of violation regarding these policies. Such reports can be done anonymously to the whistleblower@aqgroup.com in accordance with our Whistleblower Policy

To prevent the identified risks, we commit to several actions:

- Implementation of a rigorous procurement process including cross functional approval of suppliers
- All suppliers shall read and commit to AQ Supplier Code of Conduct
- Periodic market research of prices of key materials to be compared against existing purchasing prices

- Reviews of personal expense claims
- The UN Global Compact logo is inserted into our company presentation to our supply chain partners and customers
- When integrating new AQ companies in the Group we perform a workshop and work through AQ's Core Values and Code of Conduct

Measurement of outcomes

We make it clear to our employees and supply chain partners that we will not accept corrupt behavior. If it were to happen in AQ, the relevant disciplinary and/or legal actions would be taken against the guilty parties.

Audits from senior management take place at various intervals to check that standard procedures are being followed. And to cement these principles the management of each subsidiary need to commit to our principles in our yearly self-assessment. The score from the 2023 self-assessment was 3.90 on a 4-grade scale.

WHISTLEBLOWER FUNKTION

AQ has a global whistleblower policy where internal and external stakeholders can report violations.

In 2023 we have received three reported cases. AQ has analyzed them and taken actions in line with the process.

SUSTAINABILITY ASSESSMENT

AQ Group has a process where the group and each subsidiary of the group makes an annual self-assessment. This is the foundation for our sustainability risk assessment. AQ Group has below identified the risks that could cause a probable negative effect on the sustainability of the company.

Finally, AQ then assesses how environmentally sustainable our operation is based on the technical decision criteria found in the Commission's delegated act on the EU's climate taxonomy.

Risks related to Human rights, Anti-corruption and Labor principles

There is a potential risk that violations of our principles may occur if AQ does not ensure that every employee understands and follows our Code of Conduct. In Sweden, acceptance of the Code of Conduct and AQ's Core Values are part of the employment contract.

AQ is doing its utmost to control that the full AQ supply chain respects and follows the rules set forth in the AQ Group Supplier Code of Conduct. We perform regular supplier audits and our suppliers should respect our code of conduct. It is a risk that our suppliers willfully or by lack of knowledge break our rules. AQ is committed to mitigate this risk by constant monitoring of the supply chain.

Risks to the Environment

AQ has several surface treatment facilities with notifiable operations. An accident at a surface treatment facility can affect the environment. Furthermore, there is a risk that current and previous activities may have resulted in contamination of land where the activities have taken place from time to time. AQ Group is constantly monitoring the impact its operations have on the environment through the ISO 14001 management system approved production sites. This mitigates most of the risks for that our operations may harm the environment.

Sustainability assessment according to EU's taxonomy/Taxonomy Report

As described by the European Commission, the EU's taxonomy is a classification system that establishes a list of environmentally sustainable economic activities and sets criteria for when an economic activity can be classified as "environmentally sustainable". The purpose is to promote financing of more environmentally and climate-friendly activities. AQ is covered by EU directives and must state the extent to which the activities conducted meet the criteria in the EU taxonomy. AQ has assessed whether the activity is covered by the first two environmental objectives (on limiting and adapting to climate change) according to the Commission's delegated acts. This year further environmental objectives, 3-6, have been added to EU's taxonomy reporting requirements. The assessment is based on the

fact that AQ is a component manufacturer for large global OEM customers and AQ thus do not own and develop products under our own brand. Component manufacturing is not clearly described in the taxonomy, which is why we have assessed that a very limited part of AQ's activities is included among the activities covered by the taxonomy.

A complete assessment of taxonomy alignment has not yet been concluded. AQ is also dependent on third parties and has not yet received complete information on how, among other things, buildings and vehicles affect the environmental objectives within the taxonomy. Regarding the reporting requirements for nuclear energy and fossil gas-related activities, AQ is investigating in order to be able to provide a more detailed report in the coming years. The EU taxonomy framework is still under development and therefore the content and format of the taxonomy report will develop over time in parallel with the progress of the EU taxonomy.

AQ is deemed to be covered by the economic activity 7.7 *Acquisition and ownership of buildings* in line with the environmental objective *Climate change mitigation* concerning purchases of taxonomy-related goods and services. More specifically, this relates to capital expenditures for new and leased premises and operating expenditure for maintenance and repairs of these premises.

Further, AQ is deemed to be covered by the economic activity 6.5 *Transport by motorbikes, passenger cars and light commercial vehicles* in line with the environmental objective *Climate change mitigation* concerning purchases of taxonomy-related goods and services.

More specifically, this relates to capital expenditures for leases of passenger cars and company cars and operating expenditure for maintenance and repairs of these cars.

The share of the business that is environmentally sustainable is to be reported in accordance with the taxonomy through three financial metrics with a breakdown on each of the EU's six environmental objectives. AQ only discloses in accordance with one environmental objective, *Climate change mitigation*.

Total turnover includes the Group's total external net sales for the year (see consolidated income statement page

45). See Note 6 for accounting principles for the Group's revenue. No turnover from AQ's economic activities eligible to the Taxonomy Regulation.

Total **capital expenditures** refer to investments for the acquisition of fixed assets during the current year which are presented in Note 17-19, Other intangible assets, Right-of-use assets and Tangible assets. Goodwill is not included. Capital expenditures eligible to the Taxonomy Regulation consist of the portion of the year's investments (capital expenditure) that are attributable to fixed assets used for economic activities eligible to the Taxonomy Regulation.

AQ's fixed assets primarily comprise own buildings and machinery for production- and office activities and right-of-use assets for premises and vehicles.

Total **operating expenditures** include costs for renovation of buildings, maintenance/repairs and service required for efficient daily operation of property, plant and equipment.

Operating expenses that are eligible to the Taxonomy Regulation consist of operating expenses that are attributable to fixed assets used for economic activities eligible to the Taxonomy Regulation.

No significant changes have taken place in AQ's operations during the year. The outcome for the year is basically unchanged compared to the previous year. In 2023 (previous year's share in brackets), the share of eligible turnover was 0% (0), the share of eligible CapEx was 41% (40) and the share of eligible OpEx was 52% (52). For reporting of the key financial metrics in accordance with the taxonomy regulation, see tables on the following pages 26-28.



References

There is more information on AQ's website for how AQ works with sustainability:

AQ's Core Values, Code of Conduct and Supplier Code of Conduct:

www.aqgroup.com/en/core-values

AQ's sustainability guideline:

www.aqgroup.com/en/aq-group/sustainability

AQ's Policies:

www.aqgroup.com/en/aq-group/policies

AQ Whistleblower.

Please contact us at whistleblower@aqgroup.com if you would like to report a violation of the AQ Code of Conduct or national laws and legislation. Your identity will be protected.

Auditor's report on the statutory sustainability statement

To the general meeting of the shareholders of AQ Group AB (publ), corporate identity number 556281-8830

Engagement and responsibility

It is the Board of Directors who is responsible for the statutory sustainability statement for the year 2023 on pages 21–28 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevR 12 *The auditor's opinion regarding the statutory sustainability 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.

Opinion

A statutory sustainability statement has been prepared.

Stockholm March 25, 2024
Ernst & Young AB

Jennifer Rock-Baley
Authorized Public Accountant

Turnover

Financial year 2023	2023		Substantial contribution criteria							DNSH criteria ("Does not Significantly Harm")							Proportion of Taxonomy aligned (A.1) or -eligible (A.2) turnover, year 2022	Category enabling activity	Category transitional activity
	Code	Turnover	Proportion of Turnover, year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Minimum Safeguards			
Economic activities	SEKm	%	%; Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	-	-	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	-	-	0														0		
A. Turnover of Taxonomy-eligible activities (A.1+A.2)	-	-	0														0		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities	8,968		100																
TOTAL	8,968		100																

CapEx

Financial year 2023	2023		Substantial contribution criteria							DNSH criteria ("Does not Significantly Harm")							Proportion of Taxonomy aligned (A.1) or -eligible (A.2) CapEx, year 2022	Category enabling activity	Category transitional activity
Economic activities	Code	CapEx	Proportion of CapEx, year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Minimum Safeguards			
	SEKm		%	%; Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	-	-	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Acquisition and ownership of buildings	7.7	136	39														39		
Transportation by motorbikes, passenger cars and light commercial vehicles	6.5	9	2														1		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		144	41														40		
A. CapEx of Taxonomy-eligible activities (A.1+A.2)	144	144	41														40		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities		207	59																
TOTAL	351	351	100																

OpEx

Financial year 2023	2023		Substantial contribution criteria							DNSH criteria ("Does not Significantly Harm")							Proportion of Taxonomy aligned (A.1) or -eligible (A.2) OEx, year 2022	Category enabling activity	Category transitional activity
	Code	OpEx	Proportion of OpEx, year 2023	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Bio-diversity	Minimum Safeguards			
Economic activities	SEKm	%	%; Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	-	-	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Acquisition and ownership of buildings	7.7	35	48														48		
Transportation by motorbikes, passenger cars and light commercial vehicles	6.5	3	4														4		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	38	52															52		
A. OpEx of Taxonomy-eligible activities (A.1+A.2)	38	52															52		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities	35	48																	
TOTAL	73	100																	

The share, share capital and ownership

The designated company name is AQ Group AB (publ) and the share's short name is AQ. The company's Swedish corporate identity number is 556281-8830.

The company began operations on October 1, 1994 in Västerås, where it is also currently based. AQ Group's share is since January 16, 2017 listed on NASDAQ OMX Nordic Exchange MidCap.

The shares entitle, at the shareholders' meeting, one vote each and the shares are freely transferable. Each share carry equal rights to dividends. The quotient value is SEK 2 per share.

Share information and share structure

Share name	AQ Group
Short name	AQ
ISIN-code	SE0000772956

Share capital per December 31, 2023 was SEK 36,588,116 distributed over 18,294,058 shares. There is only one type of shares and entitle shareholders to one vote. AQ Group holds no treasury shares.

Shareholders and ownership structure

The number of shareholders is 8,345 (6,290). This corresponds to an increase in the number of shareholders of 33%. For distribution of shareholdings and the 10 largest shareholders, see tables on the next page.

The two main shareholders are Claes Mellgren 19.78% (19.78) and Per Olof Andersson 19.45% (19.45). Other large shareholders are Nordea Investment Funds 9.84% (7.25), Brown Brothers Harriman & Co., W9 7.83% (7.95), Verdipapirfondet Odin Sverige 5.47% (9.29) and Aeternum Capital AS 5.19% (10.11). In May 2023, Aeternum Capital AS notified that they were reducing their shareholding below the threshold of 10%.

Information on the shareholder structure is updated quarterly at: www.aqgroup.com/en/investor/aq-shares/major-share-holders.

Shareprice development 2023

On the first trading day of the year (January 2, 2023) the closing price was SEK 315.50 per share and on the last trading day (December 29, 2023) it was SEK 507.00 per share, an increase of 61 percent. The closing price was highest on December 29, 2023, at SEK 507.00 per share. The share development is shown in a diagram on page 31.

The share price can be monitored daily on the company's website at: www.aqgroup.com/en/investor/aq-shares.

Dividends

Earnings per share after taxes before dilution amounted to SEK 34.57 (22.43), and earnings per share after taxes after dilution amounted to SEK 34.47 (22.43). AQ's dividend policy is to distribute approximately 25% of the average earnings over a business cycle. The company's financial consolidation needs must always be considered.

During the year, SEK 61 m was distributed following the decision at the 2023 Annual General Meeting (AGM).

Investor relations

Management participate in meetings with analysts, investors, other shareholders and media. This is important in order to increase the interest for the share and to give both current and new shareholders good opportunities to value AQ as fair as possible. Press releases are published immediately after an important event for the business has occurred, and are archived on the web page. Interim reports are also published as press releases and are archived on the web page. Year-end reports are published on the web page and are together with other financial data archived since 2012. On the web page there is also information about the share.

Incentive program

The AGM of 2022 resolved to introduce a warrant-based program for senior executives and other key personnel in the company. The warrants are priced at market value, which is based on a valuation made by an independent party. Each warrant will entitle its holder to subscribe for one share in the company at a subscription price of SEK 351.20. The warrant program expires on May 12, 2025 and redemption is possible from this day until June 10, 2025. For more information see Note 9.

Authorization by the Annual General Meeting

The AGM of 2023 authorized the Board to, on one or more occasions until the next AGM, with or without deviation from the shareholders' preferential rights, decide to increase the company's share capital through the new issue of shares that corresponds at most to 10% of the total number of issued shares. This authorization shall include the right to decide upon an issue with cash payment, payment with non-cash consideration or with right of set-off. The purpose of the authorization and the reason that the deviation from shareholders' preferential rights can take place is to enable financing of acquisitions. The authorization has not been utilized during the year.

Distribution of shareholdings

Number of shares	Total amount of shares	Percentage of equity (%)	Number of shareholders	Market value (SEKm)
1-500	548,462	3.00	7,639	278
501-1,000	212,437	1.16	277	108
1,001-5,000	626,831	3.43	289	318
5,001-10,000	383,693	2.10	48	195
10,001-15,000	297,975	1.63	23	151
15,001-20,000	154,726	0.85	9	78
20,001-	16,069,934	87.84	60	8,147
Total	18,294,058	100.00	8,345	9,275

Source: Euroclear as of December 31, 2023

The 10 largest shareholders

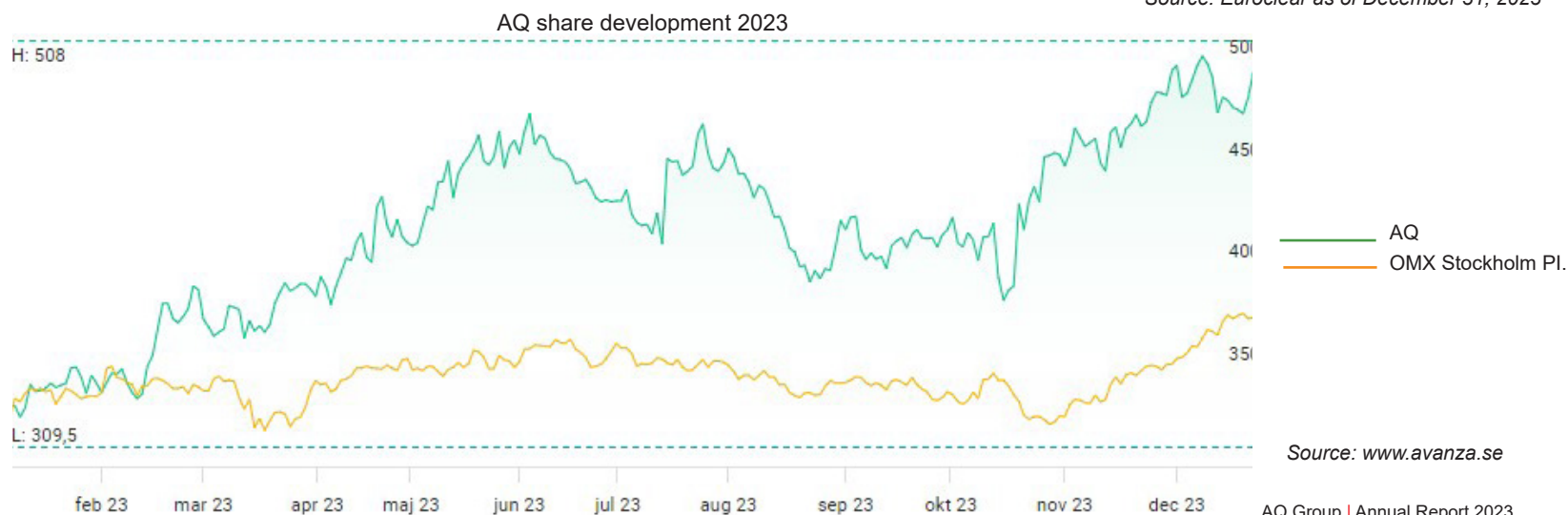
Owner	Number of shares	Number of shares (%)	Market value (SEKm)
Claes Mellgren with family	3,617,895	19.78	1,834
Per Olof Andersson	3,558,975	19.45	1,804
Nordea Investment Funds	1,800,389	9.84	913
Brown Brothers Harriman & Co., W9	1,431,920	7.83	726
Verdipapirfondet Odin Sverige	1,000,000	5.47	507
Aeternum Capital AS	950,000	5.19	482
Handelsbanken fonder	317,339	1.73	161
Grenspecialisten Förvaltning AB	281,022	1.54	142
Avanza Pension	261,857	1.43	133
State Street Bank and Trust Co, W9	246,167	1.35	125
Total of the 10 largest	13,465,564	73.61	6,827
Total other	4,828,494	26.39	2,448
TOTAL	18,294,058	100.00	9,275

Source: Euroclear as of December 31, 2023

The share capital and its development, AQ Group AB

Year	Event	Shares	Total shares	Amended share capital	Total share capital
1994	AQ starts operations	500	500	50,000	50,000
1994	Fund and share issue	4,500	5,000	450,000	500,000
1998	Bonus issue	20,000	25,000	2,000,000	2,500,000
1999	Non-cash issue	290	25,290	29,000	2,529,000
2000	Non-cash issue	360	25,650	36,000	2,565,000
2000	Non-cash issue	460	26,110	46,000	2,611,000
2000	Bonus issue	26,110	52,220	2,611,000	5,222,000
2000	Split 10:1	469,980	522,200	-	5,222,000
2001	New issue	50,000	572,200	500,000	5,722,000
2002	Non-cash issue	6,000	578,200	60,000	5,782,000
2002	Split 5:1	2,312,800	2,891,000	-	5,782,000
2004	Bonus issue	2,891,000	5,782,000	5,782,000	11,564,000
2006	Non-cash issue	57,000	5,839,000	114,000	11,678,000
2006	Bonus issue	11,678,000	17,517,000	23,356,000	35,034,000
2007	Non-cash issue	332,058	17,849,058	664,116	35,698,116
2010	Non-cash issue	110,000	17,959,058	220,000	35,918,116
2012	Non-cash issue	35,000	17,994,058	70,000	35,988,116
2013	Non-cash issue	40,000	18,034,058	80,000	36,068,116
2016	Non-cash	260,000	18,294,058	520,000	36,588,116

Source: Euroclear as of December 31, 2023



Corporate Governance

AQ Group is a Swedish public company listed on Nasdaq Stockholm’s main market since 2017.

Corporate governance in AQ Group AB (publ), herein the Company, means to ensure that the Company is managed on behalf of its shareholders as efficiently as possible, through a combination of written rules and practices. AQ Group follows the "Swedish Corporate Governance Code" that applies to Swedish companies whose shares are traded on a regulated market (Nasdaq Stockholm’s main market), with the exception of the composition of the Nomination Committee, see section Nomination Committee.

The shareholders

AQ Group had at year-end 8,345 (6,290) shareholders. Information on share performance, ownership, dividends and more can be found under The share, share capital and ownership.

Legislation and articles of association

AQ Group primarily applies the Swedish Companies Act and the rules that apply due to the share being listed. AQ’s articles of association contain no restrictions on how many votes a shareholder may cast at the Annual General Meeting (AGM) regarding the appointment of Board members and amending the Articles of Association.

General Meeting

Notice of a general meeting is issued no earlier than six and no later than four weeks before the meeting. The notice contains information about registration and the right to participate in and vote at the meeting, as well as numbered agenda with the matters to be considered. Registration for the meeting is made in writing to the Company’s address, or via e-mail. Proposals for the meeting should be addressed to the Board, with the address of its registered office, and submitted in good time before the notice is issued. The notice and agenda are also published on the website. Shareholders or representatives may vote for the full number of owned or represented shares.

Annual General Meeting

The AGM shall be held within six months of the fiscal year’s

end. At the AGM, among other things resolutions are made regarding the approval of the balance sheet and income statement, discharge from liability for the Board and CEO and the appropriation of retained earnings.

AQ Group’s AGM 2023 on April 20, 2023 was attended by 34 shareholders and representatives, representing 71.85% of the total number of shares and votes in the Company. At the AGM, the CEO, parts of the Group Management Team and members of the Board were present. During the meeting, shareholders were given the opportunity to ask questions which were also answered during the meeting. In addition to the above mentioned resolutions, the AGM decided on remuneration to the Board of SEK 1,755 t in total, including remuneration to the members of committees. The Meeting resolved to approve the Board’s proposal for remuneration to senior executives. The AGM of 2023 authorized the Board to, on one or more occasions until the next AGM, with or without deviation from the shareholders’ preferential rights, decide to increase the company’s share capital through the new issue of shares that corresponds at most to 10% of the total number of issued shares. This authorization shall include the right to decide upon an issue with cash payment, payment with non-cash consideration or with right of set-off.

AQ Group has not had an extraordinary general meeting for the fiscal year in 2023.

APPOINTMENT OF OFFICERS

Nomination Committee

The Nomination Committee represents the shareholders and shall consist of one member appointed by each of the four largest shareholders.

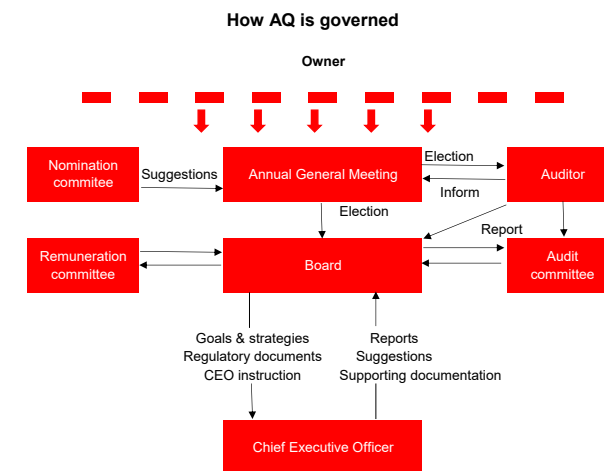
If any of the four largest shareholders waive their right to appoint a member to the Nomination Committee, the next shareholder in size shall be given the opportunity to appoint a member. In the event of a significant change in the ownership structure after the Nomination Committee’s constitution, the composition of the Nomination Committee must also be changed accordingly.

The Nomination Committee’s task is to, before the AGM,

submit proposals with respect to the number of board members which are to be elected by the AGM, the Board’s fees, the Board’s composition, the Chairman, the Chairman of the AGM and the selection of auditors and auditor fees. The Nomination Committee’s term of office extends until a new committee is appointed. No fees shall be paid to the Nomination Committee members.

The Nomination Committee consists of four members, of which two are not connected to the Company’s Board of Directors. Furthermore, at least one must be independent of the Company. The composition of the Nomination Committee differs from the Swedish Corporate Governance Code as two board members are dependent in relation to the Company’s major shareholders. Considering the Company’s ownership structure where these two shareholders, who also are the Company’s founders, together own approximately 39% of the shares in the Company, AQ Group’s largest shareholders believe that the Nomination Committee is best represented by these two shareholders together with other members appointed by major shareholders.

The Nomination Committee consists of Chairman Björn Henriksson, (Nordea Fonder) and members Claes



Mellgren (own mandate), Per Olof Andersson (own mandate) and Hans Christian Bratterud (ODIN Fonder) until the AGM for 2024.

Board

The Nomination Committee shall submit proposals for the election of Chairman and other Board members and the fees awarded to the Chairman and the other members. As a basis for its proposals, the Nomination Committee shall;

- assess the degree to which the current Board meets future requirements with regard to the Company's development and take part in the evaluation of the Board's activities during the year
- establish profile for new members, and
- systematically search for new members and consider in particular the need for versatility and breadth of the Board and strive for a good gender balance

Upon publication of the Nomination Committee's proposals, information shall include age, other significant assignments, own shareholdings and those of close relations, independent executives/shareholders in managing roles, number of years on the Board (upon re-election), and other items considered essential for assessing competence and independence.

At the AGM, the Nomination Committee shall submit a report on how the work was done, and present and motivate proposals. If no renewal is proposed, a special justification shall be provided.

The Board shall have, with regard to the company's business, development stage and other conditions, an appropriate composition, characterized by versatility and breadth regarding the competence, experience and background of the members elected by the AGM. An even gender distribution should be strived for.

At the AGM, Per Olof Andersson, Ulf Gundemark, Gunilla Spongh, Lars Wrebo and Kristina Willgård were elected board members. Claes Mellgren was elected Chairman of the Board.

Tasks for the Board

The Board shall on behalf of its owners:

- set overall goals and strategies
- continuously evaluate the company's management

- take responsibility so that routines and systems are adapted for the Company's operations
- take responsibility for transparency in external information
- ensure that laws and regulations are complied with and
- that the Company has good ethical conduct

The Board's overall task is to manage the Company's affairs in such a way that the interests of the shareholders for good and long-term capital returns are realized in the best possible way.

Board composition

The Board shall, according to the articles of association, consist of at least three and no more than eight members. The members are selected annually for the period until the next AGM. The majority of the members shall be independent of the Company and its management. The Board shall have the size and composition which is required in terms of competence and experience for the Company's business and development, as well as the independence required so that the Board can independently and effectively manage the Company's affairs.

Board's work

In 2023, six scheduled meetings were held, one statutory meeting and two per capsulam meetings. Before Board meetings, Board members were provided with written information on the issues to be discussed at the meeting. The Board has, in 2023, devoted particular attention to activities related to working capital, investments, acquisition candidates and cyber security. All board members attended all board meetings held during their mandat period in 2023.

During the year, the Board evaluated its work and all members participated in the evaluation and presented opinions. The Chairman of the Board is responsible for the evaluation and the results of the evaluation have been reported to the Nomination Committee.

Remuneration Committee

The Remuneration Committee is composed of Claes Mellgren (Chairman) and Per Olof Andersson.

The Remuneration Committee prepares the Board's proposal for guidelines for remuneration and other terms of

employment for senior executives. The proposal is considered by the Board and submitted to the AGM for resolution. The Remuneration Committee also has the task of dealing with and preparing remuneration issues for the company management, which the Board then decides.

The Remuneration Committee prepares proposals for the CEO's terms of employment. The CEO consults with the Remuneration Committee on the terms of employment of other members of company management. The Remuneration Committee shall also monitor and evaluate current remuneration structures and remuneration levels in the Company and ensure that the Company's auditor submits a written opinion to the Board no later than three weeks before the AGM on whether the guidelines for remuneration to senior executives that have been in force since the previous AGM have been followed. In 2023, the Remuneration Committee held two minuted meetings.

Audit Committee

The Audit Committee is composed of Gunilla Spongh (Chairman), Kristina Willgård and Ulf Gundemark.

The Audit Committee has a monitoring role of the Company's financial reporting. The Audit Committee monitors the effectiveness of the Company's internal controls and risk management with respect to financial reporting. The Audit Committee's duties include keeping regular contact with the Company's auditors to ensure that the Company's internal and external accounting satisfies requirements made on market-listed companies and to discuss the scope and focus of auditing work, evaluate the completed audit activities and notify the Company's Board of Directors regarding the results of the audit and the results of the evaluation. The Audit Committee also assists the Nomination Committee in establishing proposals for auditors and fees for audit work. The Audit Committee, in 2023, held five meetings where minutes were taken.

The Board's Rules of Procedure

In addition to laws and regulations, the Board's work is governed by the annual set work plan. The work plan contains guidelines for the work of the Board, instructions for the CEO and financial reporting.

The rules of procedure include:

- that the Board shall meet at least five times per year and, upon urgent matters, meetings may take place via te-

lephone or video conferencing.

- that certain matters shall be dealt with at each Board meeting and that specific decisions should be made at the inaugural meeting.
- that the Board members receive documentation regarding matters to be discussed at the meetings in good time before the meetings.
- that the Board, each month, receives a report regarding the Company's operations and development.
- that the auditors shall be invited to, upon at least one Board meeting, report on the audit work without any representative from Company management participating.

The rules of procedure further describe how the minutes shall be prepared and distributed to members and how the Board will be informed upon, i.e. press releases. The rules of procedure also include guidelines for the decisions the Board may delegate to the CEO and senior management.

ACCOUNTING, AUDITING, INTERNAL CONTROL

General

External auditors are appointed by the AGM. The auditors' task is to, on behalf of shareholders, review the Company's Annual Report and accounting and the management of the Board of Director's and the CEO.

The entire Board is involved in the internal control of the financial statements and is jointly responsible for other internal controls. The Company regularly informs how the Board's issued guidelines have been implemented in the business and how the internal control is designed. The auditors provide ongoing feedback and suggestions for improvements to the Company regarding the same.

The board annually evaluates the need for an internal audit function and has found no reason to establish one.

Internal control

The Board is responsible for the work with corporate governance and internal controls. The overall aim is to protect the company's assets and shareholders' investments. The Board is responsible for ensuring that financial statements are prepared in accordance with applicable law. Quality assurance of AQ's financial reporting is done by the Board dealing with accounting issues and the financial reports which the Company submits.

AQ Group's Board has therefore striven to provide effective

and regular financial reporting. The Board's reporting instructions to the CEO regarding financial reporting include among others internal control. In each subsidiary, there is an internal division of roles and responsibilities aimed at realizing good internal controls of financial reporting. AQ's accounting departments of each subsidiary informs regularly management of the economic development of their respective companies. The Board is committed to realizing that all financial managers have strong integrity, embrace good ethics and have high expertise within respective areas of responsibility. AQ continuously works with the development of appropriate systems for administrative management. AQ has also developed an operations manual that describes the organization, responsibilities, powers, policies, financial controls and more.

Risk assessment and control activities

On a monthly basis, AQ establishes the appropriate reports with analysis and comments, which are reported for both group and individual subsidiaries. This gives the Board an excellent tool to monitor and control the ongoing development in AQ. Financial reports from management is a recurring item taken up at all Board meetings.

AQ's risk management is governed by a policy established by the management team, with the CFO responsible for compliance and reporting within the Group.

Information and communication

AQ's financial reporting complies with the laws and regulations applicable in Sweden and the local rules in each country where it operates. Besides external rules and recommendations, there are internal instructions and directions.

AQ Group's information to shareholders and other stakeholders is given through the Annual Report and Interim Reports provided on the Company's website (www.aqgroup.com). There are press releases and presentation materials relating to recent years. Information released by the Company follows the Board's established information and insider policy.

Follow-up

In addition to internal monitoring and reporting, AQ's external auditors report during the year to the CEO and Board. This gathered information mentioned in this report gives the Board a good idea and a reliable basis regarding financial

Read more about AQ's corporate governance on our website under investor / corporate governance.

There you will find;

- Articles of association
- Information from previous AGMs, summonses and minutes
- Audit opinions
- Guidelines for remuneration to senior executives
- The Board's proposal for allocation of profits
- The Board's evaluation of remunerations
- The Nomination Committee's motivated opinion about the Board

cial reporting in the Annual Report.

Company management

The Board has delegated operational responsibility for the Company and the Group to the CEO. An instruction concerning the division of duties between the Board and the CEO are decided annually by the Board. AQ's senior management consists of the management team which, during 2023 consisted of James Ahrgren - CEO, Christina Hegg - Finance, Erik Mattsson - Purchasing and M&A, Paulina Duszel - Marketing, Fredrik Spännare - IT, Jenny Eivhammar - HR, Nerijus Olšauskas - Wiring Systems, Emil Nikolov - Electric Cabinets and System Products, Niklas Ericsson - Inductive Components, Ragnar Koppel - Sheet Metal Processing and Injection Molding & Precision Stamping.

Remuneration for Managing Directors (MDs) of subsidiaries is decided by the Group CEO according to the principles established by the Remuneration Committee in the parent company.

REMUNERATION TO THE BOARD

During 2023, SEK 225 t (200) in Board remuneration was paid to Board members Per Olof Andersson, Gunilla Spongh, Ulf Gundemark, Lars Wrebo and Kristina Willgård. The Chairman was paid SEK 450 t (450) in board remuneration. In 2023, the Chairman of the board was Claes Mellgren and for the previous year, Patrik Nolåker.

Chairman of the Audit Committee, Gunilla Spongh, has received SEK 100 t (100) and other members of the Audit Committee, Ulf Gundemark and Kristina Willgård have

each received SEK 40 t (40). No remuneration has been paid for the Chairman of the Remuneration Committee, Claes Mellgren, and nor to the member Per Olof Andersson. In addition to the above, no special remuneration or benefits were received by the Board. No benefits are payable to Board members after serving on the Board.

REMUNERATION TO THE CEO AND SENIOR EXECUTIVES

Paid salary and other remuneration to CEO for 2023 amounted to SEK 4,529 t (2,655). The CEO is entitled to a monthly pension provision equal to 30% of base salary. Pension costs in 2023 for the CEO amounted to SEK 672 t (600). Guidelines for remuneration to senior executives was decided by the AGM 2022. The decision means that AQ Group shall maintain remuneration levels and other employment conditions needed to ensure the company's access to executives with the competence and capacities to achieve set goals. The starting point for salary and other remuneration to senior executives of AQ Group AB is that they shall be at market level. The CEO's notice period is six months to the

Group, and the Group's notice period is 12 months to the CEO. Salaries and other remuneration to other senior executives excluding the CEO in 2023 amounted to SEK 21,358 t (15,070). Pension costs in 2023 amounted to SEK 1,715 t excluding the CEO (2,251). Senior executives normally have six months' notice, regardless of whether the employee or the Company terminates the agreement. No compensation is paid after termination of employment.

LONG-TERM INCENTIVES

The 2022 AGM resolved to introduce a long-term warrant-based incentive program for senior executives and other key personnel within AQ Group. Described in Note 9.

AUDITORS

The company's auditor is continuously informed about the Company's operations and include regular meetings with company management, Board material and minutes of meetings. The auditor provides ongoing feedback and recommendations to the Board and management based on observations made during the audit.

Since the 2023 AGM, the auditing company Ernst & Young AB is auditor, with authorized Public Accountant Jennifer Rock-Baley as Chief Auditor. Jennifer was born in 1973 and is a member of FAR. Ernst & Young's address: Ernst & Young AB, Hamngatan 26, 111 47 Stockholm, Sweden.

COMPENSATION TO AUDITORS

According to decisions at the Annual General Meeting, AQ's auditors receive compensation in accordance with the auditing assignment.

Västerås March 25, 2024

AQ Group AB (publ)
Board of Directors

AQ's sustainability report for 2023 is described on pages 21-28 of this Annual Report.

Auditor's report on the corporate governance statement

To the general meeting of the shareholders of AQ Group AB (publ), corporate identity number 556281-8830

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2023 on pages 32–37 and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's standard 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.

Opinions

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

Stockholm March 25, 2024
Ernst & Young AB

Jennifer Rock-Baley
Authorized Public Accountant

Board



CLAES MELLGREN (1959)
Chairman of the Board

Elected 2018
Independent of the Company and the Company's management. Dependent of major shareholders of the Company.

Education and experience
MSc. Engineering and founder of AQ. Has previously been production, logistics and site manager at different ABB units in Västerås. Claes has been a Board member in AQ Group AB until 2015 and CEO from October 2010 to August 2018. Previous Chariman of the Board in Note AB.

Ongoing assignments
Board member of Ferroamp AB and of Solö Mechanical Solutions Aktiebolag.

Holdings in AQ 3,603,975 shares



GUNILLA SPONGH (1966)
Board member

Elected 2014, independent*.

Education and experience
Master of Industrial Economics. Former CFO Preem, chief international affairs and CFO Mekonomen.

Ongoing assignments
Board member of Byggmax, Consivo Group, Meds Apotek, Momentum Group, Lernia, Systemair, ViaCon, Dacke Industri and OptiGroup AB. Chairman of the Board of Bluefish Pharmaceuticals.

Holdings in AQ 600 shares

LARS WREBO (1961)
Board member

Elected 2017, independent*.

Education and experience
M.Sc. Engineering, KTH. Broad international experience from the automotive industry. As part of the Group Management in Volvo Cars, responsible for purchasing and manufacturing, and for production and logistics within MAN Truck & Bus. He has also had a number of senior positions within Scania.

Ongoing assignments
Board member of LEAX Group AB, SMPP Holding AB and Thor Ahlgren AB.

Holdings in AQ 4,000 shares



PER OLOF ANDERSSON (1955)
Board member

Elected 1994
Independent of the Company and the Company's management. Dependent of major shareholders of the Company.

Education and experience
Tool expert and founder of AQ. Chairman of the Board 2009-2018.

Ongoing assignments
Chairman of the Board in Ociusnet Group AB and board member of SPG Holding AB.

Holdings in AQ 3,558,975 shares



ULF GUNDEMARK (1951)
Board member

Elected 1998, independent*.

Education and experience
M.Sc. in Engineering, Chalmers. Has international experience and worked as manager of Elektroskandia/Hagemeyer Nordics, IBM Utilities and various positions within ABB. Has been Chairman of Nordic Waterproofing Group AB, Lindab International, Swedish Stirling (publ) and Bridge to China. Has also been board member of Scandi Standard AB, Constructor Group AS, Lönne International AS, Solar Group AS, Opti Group AB and Lantmännen Ekonomisk Förening.

Ongoing assignments
Board member of GUMACO AB.

Holdings in AQ 1,010 shares



KRISTINA WILLGÅRD (1965)
Board member

Elected 2023, independent*.

Education and experience
Master degree in Economics from Lunds Universitet. Auditor Arthur Andersen AB, CFO Netwise AB, CFO Ericsson AB, CFO Addtech AB, MD and CEO AddLife AB.

Ongoing assignments
Chairman of the Board in C-Rad. Board member of Mölnlycke Health Care, Ernströmgruppen, Addnode Group and InArea Group. Member of the Aeternum Capitals advisory board.

Holdings in AQ 1 000 shares



NOMINATION COMMITTEE

Chairman:

Björn Henriksson
(Nordea Fonder)

Members:

Claes Mellgren
(own mandate)
Per Olof Andersson
(own mandate)
Hans Christian Bratterud
(ODIN Fonder)

AUDIT COMMITTEE

Chairman:

Gunilla Spongh
Members:
Kristina Willgård
Ulf Gundemark

REMUNERATION COMMITTEE

Chairman:

Claes Mellgren
Member:
Per Olof Andersson

* Independent in relation to both the Company and the Company's management as well as to the Company's major shareholders.

Information regarding own and related parties' shareholdings refers to the situation as per December 31, 2023

Group Management



JAMES AHRGREN (1979)
CEO and investor relations
 Engineering studies
 Employed: 2021, 2011-2019
 Holdings in AQ: 11,868 shares
 Warrants AQ: 10,000



JENNY EIVHAMMAR (1974)
HR Manager
 Bsc. Human Resources
 Bsc. Media and Communication
 Employed: 2020
 Holdings in AQ: 615 shares
 Warrants AQ: 0



FREDRIK SPÄNNARE (1971)
IT Manager
 Economic studies
 Employed: 2022
 Holdings in AQ: 0 shares
 Warrants AQ: 1,000



NIKLAS ERICSSON (1972)
BA Manager Inductive Components
 Ingenjörsexamen i kraftelektronik
 Employed: 1994
 Holdings in AQ: 7,000 shares
 Warrants AQ: 5,000



RAGNAR KOPPEL (1982)
*BA Manager Sheet Metal Processing
 BA Manager Injection Molding and
 Precision Stamping*
 M.Sc Woodworking technology
 Employed: 2009
 Holdings in AQ: 9,912 shares
 Warrants AQ: 5,000



CHRISTINA HEGG (1970)
CFO
 M.Sc. Economics
 Employed: 2020
 Holdings in AQ: 1,500 shares
 Warrants AQ: 3,500



ERIK MATTSSON (1975)
Purchasing Manager and M&A
 B.Sc. Engineering
 Employed: 2014
 Holdings in AQ: 135 shares
 Warrants AQ: 1,000



PAULINA DUSZEL (1981)
Marketing and Sales Manager
 MBA
 Employed: 2010
 Holdings in AQ: 0 shares
 Warrants AQ: 0



NERIJUS OLŠAUSKAS (1978)
BA Manager Wiring Systems
 Business Administration
 Employed: 2012
 Holdings in AQ: 0 shares
 Warrants AQ: 5,000



EMIL NIKOLOV (1973)
*BA Manager Electric Cabinets
 BA Manager System products*
 European law
 Employed: 2002
 Holdings in AQ: 10,000 shares
 Warrants AQ: 2,500

AUDITORS
Ernst & Young
Chief Auditor:
 Jennifer Rock-Baley (1973)

Chief Auditor in AQ Group AB since the 2023, AGM. Jennifer is an authorised public accountant and is a member of FAR. Other audit assignments Jennifer has include Recipharm AB, Truecaller AB, Transdev Sverige AB, Tradedoubler AB

Information regarding own and related parties' shareholdings refers to the situation as per December 31, 2023

2023

GENERAL ABOUT OPERATIONS

The Board of Directors and the CEO of AQ Group AB (publ), corporate identity number 556281-8830, hereby submit annual reports and consolidated accounts for the 2023 financial year.

The Group operates in two segments; **Component**, which produces transformers, wiring systems, mechanical parts, sheet metal processing and plastic injectionmolding, and **System** which produces systems, automation and power solutions, as well as assembles complete machines in close cooperation with customers.

Net sales was SEK 8,968 m (7,053), an increase of SEK 1,916 m compared to the previous year.

The total growth for the year was 27.2% (28.9), of which organic growth was 20.7% (23.6), no growth through acquisitions (3.4) and a currency effect of 6.4% (1.9). The currency effect corresponds to approximately SEK 454 m and was mainly driven by the currencies EUR, PLN and BGN.

Operating profit (EBIT) was SEK 792 m (491), an increase of SEK 301 m. The organic growth continues to be very high in basically all our companies, which has resulted in higher volumes and capacity utilization, which, together with measures in our low-performing companies, has had a positive effect on the operating result. Net financial items amounted to SEK -35 m (-8) and has been negatively affected by increased bank interest rates. The EBT margin was 8.4%.

Goodwill and other intangible assets decreased during the year by SEK 35 m compared with the beginning of the year. The net change is due to yearly amortizations of technology and customer relations and currency translation effects.

The Group's investments in tangible fixed assets for the year amounted to SEK 218 m (297), and mainly pertain to capacity investments and improvement projects for more efficient production in Europe. The single

largest investments during the period are a factory building and production equipment in Bulgaria of SEK 51 m, production equipment in Lithuania of SEK 31 m and factory building and production equipment in Poland of SEK 20 m. In total, tangible fixed assets was SEK 1,117 m (1,043).

The Group's interest-bearing liabilities amounted to SEK 717 m (1,040) and cash and cash equivalents to SEK 426 m (231), which means that the Group has a net debt of SEK 291 m (810). The Group's interest-bearing liabilities without regard to leasing liabilities amounted to SEK 451 m (803), which means a net debt adjusted for leasing liabilities of SEK 25 m (572).

Cash flow from operating activities amounted to SEK 980 m (208).

Cash flow from investing activities amounted to SEK -252 m (-283) and relates mainly to replacement and capacity investments in fixed assets of SEK -251 m (-284).

Cash flow from financing activities amounted to SEK -528 m (12) and mainly refers to repayments of bank loans and leasing liabilities of SEK -468 m (-165) and dividend of SEK -61 m (-61).

At the end of the year, equity amounted to SEK 3,762 m (3,180) in the Group. Performance development for each segment, see Note 4.

SIGNIFICANT EVENTS DURING THE YEAR

The year has been characterized by high organic growth, continued capacity investments in our factories and activities to increase the delivery precision and inventory turnover rate. In Lithuania and Bulgaria, last year's large new orders have been in full serial production and the action programs in our problem companies continue to have an effect.

The Annual General Meeting on April 20, 2023 made a decision in accordance with the nomination committee's proposal to reduce the number of board members to six and re-elected board members Per Olof Andersson, Ulf Gunde-mark, Gunilla Spongh, Claes Mellgren and Lars Wrebo, as well as newly elected board member Kristina Willgård. Claes Mellgren was newly elected as chairman of the board. The meeting also decided to newly elect the auditing company Ernst & Young AB as auditor for the period until the end of the Annual General Meeting in 2024.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

On March 11, 2024 AQ Group AB signed an agreement with JIT Mech se Förvaltning AB and Monen Holding AB to acquire 100% of the shares in JIT Mech se Industri AB with the subsidiaries JIT Mech i Robertsfors AB and JIT Mech i Örn-sköldsvik AB. JIT Mech is a leading supplier of large and complex machined and welded components to customers in the electrification, forestry automation and defense industries. The companies have a consolidated turnover for 2023 of approximately SEK 130 m, an operating margin in line with the AQ average and have 75 employees. Operations are conducted in Robertsfors and Örn-sköldsvik. The purchase price consists of SEK 40 m in cash at closing plus an earnout based on the companies' earnings for the years 2024–2026. The transaction is subject to approval by the Swedish Supervisory Authority in accordance with the FDI Act and closing is expected to take place during the second quarter of 2024.

The Board of Directors of AQ Group informed on March 15, 2024 that they decided to propose that the Annual General Meeting 18 April 2024 resolves to divide each share into five shares (Share split 5:1) and thereby increase the number of shares five times. The purpose of the division of shares is to achieve an appropriate number of shares for the company.

AQ has no production units in the Middle East, Ukraine, Russia or Belarus and no significant customers nor suppliers in these countries. The risks that are most prominent for AQ in a shorter perspective are the impacts of component shortages on delivery precision, the uncertain political and economic global situation that might affect our customers as well as currency and price risks on, for example, energy, transport



and materials. AQ constantly monitor and evaluate the situation in order to be prepared to act quickly to limit any impact on the company.

OUTLOOK

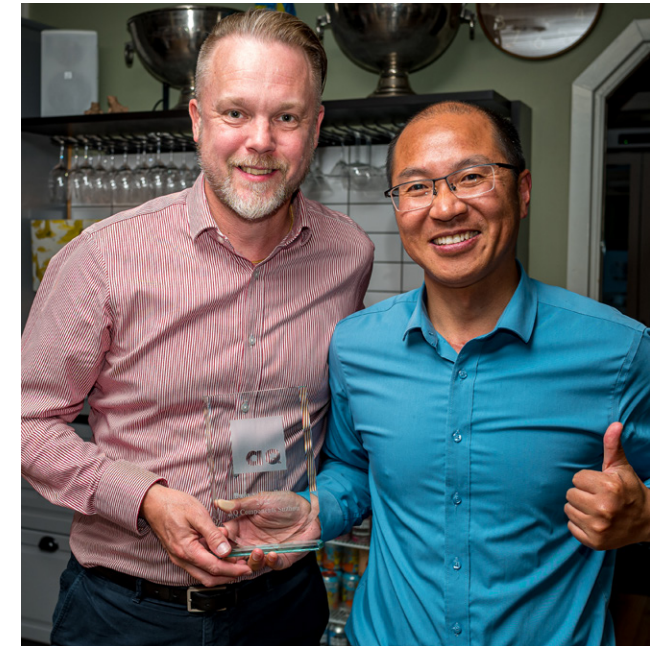
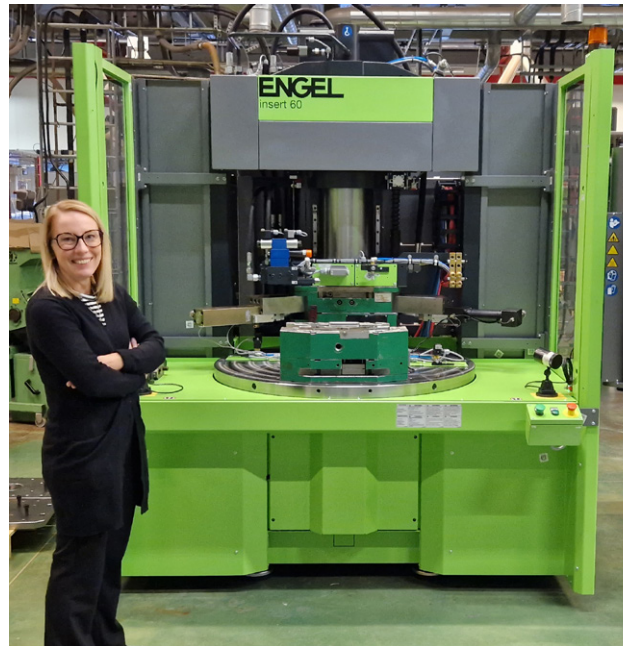
We have during 2023 continued to make capacity investments in our factories and activities to increase the delivery precision and inventory turnover rate. The demand from our customers is strong and we have a good spread of risk between countries, customers and market segments.

There are good conditions for continued good economic development in the coming years.

We aim to be a long-term stable, growing and profitable group with a strong financial position. We like to do business with the customer in focus. With strong relationships with world-leading customers and committed employees, we will do everything to create organic growth and implement new acquisitions. An important part of this is our values and our striving to be a long-term and "Reliable" supplier to leading industrial customers.

In the long run, we see an even greater focus on finding solutions to make us all independent of fossil energy. This leads to an increased focus on AQ's customers in renewable energy, electromobility and energy storage.

The Board does not submit any forecast of future sales and earnings. The statements in this report may be perceived as forward-looking and the actual outcome may be significantly different. In addition to the commented factors the real outcome can be affected by for example other political events, business cycle effects, currency and interest rates, competing products and their pricing, product development, commercial and technical difficulties, events linked to cyber security and IT infrastructure, delivery problems, and large credit losses at our customers.



MULTI-YEAR OVERVIEW

Below is shown the development over the past five years. For Key indicators and Definitions, see pages 84-86.

GROUP

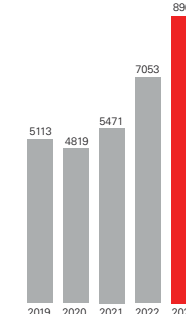
SEKm unless otherwise stated	2023	2022	2021	2020	2019
Net sales	8,968	7,053	5,471	4,819	5,113
Operating profit (EBIT)	792	491	446	401	340
Operating margin (EBIT), %	8.8	7.0	8.2	8.3	6.7
Profit before tax (EBT)	757	482	441	369	321
Profit before tax (EBT), %	8.4	6.8	8.1	7.7	6.3
Liquid ratio, %	162	140	130	135	106
Equity ratio, %	63	56	56	57	52
Return on total assets, %	13.8	10.2	11.0	10.8	10.1
Return on equity after tax, %	18.3	14.2	15.3	15.1	13.8
Number of employees in Sweden	878	851	821	794	856
Number of employees outside Sweden	6,968	6,371	5,656	5,097	5,474

Key indicators per share, SEK

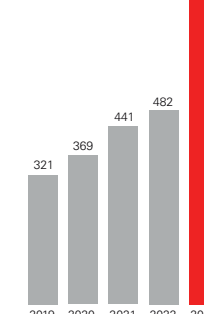
Profit for the year before dilution	34.57	22.43	19.99	17.24	14.37
Profit for the year after dilution	34.47	22.43	19.99	17.24	14.37
Dividend ¹⁾	6.66	3.33	3.33	-	-
Equity	205.62	173.82	143.62	119.75	110.15
Number of shares before dilution, thousands	18,294	18,294	18,294	18,294	18,294
Number of shares after dilution, thousands	18,347	18,294	18,294	18,294	18,294

1) Proposal presented for each year to the AGM.

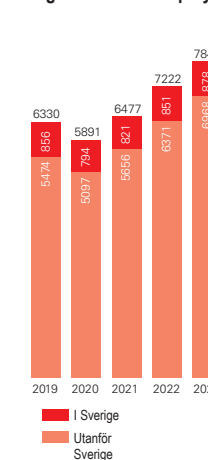
Net sales
SEKm



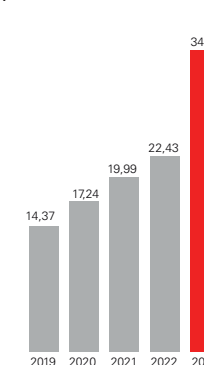
Profit before tax, EBT
SEKm



Average number of employees



Earnings per share before dilution
SEK



PARENT COMPANY

AQ Group AB (publ) is the parent company in one group, herein called AQ, whose business concept is:

- To develop, manufacture and assemble components and systems for demanding industrial customers.
- With our commitment to total quality make our customers become long-term partners.

SEKm unless otherwise stated	2023	2022	2021	2020	2019
Net sales	57	49	50	43	43
Operating profit	-3	2	-4	-4	-3
Profit after net financial items	118	55	-13	47	134
Liquid ratio, %	74	94	57	61	60
Equity ratio, %	42	39	43	42	43

The parent company, AQ Group AB, is primarily focused on the management and development of the Group. The parent company's turnover consists, as in previous years, almost exclusively of sales of management services to subsidiaries. Purchases from subsidiaries do not occur to any significant extent.

Net sales 2023 amounted to SEK 57 m (49). Other external expenses amounted to SEK 26 m (19). Personnel costs were SEK 35 m (31).

Operating profit (EBIT) was SEK -3 m (2). Net financial items were SEK 121 m (53) and consisted mainly of dividends from subsidiaries of SEK 122 m (119), revaluation of loan receivable to subsidiary of SEK 1 m (-72), exchange rate changes of SEK 5 m (10), bank interest of SEK -25 m (-14) and internal interest of SEK 18 m (10).

Current receivables are mainly receivables from group companies SEK 409 m (356) and consist of cash pool, accrued interest and accounts receivable.

The increase in non-restricted equity of SEK 94 m compared to December 31, 2022 consists of the year's profit of SEK 155 m and paid dividend of SEK 61 million. Untaxed reserves consist of tax allocation funds.

Non-current interest-bearing liabilities have decreased compared to previous year, and amounts to SEK 334 m (683) at the end of the year. The decrease is mainly related to amortizations of loans to credit institutions. Interest-bearing current liabilities increased by SEK 352 m compared to

the same period last year, and consist of short-term bank loans of SEK 90 m (59) and liabilities to group companies in the cash pool SEK 689 m (368). Other current liabilities SEK 29 m (19) consists of other liabilities and accrued costs and prepaid income.

The parent company's risks and uncertainties are essentially the same as for the other companies in the group. Regarding the company's financial risk management, cash flows etc., reference is made to the financial reports included in the Annual Report and Note 3.

GROUP

Environmental impact

The Parent company does not have any operations that require permits or reporting according to environmental laws. However, there are other companies within the Group that conduct such operations. The notifiable operations are linked to the Environmental laws' guidelines regarding plastic manufacturing and machine processing, as well as emissions of non-chlorinated solvents via evaporation into the air. Such permit operations concern less emissions into wastewater and the air among others in connection with powder coating.

Sustainability

AQ is an active member of UN Global Compact. Thus, AQ and all its subsidiaries are committed to following ten principles in terms of human rights, labor law, the environment and preventing corruption. In 2023, based on these principles, AQ have taken measures which are described in the Sustainability Report.

In accordance with the Swedish Annual Accounts Act chapter 6 § 11, AQ has chosen to prepare the statutory Sustainability Report as a separate report from the Annual Report. The Sustainability Report has been submitted to the auditor at the same time as the Annual Report. The Sustainability Report can be found on pages 21-28.

Research and development

AQ does not conduct its own research.

Investment policy

The investments correspond to a normal need for the current production rate. In 2024, AQ intends to continue to invest in its existing business areas.

Personnel policy

The health and well-being of our employees has always been an important part in decision making at all levels within the Group. Each company has its own approach to encourage employees with measures that benefit health. In addition, ongoing training occurs based on the companies' needs.

Dividend policy

The Board proposes that the dividend should correspond to approximately 25% of the average profit after tax over a business cycle. The company's financial consolidation needs must always be considered.

Work of the Board and the CEO

During the past year, the Board of Directors consisted of six members, all elected at the Annual General Meeting 2023. The Board held nine minuted meetings during the year. The Board of Directors and the CEO work according to a set rules of procedure. See further information in Corporate Governance Report pages 32-37.

Remuneration to senior executives

Regarding remuneration to the Board of Directors, the CEO and senior executives during 2023, see Note 9. The Board's proposed guidelines for remuneration to Senior executives of AQ in 2024 is mainly in accordance with the guidelines adopted at the AGM 2022 and what have been in practice in AQ Group for many years and are as follows:

Regarding remuneration to the Board the following is proposed: The Chairman of the Board SEK 470 t (450) and SEK 235 t (225) for each of the Board's ordinary members. The Chairman of the Audit Committee SEK 120 t (100) and the members of the Audit Committee SEK 60 t (40). As previous year no remuneration is proposed to the Chairman of the Remuneration Committee nor to the committee member.

Variable remuneration to AQ's management group consists of a variable cash salary (bonus). The AGM 2022 adopted the following principles for variable cash compensation: In addition to a fixed salary, variable remuneration, when applicable, shall be offered and linked to predetermined and clearly set measurable target criteria with the aim of promoting the company's long-term value creation. The remuneration may be paid in cash or additional premium

payments to pension insurance. The total amount of variable remuneration shall not exceed the fixed salary paid to the executive concerned. The Board may deviate from the guidelines in individual cases should special reasons exist.

For the AGM 2024, the Remuneration Committee proposes no changes in the principles for variable remuneration: In addition to fixed salaries, variable remuneration can be offered where applicable, which must be linked to predetermined and clearly defined measurable target criteria with the aim of promoting the company's business strategy, sustainability and long-term value. These criteria currently include, among other things, profit before tax and inventory turnover. The remuneration can be paid as cash compensation or extra premium payments to pension insurance. In total, the variable remuneration shall not exceed 100% of fixed salary. The Board may deviate from the guidelines if there are special reasons for this in individual cases.

Warrant-based incentive program

At the AGM on April 21, 2022, a decision was made to introduce a warrant-based incentive program for executive officers and other key personnel within AQ. The duration for the warrant-based incentive program is three years and expires on May 12, 2025. A total of 52,500 warrants were subscribed, each of which entitles to one new share upon redemption during the period from May 12 to June 10, 2025. The subscription price was set at SEK 351.20/share.

AQ had no share and share price-based incentive program during 2023.

The board proposes that the AGM decides to implement another long-term warrant-based incentive program for executive officers and other key personnel within AQ through a directed issue of a maximum of 155,000 warrants, which means an increase in the share capital when fully exercised by a maximum of SEK 310,000. The proposal involves a three-year warrant program that is proposed to expire in June 2027.

Information regarding risks and uncertainties

Through its operations, the group is exposed to both operational and financial risks. A description of these is included in Note 3 and in Outlook in the Directors' Report. Within the next 12 months, we see no significant change in these risks.

Ownership structure

All shares are held with equal voting rights, without restrictions other than those required by the Swedish Companies Act. There are no contracts, laws or clauses of the Articles of Association that restrict the transfer of shares.

The AGM of 2023 authorised the board to, on one or more occasions until the next AGM, with or without deviation from the shareholders' preferential rights, decide to increase the company's share capital through the new issue of shares that corresponds at most to 10% of the total number of issued shares. This authorisation shall include the right to decide upon an issue with cash payment, payment with non-cash consideration or with right of set-off. The authorization has not been utilized during the year.

There are no provisions in the Articles of Association or otherwise in agreements which govern the appointment and dismissal of Board directors or severance payment to them. There are also no limitations via agreements or Articles of Association regarding the amendment of the Articles of Association.

A table of the ten largest shareholders as of December 31, 2023 can be found on page 30.

PROPOSED APPROPRIATION OF PROFIT

The Board proposes that the retained earnings, SEK 772,704,087, is distributed as follows:

Available, SEK		Disposition, SEK	
Share premium reserve	86,304,157	Distributed to shareholders ¹⁾	121,838,426
Retained earnings incl. profit for the year	686,399,930	Carried forward ²⁾	650,865,661
Total non-restricted equity	772,704,087	Total	772,704,087

1) SEK 6.66 per share

2) of which 86,304,157 returns to the share premium reserve

The Board of Directors proposes that the AGM on April 18, 2024 decide on a dividend of SEK 6.66 per share, a total of SEK 121.8 m.

The proposed dividend corresponds to 19% (15) of the Group's profit after tax. The proposed dividend is not expected to affect the Company's or the Group's ability to meet its commitments in the short and long-term, continue its operations and make further commercially motivated investments.

Regarding the Company's profit and financial position, refer to following income statements, balance sheets, cash flow statements and comments and notes.

The Board proposes that the following conditions apply to dividends:

- SEK 6.66 per share shall be distributed and
- April 22, 2024 is the date of reconciliation

The Board proposes that

6.66 SEK per share shall be distributed



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Consolidated statement of comprehensive income

SEKm	Note	01/01/2023 31/12/2023	01/01/2022 31/12/2022
OPERATING INCOME			
Net sales	4,5,6	8,968	7,053
Other operating income	7	165	180
Total income		9,133	7,232
OPERATING EXPENSES			
Change in inventory and work in progress		-61	82
Raw material and consumables		-4,511	-3,760
Goods for resale		-115	-81
Other external expenses	8,18	-936	-789
Personnel costs	9	-2,316	-1,849
Depreciation and amortization	16,17,18,19	-288	-261
Other operating expenses	10	-115	-85
Total expenses		-8,341	-6,742
Operating profit		792	491
PROFIT FROM FINANCIAL ITEMS			
Financial income	12	16	39
Financial expenses	13,18	-50	-48
Net financial items		-35	-8
Profit before tax		757	482
Taxes	15	-121	-69
Profit for the year		636	413
PROFIT FOR THE YEAR ATTRIBUTABLE TO:			
Parent company shareholders		632	410
Non-controlling interests		4	3
SHARE-RELATED REPORTING, SEK			
Earnings per share before dilution	25	34.57	22.43
Earnings per share after dilution	25	34.47	22.43
AVERAGE NUMBER OF SHARES			
Before dilution, thousands		18,294	18,294
After dilution, thousands		18,347	18,294

SEKm	Note	01/01/2023 31/12/2023	01/01/2022 31/12/2022
PROFIT FOR THE YEAR			
		636	413
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to the income statement			
Revaluation related to defined benefit pension plans		1	0
Revaluation related to defined benefit pension plans, tax effect		-0	-0
Items that subsequently may be reclassified to the income statement			
Translation differences, foreign operations		6	198
Other comprehensive income for the year after tax		7	198
Comprehensive income for the year		643	611
COMPREHENSIVE INCOME FOR THE YEAR ATTRIBUTABLE TO:			
Parent company shareholders		639	607
Non-controlling interests		3	4

Consolidated balance sheet

SEKm	Note	31/12/2023	31/12/2022	SEKm	Note	31/12/2023	31/12/2022
ASSETS				EQUITY AND LIABILITIES			
Non-current assets				Equity			
Goodwill	16	393	395	Share capital		37	37
Other intangible assets	17	110	144	Other capital contributions		86	86
Right-of-use assets	18	262	233	Translation reserve		289	280
Tangible assets	19	1,117	1,043	Retained earnings incl. profit for the year		3,330	2,761
Non-current receivables	21	11	5	Equity attributable to parent company shareholders		3,742	3,164
Deferred tax assets	15	55	76	Non-controlling interests		19	16
Total non-current assets		1,950	1,896	TOTAL EQUITY	25	3,762	3,180
Current assets				Non-current liabilities			
Inventories	22	1,474	1,629	Interest-bearing liabilities to credit institutions	3,31	513	861
Accounts receivable - trade	3	1,879	1,745	Deferred tax liabilities	15	95	90
Current tax assets		23	22	Provisions for post-employment benefits	27	19	17
Other receivables	23	145	106	Other provisions	27	6	6
Prepaid expenses and accrued income	24	63	76	Other non-current liabilities		-	0
Cash and cash equivalents	31	426	231	Total non-current liabilities		633	973
Total current assets		4,010	3,808	Current liabilities			
TOTAL ASSETS		5,960	5,704	Interest-bearing liabilities to credit institutions	3,31	204	180
				Provisions	27	38	13
				Contract liabilities	6	112	94
				Accounts payable - trade	3	763	862
				Current tax liabilities		18	25
				Other current liabilities	28	115	107
				Accrued expenses and prepaid income	29	315	271
				Total current liabilities		1,565	1,551
				TOTAL LIABILITIES		2,198	2,524
				TOTAL EQUITY AND LIABILITIES		5,960	5,704

SEKm	Equity attributable to parent company shareholders				Subtotal	Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit for the year			
Equity, 31/12/2021	37	84	84	2,411	2,616	12	2,627
Profit for the year	-	-	-	410	410	3	413
Translation differences, foreign operations	-	0	196	-	196	1	198
Revaluation of defined benefit pension plans	-	-	-	0	0	0	0
Revaluation of defined benefit pension plans, tax effect	-	-	-	-0	-0	-0	-0
Other comprehensive income for the year after tax	-	0	196	0	197	1	198
Comprehensive income for the year	-	0	196	411	607	4	611
Issue of warrants	-	2	-	-	2	-	2
Paid dividend	-	-	-	-61	-61	-	-61
Transactions with shareholders	-	2	-	-61	-59	-	-59
Equity, 31/12/2022	37	86	280	2,761	3,164	16	3,180
Profit for the year	-	-	-	632	632	4	636
Translation differences, foreign operations	-	-	6	-	6	-0	6
Revaluation of defined benefit pension plans	-	-	-	1	1	0	1
Revaluation of defined benefit pension plans, tax effect	-	-	-	-0	-0	-0	-0
Other comprehensive income for the year after tax	-	-	6	1	7	-0	7
Comprehensive income for the year	-	-	6	633	639	3	643
Paid dividend	-	-	-	-61	-61	-	-61
Transactions with shareholders	-	-	-	-61	-61	-	-61
Equity, 31/12/2023	37	86	286	3,333	3,742	19	3,762

Consolidated cash flow statement

SEKm	Note	01/01/2023	01/01/2022	SEKm	Note	01/01/2023	01/01/2022
		31/12/2023	31/12/2022			31/12/2023	31/12/2022
Profit before tax		757	482	Cash flow from operating activities and investing activities		728	-75
Adjustment for non-cash generating items	31	319	264	New borrowings, credit institutions	31	-	234
Income tax paid		-98	-91	Amortization of loans	31	-358	-62
Cash flow from operating activities before change in working capital		978	655	Amortization of lease liabilities	31	-110	-103
Change in inventories		166	-239	Change in bank overdraft facilities	31	1	2
Change in trade receivables		-141	-357	Payment of warrants		-	2
Change in other receivables		-28	-9	Paid dividend		-61	-61
Change in trade payables		-64	82	Cash flow from financing activities		-528	12
Change in other liabilities		70	76	Change in cash and cash equivalents for the year		201	-63
Change in working capital		3	-447	Cash and cash equivalents at the beginning of the year		231	283
Cash flow from operating activities		980	208	Exchange rate difference in cash and cash equivalents		-6	11
Acquisition of intangible non-current assets		-4	-4	Cash and cash equivalents at the end of the year	31	426	231
Acquisition of tangible non-current assets		-251	-284				
Sale of intangible non-current assets		0	0				
Sale of tangible non-current assets		2	6				
Other changes in non-current assets		0	0				
Cash flow from investing activities		-252	-283				

SEKm	Note	01/01/2023 31/12/2023	01/01/2022 31/12/2022
OPERATING INCOME			
Net sales	6	57	49
Other operating income	7	2	5
Total income		59	53
OPERATING EXPENSES			
Other external expenses	8	-26	-19
Personnel costs	9	-35	-31
Depreciation and amortization		-0	-0
Other operating expenses	10	-1	-1
Total expenses		-62	-51
Operating profit		-3	2
PROFIT FROM FINANCIAL ITEMS			
Income from participation in group companies	11	122	47
Financial income	12	37	42
Financial expenses	13	-39	-35
Net financial items		121	53
Earnings after financial items		118	55
Appropriations	14	50	-2
Profit before tax		168	53
Taxes	15	-13	-2
Profit for the year		155	51
STATEMENT OF COMPREHENSIVE INCOME			
Profit for the year		155	51
Other comprehensive income for the year after tax		-	-
Comprehensive income for the year		155	51

The parent company, AQ Group AB, is primarily focused on the management and development of the Group. The parent company's turnover consists, as in previous years, almost exclusively of sales of management services to subsidiaries. Purchases from subsidiaries do not occur to any significant extent.

Parent Company balance sheet

SEKm	Note	31/12/2023	31/12/2022
ASSETS			
Non-current assets			
Tangible assets		0	0
Participations in group companies	20	1,227	1,222
Receivables from group companies	21,32	147	211
Total non-current assets		1,374	1,433
Current assets			
Receivables from group companies	32	409	356
Current tax asset		0	2
Other receivables	23	0	0
Prepaid expenses and accrued income	24	4	2
Cash and cash equivalents	31	192	62
Total current assets		604	423
TOTAL ASSETS		1,978	1,856

SEKm	Note	31/12/2023	31/12/2022
EQUITY AND LIABILITIES			
Equity			
Share capital		37	37
Statutory reserve		1	1
Restricted equity		38	38
Share premium reserve		86	86
Retained earnings		531	541
Profit for the year		155	51
Non-restricted equity		773	678
TOTAL EQUITY	25	810	716
Untaxed reserves	26	22	8
Non-current liabilities			
Interest-bearing liabilities to credit institutions	3,31	334	683
Total non-current liabilities		334	683
Current liabilities			
Interest-bearing liabilities to credit institutions	3,31	90	59
Interest-bearing liabilities to group companies	32	689	368
Accounts payable - trade	3	4	3
Liabilities to group companies	32	1	0
Current tax liability		1	-
Other liabilities	28	9	9
Accrued expenses and deferred income	29	17	10
Total current liabilities		811	449
TOTAL LIABILITIES		1,146	1,132
TOTAL EQUITY AND LIABILITIES		1,978	1,856

SEKm	Restricted equity			Non-restricted equity			Total equity
	Share capital	Statutory reserve	Subtotal	Share premium reserve	Retained earnings incl. profit for the year	Subtotal	
Equity, 31/12/2021	37	1	38	84	602	686	724
Profit for the year	-	-	-	-	51	51	51
Other comprehensive income	-	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	-	51	51	51
Issue of warrants	-	-	-	2	-	2	2
Paid dividend	-	-	-	-	-61	-61	-61
Transactions with shareholders	-	-	-	2	-61	-59	-59
Equity, 31/12/2022	37	1	38	86	592	678	716
Profit for the year	-	-	-	-	155	155	155
Other comprehensive income	-	-	-	-	-	-	-
Comprehensive income for the year	-	-	-	-	-	-	-
Paid dividend	-	-	-	-	-61	-61	-61
Transactions with shareholders	-	-	-	-	-61	-61	-61
Equity, 31/12/2023	37	1	38	86	686	773	810

Parent Company cash flow statement

SEKm	Note	01/01/2023	01/01/2022
		31/12/2023	31/12/2022
Profit before tax		168	53
Adjustment for non-cash generating income	31	-38	72
Income tax paid		-12	1
Cash flow from operating activities before change in working capital		118	126
Change in other receivables		-0	46
Change in trade payables		1	-1
Change in other liabilities		8	1
Change in working capital		9	46
Cash flow from operating activities		127	172
Acquisitions of shares in subsidiaries		-	-0
Shareholder contributions paid	20	-5	-5
Acquisitions of tangible non-current assets		-	-0
Change in cash pool		338	-294
Lendings to group companies		-8	-82
Amortization of loans to group companies		62	14
Cash flow from investing activities		387	-367

SEKm	Note	01/01/2023	01/01/2022
		31/12/2023	31/12/2022
Cash flow from operating activities and investing activities		514	-195
New borrowings, credit institutions	31	-	234
Amortization of loans	31	-323	-60
Payment of warrants		-	2
Paid dividend		-61	-61
Kassaflöde från finansieringsverksamheten		-384	115
Change in cash and cash equivalents for the year		130	-80
Cash and cash equivalents at the beginning of the year		62	142
Cash and cash equivalents at the end of the year	31	192	62

Note 1 General information

AQ Group AB (publ) and its subsidiaries is primarily a contract manufacturer and operate under the brand AQ. AQ designs, manufactures and sells products in two segments; **Component** where the business areas Precision stamping and Injection molding, Inductive components, Wiring systems, Sheet metal processing and Special technologies and Engineering are included, as well as **System** where the business areas Electric cabinets and System products are included.

AQ Group AB (publ) is the highest level parent company of the Group. Parent company's sales are, as in previous years, almost exclusively via sales of management services to subsidiaries. Purchases from subsidiaries do not occur to any significant extent. The parent company, which is listed on Nasdaq Stockholm's main market since January 16, 2017, is based in Västerås, Sweden. The head office is located at Regattagatan 29, 723 48 Västerås, Sweden and the company's website is www.aqgroup.com.

The consolidated financial statements and the Annual Report for AQ Group for the financial year 2023 has been approved by the Board for issuing March 25, 2024 and is available on the company's website on March 28, 2024 at the latest. The balance sheets and income statements are subject to approval by the AGM on April 18, 2024.

Note 2 Accounting principles

This section provides a summary of material accounting policies in the preparation of these financial statements. This section must be read in conjunction with the specific notes that also include material accounting policies. The principles have been applied consistently for all presented years unless otherwise stated.

2.1 Fundamental standards and legislation

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS). Furthermore, the Group also applies the Swedish Financial Reporting Board's recommendation RFR 1 (Supplementary Accounting Rules for Groups). Unless otherwise specified, the cost value method was applied when valuing assets and liabilities. Unless otherwise specified below, the items in the income statement and balance sheet are recorded gross. The going concern principle has been used when preparing the financial statements.

The parent company does not have its own manufacturing operation, but serves as a holding company. The parent company applies the same accounting policies as the Group, with the addition of RFR 2 (Accounting for Legal Entities) instead of RFR 1.

The parent company's functional currency is the Swedish krona, which is also the reporting currency for the parent company and the Group. Unless otherwise specified, all amounts are rounded to the nearest million.

2.2 Consolidated statements and acquisitions

The consolidated financial statements include all subsidiaries of AQ. A subsidiary is defined in accordance with IFRS 10, as a company in which AQ Group AB has a controlling interest. A controlling interest exists when AQ Group AB has an interest over investments, is exposed to or has a right to a variable return from its involvement, and can exert its interest in the investment in order to influence the return. When assessing whether a controlling interest exists, consideration is given to shares that potentially provide entitlement to vote and whether control exists.

A subsidiary is included starting from the date on which the Group gains a controlling interest in the company. Similarly, a subsidiary is excluded as of the date on which the controlling interest ceases. When incorporating a subsidiary's financial statements into the Group, IFRS 3, Business Combinations, is applied. When an acquisition takes place, an acquisition analysis is prepared in accordance with the acquisition method. The cost of acquisition comprises the fair value of assets issued as compensation, equity instruments issued for equity and debts incurred or taken over as at the transfer date. Transaction expenses incurred in connection with the acquisition are recorded directly as expenses. The excess amount between the acquisition value and the fair value of the Group's share of acquired net assets is recorded as goodwill. Any deficits, negative goodwill, is recorded directly in the income statement under Other operating income. Internal profits in inventories are eliminated in the consolidated financial statements.

Contingent considerations are valued at fair value on the acquisition date. If this is matched by a liability, this must be converted to fair value via the income statement for each report. Intra-Group balance sheet items as well as transactions and unrealised gains/losses on these are eliminated.

2.3 Effects of changes in exchange rates

2.3.1 Transactions and balance sheet items

Transactions in foreign currency are translated at the exchange rate prevailing on the transaction date. Exchange rate profits and losses that arise when paying for such transactions, as well as monetary assets and liabilities in foreign currency that are translated at the closing day rate, are recorded gross in the income statement. To a lesser extent there are currency hedges within the Group on the balance sheet date.

2.3.2 Group companies

Assets and liabilities in foreign businesses, including goodwill and other consolidated surplus and undervalues, are translated from the foreign operation's functional currency to the groups presentation currency, Swedish kronor (SEK), at the exchange rate as

of the balance sheet date. Revenues and expenses in a foreign enterprise are translated into SEK at an average rate that constitutes an approximation of the exchange rate that prevails at each moment of transaction. Translation differences that occur upon translating currencies for foreign operations are posted separated in other comprehensive income and are accumulated in a separate component in equity, named reserves. In the event that the foreign operation is not wholly owned, the translation difference is distributed to holdings without controlling influence based on its proportional share of ownership. When controlling influence, considerable influence or joint control ceases for a foreign business, they are realised at the accumulated translation difference by which they are reclassified from the translation reserve in equity to profits for the year.

2.4 Impairments

Assets that have an indefinite useful life (for example, goodwill) are not depreciated, but are tested annually or more often when needed with respect to the need for impairment with a number of estimates such as assumed growth rate and assumed discount rate. For impairment testing, goodwill is allocated to the operating segments that were expected to benefit from the acquisition and where the goodwill item arose. IAS 36 is applied within AQ for testing impairment requirements except for the assets that are regulated via other standards such as financial assets (IFRS 9), inventories and deferred taxes. During the financial year, there was no impairment requirement in the Group linked to IAS 36.

For other assets, an assessment is made if there is a need for impairment when there are indications that an asset's value exceeds its estimated recoverable amount. The recoverable amount is the highest of an asset's net sales value and value in use. For assets that have previously been written down, a review is made on each balance sheet date if reversal should be made.

Impairment of financial assets is made in accordance with IFRS 9. The Group recognizes loss reserves for expected credit losses on financial assets valued at amortized cost. The reported gross value of a financial asset is depreciated when the Group has no reasonable expectation of recovering a financial asset in its entirety or part of it. The Group makes individual assessments regarding the time and amount for write-off based on whether there are reasonable expectations for recovery. However, financial assets that have been written off may still be subject to enforcement measures to comply with the Group's recovery procedures of recoverable amounts.

2.5 Recording of government grants and disclosure of government assistance

Government grants are recorded in the balance sheet as deferred income when there is reasonable certainty that the grant will be received, and the Group will fulfil the conditions associated with the grant. Grants are accrued systematically in the income statement in the same manner and over the same periods as the expenses the grants are intended to compensate. The income is accounted for in other operating income.

Government grants related to assets are recorded as a reduction in the carrying value of the asset.

2.6 The parent company's accounting principles

AQ Group AB is the parent company in the AQ Group and has its head office in Västerås, Sweden. The operation includes administrative functions, holding operations and financing operations. AQ Group AB has prepared its Annual Report in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 (Accounting for Legal Entities), hereinafter "RFR 2", which was issued by Swedish Financial Reporting Board. In accordance with RFR 2, a parent company whose consolidated financial statements comply with the International Financial Reporting Standards (IFRS), as approved by the EU, as long as these accounting policies comply with the Swedish Annual Accounts Act, can apply the exceptions from IFRS as defined in RFR 2 with regard to Swedish tax legislation.

The financial statements are presented in Swedish kronor (SEK), rounded to the nearest million SEK. Unless otherwise specified, the parent company's accounting policies have been applied consistently for all periods. The descriptions below have been limited to deviations that occur.

2.6.1 Subsidiaries

Shares in subsidiaries are recorded in the parent company in accordance with the cost value method. The carrying amount for shares in subsidiaries undergoes impairment testing in accordance with IAS 36, Impairment of Assets. Transaction expenses that arise in connection with an acquisition are recorded by the parent company as part of the cost of acquisition and are thus not recorded as an expense.

2.6.2 IFRS 16 Leasing agreements

The Parent Company does not apply IFRS 16, according to the exception in RFR 2. As a lessee the lease expenses are reported on a straight-line basis over the lease period. Right-of-use assets and lease liabilities are therefore not reported in the balance sheet.

2.6.3 Financial warranties

Financial warranties that the parent company has issued in favor of subsidiaries are not valued at their fair value. They are recorded as contingent liabilities, unless it is probable that the warranties will result in payments. In such cases, a provision is recorded.

2.6.4 Group contributions and shareholder contributions

Group contributions in Sweden are deductible, in contrast with shareholder contributions. Group contributions are recorded as appropriations in the income statement.

2.6.5 Income taxes

In the parent company's balance sheet items, there is no deferred tax on untaxed reserves, due to the connection between accounting and taxation.

2.7 Important accounting principles and uncertainty factors in estimated values

For each reporting period AQ Group makes assessments, estimates and assumptions that affect the financial reports and related information. These assumptions and assessments are based on historical experience and other factors including expectations of future events that are considered reasonable under prevailing conditions. Actual outcome may, with other assumptions and under other circumstances, deviate from these estimates.

This section must be read in conjunction with the specific notes 2.4 Impairments, 3 Financial instruments, 15 Taxes, 16 Goodwill, 17 Other intangible assets, 19 Tangible assets, 22 Inventories and 27 Provisions which include important accounting principles and uncertainty factors when using estimated values within AQ Group.

2.7.1 Climate-related uncertainty factors

AQ Group considers climate-related risks and issues, both physical and transition-related, in assessments, estimates and assumptions, where appropriate. We have not identified any significant ones that could, for example, affect the assets' reported value or useful life.

The transition to a society with lower carbon dioxide emissions also creates opportunities for AQ Group as many of our customers deliver products that, among other things, involve switching to renewable energy sources, investing in renewable electricity production and continuing to work with energy efficiency.

AQ Group will continue to evaluate long-term climate risks and opportunities, develop our climate reporting according to CSRD and the EU's taxonomy. This will provide knowledge of what is required to adapt the Group's operations to deal with a changing climate.

2.7.2 Parent company – Important judgments and uncertainties

Valuation of shares in subsidiaries is an area that involves judgment and/or uncertainties for the parent company, in addition to the applicable significant accounting principles and uncertainty factors in estimated values presented to the group. See note 20.

2.8 New or amended accounting standards 2023 and upcoming changes

2.8.1 Group

A new accounting standard and amended accounting standards were applicable from January 1, 2023: IFRS 17 Insurance contracts and amendments to this new standard; amendments to IAS 12 Income taxes: 'International Tax Reform – Pillar Two Model Rules'; and 'Deferred Tax related to Assets and Liabilities arising from a Single Transaction'; IAS 1 Presentation of Financial Statements and 'IFRS Practice Statement 2: Disclosure of Accounting policies'; and IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: 'Definition of Accounting Estimates'. The new accounting standard and the amendments listed above did not have any material impact on AQ Group's financial statements.

The following amendments to accounting standards are applicable from January 1, 2024: IAS 1 Presentation of Financial Statements: 'Classification of Liabilities as Current or Non-current'; IFRS 16 Leases: 'Lease Liability in a Sale and Leaseback'. The amendments have not been early adopted by AQ Group.

As per December 31 2023 the following amendments to accounting standards have been published but not yet endorsed by the EU: IAS 21 'The Effects of Changes in Foreign Exchange Rates', IAS 7 'Statements of Cash Flows' and IFRS 7 'Financial Instruments: Disclosures'. The amendments listed above are not expected to have a material impact on AQ Group's financial statements in the current or future reporting periods or on foreseeable future transaction.

In addition to the above, the scope of the reporting requirements for AQ Group in the area of sustainability is likely to increase significantly in the future due to the EU's new standards for sustainability reporting and the Corporate Sustainability Reporting Directive (CSRD), which should be implemented in Swedish legislation. ESRS (European Sustainability Reporting Standards) is based on the principle of double materiality and means that companies must report both on how sustainability issues affect the performance and position of the business, but also how the business itself affects its environment. AQ Group has started planning the implementation of CSRD and ESRS.

2.8.2 Parent company

Unless otherwise stated, the accounting policies in 2023 changed in accordance with what is stated for the Group.

Note 3 Financial instruments and financial risk management

Financial instruments with a classification according to IAS 32 are presented below, accounting and valuation according to IFRS 9 and disclosures with risk information according to IFRS 7 and measurement at fair value according to IFRS 13. The financial assets and the carrying amount of the financial liabilities, respectively, constitute a reasonable estimate of the fair value, in respect of those recognized at amortized cost.

3.1 Financial assets

On initial recognition, a financial asset is classified as valued at: amortized cost, fair value through other comprehensive income or fair value through profit or loss. Financial assets are not reclassified after the initial recognition, except if the Group changes the business model for the management of the financial assets.

A financial asset shall be valued at amortized cost if it meets both of the following conditions and has not been identified as valued at fair value through profit or loss:

- it is held within the framework of a business model whose goal is to hold financial assets in order to obtain contractual cash flows, and
- the agreed terms for the financial asset give rise to cash flows at specific times, which are only payments of principal amounts and interest on the outstanding amount of capital.

A debt instrument shall be valued at fair value through other comprehensive income if it meets both of the following conditions and has not been identified as valued at fair value through profit or loss:

- it is held according to a business model whose objectives can be achieved both by obtaining contractual cash flows and selling financial assets, and
- its contractual terms give rise to cash flows at specific times, which are only payments of principal and interest on the outstanding amount of capital.

All financial assets that are not classified as valued at amortized cost or fair value through other comprehensive income are measured at fair value through profit or loss.

3.1.1 Subsequent valuation and profits and losses

Financial assets valued at fair value through profit or loss

The subsequent valuation for these assets takes place at fair value. Net gains and losses, including all interest or dividend income, are reported in the income statement.

Financial assets valued at amortized cost

The subsequent valuation for these assets is made at amortized cost using the effective interest method. The accrued acquisition value is reduced by write-downs. Interest income, foreign exchange gains and losses and impairment losses are recognized

in the income statement. This also applies for gains or losses arising from cancellation.

For management of credit risks, see further information in section 3.5.

Cash and cash equivalents consist of cash and immediately available balances with banks and corresponding institutions. There are no obstacles to the exploitation. The Group's unutilized overdraft facility amounts to SEK 217 m (187). Linked to the Group's loan facility are stipulated covenant conditions. These limit, among other things, net debt in relation to operating profit before interest, tax, depreciation and amortization (EBITDA) and net debt in relation to equity. In 2023, AQ has met the covenant conditions.

Financial assets valued at amortized cost

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Long-term external receivables	11	5	-	-
Accounts receivable - trade	1,879	1,745	-	-
Receivables from group companies	-	-	556	567
Other receivables	68	24	0	0
Cash and cash equivalents	426	231	192	62
Total	2,384	2,004	748	629

3.2 Financial liabilities

Financial liabilities are classified as valued at amortized cost or fair value through profit or loss. A financial liability is classified at fair value through profit or loss if it is classified as a holding for trading purposes, as a derivative or it has been identified as such at the first accounting date. Financial liabilities measured at fair value, net gains and losses, including interest, are recognized in the income statement. Subsequent valuation of other financial liabilities takes place at amortized cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognized in profit or loss. Gains or losses on removal from the accounts are also reported in the profit and loss.

Additional purchase prices for acquisitions are recognized at fair value through profit or loss.

In the description of the liquidity risk, there is a maturity analysis for financial liabilities. For AQ, this means that almost all financial instruments are recognized at acquisition value and any reporting of changes in value, such as foreign exchange, is carried through the income statement.

Financial liabilities valued at amortized cost

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Non-current liabilities to credit institutions	513	861	334	683
Bank overdraft facilities	21	28	-	-
Other debts to credit institutions	183	152	90	59
Accounts payable - trade	763	862	4	3
Other liabilities	23	25	8	8
Liabilities to group companies	-	-	690	368
Summa	1,504	1,927	1,125	1,120

3.3 Financial instruments

ACCOUNTING PRINCIPLE

Accounts receivable and debt instruments issued are reported when they are issued. Other financial assets and financial liabilities are recognized when the Group becomes a party to the instrument's contractual terms. A financial asset (with the exception of accounts receivable that do not have a significant financing component) or financial liability is valued at initial recognition at fair value plus, in the case of financial instruments not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue. A trade receivable without a significant financing component is valued at the transaction price.

The Group removes a financial asset from the statement of financial position when the contractual rights to the cash flows from the financial asset cease or if it transfers the right to receive the contractual cash flows. The Group discards a financial liability from the statement of financial position when the commitments specified in the agreement are fulfilled, cancelled or terminated. When a financial liability is derecognised, the difference between the carrying amount that has been removed and the remuneration paid (including transferred non-monetary assets or assumed liabilities) is reported in the income statement.

The Group is exposed to various types of financial risks in its business. Financial risk refers to fluctuations in the company's earnings and cash flow due to changes in exchange rates, interest rates, refinancing and credit risks. The Group's financial policy for managing financial risks has been prepared by group management and provides guidance in the form of risk mandates and limits for financial activities. The overall objective of the Group's financial policy is to provide cost-effective financing and to minimise negative effects on the Group's profit which derive from market risks. The following is a general description of risks and uncertainties, as well as how they are managed.

3.4 General risk exposure relating to financial assets and liabilities

Group management classifies risks into the categories credit risk, liquidity risk and market risk. Market risk is in turn divided into interest rate risk, currency risk and price risk, the latter refers to both purchases and sales. Group management has decided, in certain cases, to work with hedging instruments. The goal is to address the risks through currency and raw material clauses in agreements with customers and suppliers. The experience from renunciation of hedging for the said risks has not meant that management intends to change the current policy.

3.5 Credit risks

The Group's credit risk is mainly related to trade receivables and cash and cash equivalents. For cash and cash equivalents, banks are counterparties. The expected credit losses in cash and cash equivalents have been assessed as insignificant.

According to the credit policy, a credit assessment of new customers is performed. An assessment is done via an external credit rating when available, and payment history. The Group's average collection period for external trade receivables during the year was 61 (72) days. A change in the credit period of 1 day, with current turnover rate, means a change in working capital and cash flow of approximately SEK 31 m.

Other measures of the Group's credit risk is illustrated by the total exposure to individual customers. At closing, the single largest receivable was SEK 428 m (375). The net sales of the Group's two largest customers amounted to 20% (25) of total net sales.

The Group's maximum exposure to credit risk is limited to the stated value of accounts receivable. The following tables show the time aspect of the risk exposure of overdue accounts receivable. The management of credit risks is decentralised.

The Group reports loss reserves for expected credit losses on financial assets valued at amortized cost. The Group has a policy for when losses are reported. When it is determined whether a financial asset's credit risk has increased significantly since the first accounting date and when calculating expected credit losses, the Group assumes reasonable and verifiable information that is relevant and available without unnecessary costs or efforts. This includes both quantitative and qualitative information, analysis based on the Group's historical experience, credit assessment and forward-looking information. See Note 2.4 for more information on impairment of financial assets.

Maturity structure accounts receivable - trade

SEKm	Group			
	Total		Loss reserve	
	2023	2022	2023	2022
Not overdue	1,695	1,564	0	0
Overdue 1 - 30 days	94	132	0	0
Overdue 31 - 90 days	59	33	0	0
Overdue 91 - 180 days	30	10	3	0
Overdue > 180 days	20	24	16	19
Total	1,898	1,764	19	19

Accounts receivable denominated in Swedish kronor, amounts to approximately SEK 427 m (484). The main currencies apart from SEK are EUR, USD and CNY which converted to Swedish kronor amount to approximately SEK 1,094 m (889), SEK 146 m (140) and SEK 113 m (138) respectively. Loss reserve on balance date is reported as a total of SEK 19 m (19). The year's profit includes losses of SEK 2 m (4). The loss reserve for accounts receivable is valued at an amount corresponding to expected credit losses during the remaining term of the receivable. The Group uses a matrix for calculating the loss reserve with expected loss percentages divided by how many days a claim is late. The loss percentages are based on historical experience and specific conditions and expectations at the end of the reporting period.

Non-current liabilities SEKm	Group	
	2023	2022
Loans to credit institutions	334	707
Leasing liabilities	179	154
Total	513	861

Current liabilities SEKm	Group	
	2023	2022
Overdraft facility	21	28
Loans to credit institutions	95	68
Current leasing liabilities	88	83
Total	204	180

3.6 Liquidity risks

Liquidity risk is the risk that the Group may face problems meeting its obligations associated with financial liabilities. See specification of financial liabilities at previous page. The goal is for the Group to be able to meet its financial obligations in favourable and unfavourable markets without substantial unforeseen costs.

Liquidity risks and associated interest rate risk is managed centrally for the whole group.

The following table shows the maturity of the Group's financial liabilities. The column called nominal amount relates to future non-discounted cash flows

Terms and maturity

SEKm	Currency	Nom. interest rate, %	Due	Group			
				2023		2022	
				Nom. amount	Booked amount	Nom. amount	Booked amount
Revolving facility	SEK	5.07	2025	264	240	371	360
Revolving facility	USD	-		-	-	99	94
Revolving facility	EUR	4.85	2025	99	94	143	139
Bank loan, current part	SEK	5.02	2024	92	90	62	60
Bank loan, non-current part	SEK	-		-	-	93	90
Bank loan, current part	CAD	10.36	2024	1	1	4	3
Bank loan, current part	CNY	3.58	2024	4	4	8	8
Bank loan, non-current part	CNY	-		-	-	23	23
Leasing liabilities		1.5-7.0	2024-2050	286	267	263	237
Overdraft facility	SEK	-		-	-	26	26
Overdraft facility	USD	8.50	2024	12	11	-	-
Overdraft facility	CAD	7.20	2024	10	9	22	20
Overdraft facility	CNY	-		-	-	8	8
Accounts payable - trade			2024	763	763	862	862
Other liabilities			2024	23	23	25	25
Total				1,556	1,503	2,008	1,954

Maturity profile – undiscounted cash flows of financial liabilities

SEKm	Group											
	2023						2022					
	≤ 0,5 years	> 0,5 ≤ 1 years	> 1 ≤ 2 years	> 2 ≤ 5 years	> 5 years	Total	≤ 0,5 years	> 0,5 ≤ 1 years	> 1 ≤ 2 years	> 2 ≤ 5 years	> 5 years	Total
Loans	98	-	363	-	-	461	31	39	733	-	-	803
Leasing liabilities	40	50	64	104	28	286	41	50	60	90	23	263
Overdraft facility	22	-	-	-	-	22	56	-	-	-	-	56
Accounts payable - trade	763	-	-	-	-	763	862	-	-	-	-	862
Other liabilities	23	-	-	-	-	23	25	-	-	-	-	25
Total	946	50	427	104	28	1,556	1,022	81	793	90	23	2,008

3.7 Market risks

Market risks include the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risks are divided into interest rate risk, currency risk and other price risks, such as commodity prices. All of those affect the group.

3.7.1 Interest risks

The Group's interest rate risk relates to the Group's financing with credit institutions. All financing with credit institutions currently occur with variable interest, which is connected to the bank's base rate, which is related to Swedish National Bank's Repo rate with the net debt as per 31/12/2023, a change of 1 percentage point has an impact of about SEK 0.3 m.

3.7.2 Commodity price risks

Commodity price risk refers to the change in prices of input goods and its impact on earnings. For the Group, it mainly involves changes in raw materials which constitute a commodity price risk.

AQ does not buy direct raw materials but only semi-finished products for further manufacturing such as sheet metal of steel and aluminium, cables, insulated winding wire, etc.

The raw material part (LME guided part) of semi-finished goods is estimated to be SEK 233.1 m, with the following assumptions:

Aluminium: 2,222 tons x 2,287 USD x 10.61 = SEK 53.9 m

Copper: 1,981 tons x 8,523 USD x 10.61 = SEK 179.1 m

The risk is minimised by price clauses in customer contracts.

3.7.3 Currency risks

The Group includes subsidiaries in the Euro area and Bulgaria, India, China, Mexico, Hungary, Poland, Serbia, USA, Canada and Brazil. Transactions, assets and liabilities in foreign currencies are monitored centrally at AQ to create balance in each currency and thereby achieve maximum equalisation effect within the Group which thus minimises exchange rate effects. The group only uses hedging instruments in exceptional cases.

A decision to hedge is made centrally, after which managing it can take place at the subsidiary level.

Without considering price adjustments in the sales contracts, a change in exchange rate of 10% totally on yearly basis means an impact on sales of about SEK 660 m (499).

Sales in other currencies than SEK is about 74% (71) of turnover.

Upon a conversion of foreign subsidiaries' currencies to SEK, there is a conversion effect. A five percent change, assuming no changes elsewhere, changes the Group's other comprehensive income by SEK 26 m (12).

Three currencies are responsible for most of the conversion exposure, EUR where a five percent change gives an effect before tax of SEK 12 m (4), BGN which has a corresponding effect on the earnings by SEK 5 m (4) and PLN by SEK 4 m (4). Other exchange rate changes have a minor affect.

The net effect on equity of a five percent change against SEK is SEK 108 m (89), which consists of a change in the translation reserve. The change from the previous year is mainly due to the increased exposure of net assets in EUR, BGN and PLN.

Exchange rates	BGN	BRL	CAD	CNY	EUR	HUF	INR	MXN	PLN	USD
Average exchange rate 2022	5.44	1.96	7.77	1.50	10.63	0.03	0.13	0.50	2.27	10.12
Closing day rate 2022	5.69	1.97	7.71	1.50	11.13	0.03	0.13	0.54	2.37	10.44
Average exchange rate 2023	5.87	2.13	7.86	1.50	11.48	0.03	0.13	0.60	2.53	10.61
Closing day rate 2023	5.67	2.07	7.58	1.41	11.10	0.03	0.12	0.59	2.56	10.04

Note 4 Operating segments

ACCOUNTING PRINCIPLES

The segment report are divided in two business segments; Component and System. Each has similar economic characteristics, products, production processes and customer categories. These segments are recorded in a manner which conforms to internal reporting, which is given to the senior executive decision maker. The senior executive decision-maker is the function responsible for the allocation of resources and assessment of the operating segment's financial results. In the Group this function has been identified as the CEO and the group management team. Company management believes that this is consistent with the identification of operating segments in accordance with IFRS 8.

The parent company's financial statements are included in the adjustment item Unallocated in segment reporting.

The product composition in the segment Component includes among others transformers, wiring systems, mechanical parts, sheet metal processing and plastic injection molding. The product composition in the segment System includes production of systems, automation and power solutions, and the assembly of complete machines.

All Group companies are driven by common goals for growth and profitability. This means that all trade between the companies is done on market terms (at arm's length, see Note 32). Segment reporting does not include any adjustments for internal profit and consolidated trading with other segments. These amounts are included as reconciliation items together with the parent company's numbers in the matrix below, under the heading Unallocated. Included are also other items that have not been allocated to the two segments.

One of the group's customers have generated revenues that constitute 10% or more each of the Group's total revenue. The revenue amounted to SEK 1,124 m (835) and are included in both segments.

Reported amounts in the tables reflect the financial reports that the company's executive decision makers, the CEO and the management team, review on a continuous basis and which make up the control parameters in the allocation of resources and assessment of performance.

In the internal reporting, there is no division of assets and liabilities per segment. During the year, group management does not make analyzes based on the balance sheet divided by segment any more as this information is not deemed meaningful.

SEKm	2023			
	Component	System	Unallocated	Group
External invoicing within Sweden	2,442	595	-	3,038
External invoicing outside Sweden	4,768	1,162	-	5,931
Internal invoicing, other segments	628	198	-825	-
Total net sales	7,838	1,955	-825	8,968
Material costs, excl. purchases own segment	-3,951	-1,384	648	-4,687
Depreciation and amortisation	-261	-26	-0	-288
Other operating expenses/income	-2,963	-376	137	-3,202
Operating profit	663	169	-41	792
Net financial items	-	-	-35	-35
Profit before tax	663	169	-75	757
Taxes	-	-	-121	-121
Profit for the year	663	169	-197	636

SEKm	2022			
	Component	System	Unallocated	Group
External invoicing within Sweden	1,969	463	-	2,432
External invoicing outside Sweden	3,741	879	-	4,620
Internal invoicing, other segments	455	178	-633	-
Total net sales	6,165	1,521	-633	7,053
Material costs, excl. purchases own segment	-3,289	-1,007	538	-3,759
Depreciation and amortisation	-236	-24	-1	-261
Other operating expenses/income	-2,324	-319	101	-2,542
Operating profit	315	171	5	491
Net financial items	-	-	-8	-8
Profit before tax	315	171	-3	482
Taxes	-	-	-69	-69
Profit for the year	315	171	-72	413

Net sales allocated to operating segments and geographical markets

SEKm	2023			
	Component	System	Unallocated	Group
Sweden	1,533	980	57	2,571
Other European countries	4,890	707	-	5,597
Other countries	1,414	269	-	1,683
Net sales	7,838	1,955	57	9,851
Internal sales, eliminations	-	-	-883	-883
Total net sales	7,838	1,955	-825	8,968

SEKm	2022			
	Component	System	Unallocated	Group
Sweden	1,261	915	49	2,224
Other European countries	3,749	379	-	4,128
Other countries	1,155	227	-	1,382
Net sales	6,165	1,521	49	7,734
Internal sales, eliminations	-	-	-682	-682
Total net sales	6,165	1,521	-633	7,053

Geographical markets are based on where AQ Group's subsidiaries have their registered office.

Note 5 Geographical market distribution

The Group's sales distributed per country

SEKm	Group	
	2023	2022
Sweden	3,038	2,432
Finland	968	628
Germany	833	628
USA	764	524
China	506	556
France	313	279
Poland	318	220
Netherlands	247	221
India	208	102
Canada	174	138
Estonia	167	134
Other countries	1,434	1,190
Total	8,968	7,053

Sales are based on where the customer is located.

The Group's tangible and intangible assets distributed per country

SEKm	Group	
	2023	2022
Sweden	209	200
Bulgaria	293	255
Lithuania	259	243
Hungary	198	200
Finland	193	203
Poland	183	131
Estonia	165	168
Canada	134	142
Other countries	250	273
Total	1,883	1,815

The tangible and intangible assets are based on where the assets are located. No financial assets are included in the table.

Note 6 Revenue recognition

ACCOUNTING PRINCIPLE

Revenue includes the fair value of goods and services sold excluding VAT and discounts, as well as elimination of intercompany sales.

Sale of goods and performance of service assignments

The Group's revenue comes primarily from the production of goods such as components and systems for industrial customers based on agreements, orders and forecasts. Revenue for the sale of goods is recognized in the period when control of a good or service is transferred to the customer, that is, when the goods have been delivered and accepted by the customer. Income from service assignments is recognized over time when the services are performed. The income is reported at the fair value of what has been received, or is expected to be received, with deductions for discounts provided.

Contract liabilities amount to SEK 112 m (94). They consist of advance payments from customers.

Parent Company

The parent company, AQ Group AB, is primarily focused on management and development of the Group. The parent company's turnover consists almost exclusively of the sales of management services to subsidiaries.

Note 7 Other operating income

SEK m	Group		Parent Company	
	2023	2022	2023	2022
Exchange gains from operations, realised	55	52	1	1
Exchange gains from operations, unrealised	26	26	0	0
Capital gains on non-current assets	0	3	-	-
Recovery of previously impaired trade and other receivables	0	1	-	-
Sale of scrap and obsolete material	50	47	-	-
Government grants	15	21	0	-
Other operating income ¹⁾	19	30	1	3
Total	165	180	2	5

¹⁾ Other operating income includes received insurance compensation, subsidies etc.

Note 8 Remuneration to auditors

The audit assignment refers to the review of the annual report and accounting and the Board's and the CEO's management, which results in the established audit report. In addition, information is provided regarding compensation separately for audit activities and audit assignments besides audit tasks and tax services and other services, which may have been assigned to the auditing company to process during the fiscal year.

SEK t	Group		Parent Company	
	2023	2022	2023	2022
<i>E&Y</i>				
Audit assignment	5,093	391	1,025	-
Audit-related assignments	193	225	-	-
Tax consultation	177	-	177	-
Total	5,464	615	1,202	-
<i>KPMG</i>				
Audit assignment	635	4,183	151	1,098
Audit-related assignments	46	-	-	-
Tax consultation	52	47	-	-
Total	733	4,229	151	1,098
<i>BDO</i>				
Audit assignment	692	1,587	-	-
Audit-related assignments	139	165	-	-
Tax consultation	195	153	-	-
Total	1,026	1,906	-	-
<i>Demers Beaulne</i>				
Audit assignment	876	767	-	-
Audit-related assignments	87	76	-	-
Tax consultation	280	191	-	-
Total	1,243	1,034	-	-
<i>Brown and Edwards</i>				
Audit assignment	1,125	837	-	-
Total	1,125	837	-	-
<i>Övriga</i>				
Audit assignment	1,099	528	-	-
Audit-related assignments	-	366	-	-
Tax consultation	62	225	-	-
Total	1,160	1,119	-	-
Total remuneration to auditors	10,751	9,741	1,353	1,098

Note 9 Personnel**ACCOUNTING PRINCIPLE****9.1 Short-term benefits**

Short-term benefits to employees are calculated without discounting and recorded as an expense when the related services are received. A provision is recorded for the expected cost of profit-sharing and bonus payments when the Group has a valid legal or informal obligation to make such payments as a consequence of services having been received from employees and the obligation can be calculated reliably.

9.2 Long-term benefits

The Group's net obligation in respect of other long-term benefits, except pensions, comprises the value of future benefits that employees have earned as remuneration for the services they have performed during the current and previous periods. This remuneration is discounted to present value and the fair value of any managed assets is deducted. The discount rate is established on the same basis used as for defined benefit pension plans. The calculation is performed using the projected unit credit method. Any actuarial gains or losses are recorded in the income statement in the period when they occur. These include remuneration in connection with sabbatical leave, anniversaries and long-term inability to work. Long-term benefits also include remuneration issued in respect of a long period of service.

9.3 Benefits after termination of employment

Defined contribution pension plans are classified as plans in which the company's obligation is limited to the contributions that the company has undertaken to pay. In such cases the size of the employee's pension depends on the contributions that the company pays into the plan or to an insurance company and the return on capital that these contributions produce. Consequently, it is the employee who bears the actuarial risk (that the benefit will be lower than expected) and the investment risk (that the assets invested will be insufficient to produce the expected benefits). The company's obligations in respect of contributions to defined contribution plans are recorded as an expense in the income statement as they are earned by means of employees having performed services for the company during a period.

Part of the Group's pension plans are managed through Alecta. The premiums for Alecta are established using assumptions about interest rates, life expectancy, operating expenses and yield tax, and are calculated in such a way that the payment of a constant premium for the retirement date will be sufficient for all the target benefits, based on the insured party's current pensionable salary, to have been earned.

There is no established set of rules defining how a possible deficit should be treated, although in the first instance losses must be covered by Alecta's collective consolidation capital, and will therefore not result in increased expenses through an increase in agreed premiums. There are also no rules defining how a possible surplus or deficit is to be distributed in the event that the plan is discontinued or a company withdraws from the plan.

The information that must be provided in accordance with IAS 19, in addition to the above, relates to the consolidation ratio. Collective consolidation is a buffer for Alecta's insurance obligations against variations in return on capital and insurance risks. It comprises the difference between Alecta's assets and insurance obligations to policyholders and insured parties. The company accounts for an insignificant part of the plan.

9.4 Termination benefits

An expense for benefits in connection with employees redundancies is recorded at the earlier of when the company can no longer withdraw the offer to employees or when the company records restructuring expenses. Benefits that are expected to be settled within twelve months are recorded at their current value. Benefits that are not expected to be settled in full within twelve months are recorded under long-term benefits.

There are no agreements regarding severance pay or the like within the Group.

9.5 Share-based benefits

Share-based benefits in the existing warrant program do not entail any cost, since the price of the warrants corresponds to their fair value.

Generally within the Group, no special pension benefits or severance pay agreements exist, in addition to normal pensions. Regarding defined-benefit pension plans, these are only available to a limited extent in a few countries, see further Note 27.

Alecta

In 2023 the companies paid a total of SEK 4,157 t (5,404) in pension expenses to Alecta. The Group's share of the total contributions to the plan and the Group's share of the total number of active members in the plan amounts to 0.02736% and 0.03456% (2022: 0.02466% and 0.03109%). The contributions for the next reporting period are expected to be on a par with last year. In accordance with IAS 19 and UFR 10, the ITP pensions financed via Alecta must be treated as defined contribution pension plans until further notice, as information from Alecta does not enable reporting as defined benefit pension plans.

The consolidation ratio reported below relates to Alecta's assets as a percentage of the insurance obligations. Alecta has provided the following information regarding the consolidation level: "The collective consolidation level can normally vary between 125% and 175%. The consolidation ratio for 2023 was 158% (172).

Remuneration to executive officers

The Board's proposed guidelines for remuneration to executives in 2023 are presented in the Corporate governance report, pages 34-35. The remuneration paid to senior executives in 2023 are presented on page 64.

Regarding guidelines for variable remuneration to executives the following resolution was made at the previous AGM; Variable remuneration to AQ's management group consists of a variable cash salary (bonus). The variable remuneration shall be linked to predetermined and clearly set measurable target criteria with the aim of promoting the company's longterm value creation. The remuneration may be paid in cash or additional premium payments to pension insurance. The total amount of variable remuneration shall not exceed the fixed salary paid to the executive concerned. The Board may deviate from the guidelines in individual cases should special reasons exist.

Average number of employees	2023			2022		
	Women	Men	Total	Women	Men	Total
Parent Company, Sweden	11	10	21	15	8	23
Subsidiaries, Sweden	207	650	857	188	640	828
Brazil	1	5	6	2	6	8
Bulgaria	775	809	1,584	705	689	1,394
Estonia	169	435	604	159	415	574
Finland	40	167	207	35	153	188
India	20	173	193	17	157	174
Italy	8	9	17	7	11	18
Canada	115	79	194	99	62	161
China	218	356	574	264	438	702
Lithuania	968	291	1,259	768	230	998
Mexico	195	135	330	185	150	335
Poland	782	556	1,338	674	483	1,157
Serbia	-	-	-	3	4	7
Germany	2	14	16	3	17	20
Hungary	114	370	484	115	362	477
USA	51	111	162	50	108	158
Total	3,676	4,170	7,846	3,289	3,933	7,222

Gender distribution, executive officers

Board	2023			2022		
	Women	Men	Total	Women	Men	Total
%						
Parent Company	33	67	100	25	75	100
Group	17	83	100	14	86	100

Group management and CEO	2023			2022		
	Women	Men	Total	Women	Men	Total
%						
Parent Company	30	70	100	30	70	100
Group	26	74	100	28	72	100

Salary and remuneration SEKm	Group		Parent Company	
	2023	2022	2023	2022
Salary expenses	1,874	1,488	23	18
Social expenses	251	217	9	7
Pension expenses	110	92	3	3
Total	2,235	1,798	35	28

Whereof remuneration to Board, Presidents and other senior manager¹⁾

Salary expenses	190	153	13	9
<i>(Whereof bonuses and other similar salary expenses)</i>	29	15	6	2
Pension expenses	12	9	2	2

¹⁾ Refers to remuneration for all board members, presidents and other senior executives in the Parent Company and subsidiaries.

Warrant program

The 2022 AGM resolved to introduce a warrant-based incentive program for senior executives and other key personnel within AQ Group. The warrants are priced at market value, which is based on a valuation made by an independent party using the Black-Scholes model. Each warrant entitles its holder to subscribe for one share in the company at the subscription price shown in the table below. The 2022 warrant program expires on May 12, 2025 and exercising is possible from the same day until June 10, 2025.

Warrant program	2022
Total number of warrants, pcs	52,500
Price, SEK	40.20
Subscription price, SEK	351.20
Duration, years	3
Number of participants	21

Remuneration to the Board, CEO and Group management

SEKt	2023					2022				
	Basic salary/ fee	Variable remuneration	Other benefits	Pension expenses	Total	Basic salary/ fee	Variable remuneration	Other benefits	Pension expenses	Total
Chairman of the Board, Claes Mellgren	450	-	-	-	450	-	-	-	-	-
Chairman of the Board, Patrik Nolåker	-	-	-	-	-	480	-	-	-	480
Board member, Ulf Gundemark	265	-	-	-	265	240	-	-	-	240
Board member, Claes Mellgren	-	-	-	-	-	240	-	-	-	240
Board member, Gunilla Spongh	325	-	-	-	325	300	-	-	-	300
Board member, Per Olof Andersson	225	-	-	-	225	230	-	-	-	230
Board member, Lars Wrebo	225	-	-	-	225	200	-	-	-	200
Board member, Kristina Willgård	265	-	-	-	265	-	-	-	-	-
Board member, Annika Johansson-Rosengren	-	-	-	-	-	250	-	-	-	250
Board member, Vegard Søråunet	-	-	-	-	-	200	-	-	-	200
CEO, James Ahrgren	2,285	2,240	5	672	5,201	2,047	604	5	600	3,255
Other executive officers, nine	13,115	7,903	340	1,715	23,073	11,837	2,832	401	2,251	17,321
Total	17,155	10,143	345	2,387	30,030	16,024	3,436	406	2,851	22,716

Note 10 Other operating expenses

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Exchange losses from operations, realized	-73	-49	-1	-1
Exchange losses from operations, unrealized	-34	-29	-	-
Capital losses on non-current assets	-2	-2	-	-
Other operating expenses	-6	-5	-0	-0
Total	-115	-85	-1	-1

Note 11 Profit/Loss from participations in group companies

SEKm	Parent Company	
	2023	2022
Dividends from subsidiaries	122	119
Write-down of loan receivable subsidiaries ¹⁾	-1	-72
Reversal of previous write-down subsidiaries ²⁾	2	-
Total	122	47

¹⁾ 2023: AQ Inductive Components d.o.o. Pirot 2022: AQ Wiring Systems S.A. de C.V.

²⁾ AQ Wiring Systems S.A. de C.V.

Note 12 Financial income**ACCOUNTING PRINCIPLE**

Financial income comprises interest income on bank deposits and receivables, as well as realized and unrealized exchange rate differences on financial items. Income is recorded when the right to receive payment and the size of the payment have been established.

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Interest income, trade receivables	1	0	-	-
Interest income from group companies	-	-	23	12
Interest received from credit institutions	5	0	5	0
Exchange rate gains, realized	4	0	4	-
Exchange rate gains, unrealized	5	38	5	30
Other interest income	1	0	0	0
Total	16	39	37	42

Note 13 Financial expenses

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Interest expenses, trade payables	-0	-1	-0	-0
Interest expenses to group companies	-	-	-5	-2
Interest expenses to credit institutions	-38	-19	-30	-14
Lease liability interest expenses	-6	-4	-	-
Exchange rate losses, realized	-1	-0	-1	-
Exchange rate losses, unrealized	-4	-22	-4	-20
Other interest expenses	-1	-1	-	-0
Total	-50	-48	-39	-35

As of 31 December, 2023, there are no remaining derivatives, nor in the previous year. No other interest expenses are attributable to items valued to fair value.

Note 14 Appropriations

SEKm	Parent Company	
	2023	2022
Change in tax allocation reserve	-14	-2
Group contribution, received	65	-
Group contribution, paid	-1	-0
Total	50	-2

Note 15 Taxes**ACCOUNTING PRINCIPLE**

Recorded tax for the period comprises current tax and deferred tax. When the tax is based on an underlying transaction that is recorded directly against equity, the tax effect is also recorded directly against equity. Otherwise the tax is recorded in the income statement. Current tax is the tax payable or receivable for the year, adjusted for any correction of current tax from previous years.

Deferred tax is recorded in full, according to the balance sheet method, for all temporary differences that arise between the tax value of assets and liabilities and their reported values in the consolidated financial statements. Temporary differences are not recorded for differences arising on recording of consolidated goodwill or for the initial recording of assets and liabilities that are not acquisitions and that at the time of the transaction do not affect recorded or taxable profit.

Deferred taxes are calculated using the tax rates expected to apply when the tax is to be settled, which are normally the tax rates adopted on the balance sheet date. Deferred tax assets in respect of tax loss carryforwards are recorded only to the extent that it is likely that they can be utilised. Deferred tax liabilities partly consist of untaxed reserves, which are divided into equity and deferred tax in the consolidated financial statements. The amount also includes deferred tax liabilities on the properties recorded at a higher value than the tax value.

The Group's earnings in Estonia are not burdened with income tax since the current tax regime only taxes dividends. Deferred tax has instead been reported for future, estimated dividends.

The actual tax rate for the Group is 16% (14).

Non-recorded tax loss carryforwards relate primarily to subsidiaries in India and Mexico, which are in establishment phase and there it is currently not possible to assess with certainty when the companies will be able to use them to offset future profits. The Parent company has no tax loss.

BEPS Pillar 2

The Group's turnover for 2023 exceeds EUR 750 m for the first year, which is why an analysis has been made as to whether the reporting rules according to BEPS Pillar 2 can become applicable. Since the turnover requirement of EUR 750 m has not been met for two of the last four years, the Group is not covered by these rules either for the financial year 2023 or 2024. However, it may become relevant for the financial year 2025 if the Group's turnover for 2024 exceeds the threshold of EUR 750 m. The Group currently has significant operations in several countries that currently have lower corporate income tax than 15%, including Bulgaria, Estonia, Lithuania and Hungary.

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Current tax	-91	-70	-9	-1
Deferred tax	-26	3	-	-0
Withholding tax on dividend and interest	-5	-1	-3	-0
Tax recorded	-121	-69	-13	-2
<i>Specification of recorded tax</i>				
Recorded profit before tax	757	482	168	53
Estimated tax based on applicable tax rate, Sweden 20.6%	-156	-99	-35	-11
Tax effect of:				
Non-deductible expenses	-11	-30	-0	-15
Non-taxable income	6	29	26	24
Effect of other tax rates in foreign companies	35	26	-	-
Change in non-recorded tax loss carryforwards	-6	-10	-	-
Change of tax previous years	6	-0	-0	-
Other ¹⁾	10	16	0	-1
	-116	-68	-9	-1
Withholding tax	-5	-1	-3	-0
Tax recorded for the year	-121	-69	-13	-2

¹⁾ Tax rebate for investments is included.

SEKm	Group	
	2023	2022
Non-recorded tax losses carryforwards	150	151
<i>Expires year:</i>		
2023	-	21
2024	21	23
2025	24	13
2026	13	4
2027	5	18
2028	19	-
Later	69	72
Total	150	151

Deferred tax assets and liabilities SEKm	Group		Parent Company	
	2023	2022	2023	2022
Deferred tax assets				
Intangible assets	3	-	-	-
Tangible assets	1	10	-	-
Right-of-use assets	44	40	-	-
Inventories	4	3	-	-
Loss carry forwards	27	37	-	-
Other ¹⁾	19	25	-	-
Deferred tax assets before netting of deferred tax assets and liabilities	99	115	-	-
Netting of deferred tax assets and liabilities ²⁾	-43	-39	-	-
Deferred tax assets net	55	76	-	-
Deferred tax liabilities				
Intangible assets	26	34	-	-
Tangible assets	15	13	-	-
Right-of-use assets	43	39	-	-
Untaxed reserves	50	38	-	-
Other	4	5	-	-
Deferred tax liabilities before netting of deferred tax assets and liabilities	138	129	-	-
Netting of deferred tax assets and liabilities ²⁾	-43	-39	-	-
Deferred tax liabilities net	95	90	-	-
Change in deferred tax				
Recorded in the income statement	-26	3	-	-0
Translation difference	-0	2	-	-
Total	-26	4	-	-0

¹⁾ Included in Other are i.a. deferred tax on reservations and exchange rate differences.

²⁾ Refer to deferred tax on right-of-use assets.

Note 16 Goodwill**ACCOUNTING PRINCIPLE**

Goodwill consists of the amount by which the acquisition value on acquisition of companies or operations exceeds the fair value of identified net assets at the time of acquisition. Goodwill are valued at cost less any write-downs. Depreciation according to plan is not made on these assets, instead, any impairment needs are tested annually or more often if there is an indication of a significant decline in value, in accordance with IAS 36.

SEKm	Group	
	2023	2022
Opening accumulated cost of acquisition	398	369
Acquisition of subsidiaries	-	-
Reclassifications	0	0
Translation difference	-2	29
Closing accumulated cost of acquisition	396	398
Opening accumulated write-downs	-3	-3
Write-down for the year	-	-
Translation difference	0	-1
Closing accumulated write-downs	-3	-3
Closing residual value	393	395

Impairment test for cash generating units with goodwill

The following cash-generating units have significant reported goodwill values in relation to the Group's total goodwill:

SEKm	2023	2022
AQ Wiring Systems UAB	78	78
AQ Anton Kft	43	42
AQ Industrial Systems (formerly Gerdins)	26	25
AQ Mecanova OY	49	49
B3CG Interconnect	82	84
Trafotek	79	79
Schaffner Power Magnetics	27	28
Total	383	385

During 2022 and 2023 no acquisitions were made.

Management annually investigates whether any amortisation need exists in terms of goodwill. The recoverable amount of the underlying cash generating unit AQ Wiring Systems UAB, AQ Anton Kft., AQ Industrial Systems AB with subsidiaries (formerly Gerdins), AQ Mecanova OY, B3CG Interconnect with subsidiaries, LTI Holding Oy with subsidiaries (Trafotek group) and Schaffner Power Magnetics has been determined based on a calculation of the Group's value in use. There are no indications of decreased value. Other goodwill items are of lesser value.

	Estimated growth beyond a four-year period %		Discount rate, before tax %		Discount rate, after tax %	
	2023	2022	2023	2022	2023	2022
AQ Wiring Systems	2	2	10	10	8	8
AQ Anton Kft	2	2	10	10	8	8
AQ Industrial Systems (formerly Gerdins)	2	2	10	10	8	8
AQ Mecanova OY	2	2	10	10	8	8
B3CG Interconnect	2	2	10	10	8	8
Trafotek	2	2	10	10	8	8
Schaffner Power Magnetics	2	2	10	10	8	8

The calculation was made based on estimated future cash flows equivalent to a four-year period. Cash flows beyond the four-year period have been extrapolated using an estimated growth rate of 2%.

Important variables	Method used to estimate value
Market share and -growth	The forecast for growth is based on the group's historic growth, inflation forecasts etc. The total market according to external sources of information is expected to grow during the forecast period, and AQ's share of the total market is marginal.
Operating expenses	Operating expenses are estimated based on the planned operations for the forecast period, and reflect previous experience and external sources of information regarding inflation forecasts etc.
Discount rate	The discount rate is prepared through a weighted average cost of capital for AQ Group and reflects current market assessments of the time value of money and the risks specifically related to AQ Group and thereafter take into account the risk of each tested entity.
Currency rates	Currency conversion has been performed at current exchange rates published by the Swedish Central Bank (Riksbanken).

The recoverable amount of AQ Wiring Systems UAB, AQ Anton Kft., AQ Industrial Systems AB with subsidiaries (formerly Gerdins), AQ Mecanova OY, B3CG Interconnect with subsidiaries, LTI Holding Oy with subsidiaries (Trafotek group) and Schaffner Power Magnetics exceeds the reported value by a significant amount. Sensitivity analyzes have been performed and management believes that no reasonable changes in the key assumptions may lead to the recovery value being lower than reported values.

Note 17 Other intangible assets

SEKm	Group							
	2023				2022			
	Customer relations	Technology	Other ¹⁾	Total	Customer relations	Technology	Other ¹⁾	Total
Opening accumulated cost of acquisition	163	123	82	368	154	113	74	341
Direct investments for the year	-	-	4	4	-	0	4	5
Sales/retirements	-	-	-3	-3	-	-	-2	-2
Reclassifications	-	-	-	-	-	-	1	1
Translation difference	0	-1	0	0	9	10	4	24
Closing accumulated cost of acquisition	163	123	83	369	163	123	82	368
Opening accumulated amortization	-101	-56	-67	-224	-77	-41	-61	-179
Amortization for the year	-20	-13	-4	-37	-19	-12	-3	-35
Sales/retirements	-	-	2	2	-	-	1	1
Translation difference	-0	1	-0	0	-4	-4	-3	-12
Closing accumulated amortization	-122	-68	-69	-259	-101	-56	-67	-224
Closing planned residual value	41	54	14	110	61	67	15	144

¹⁾ Other refers to, among other things, software, rental rights, patents, licenses and trademarks.

Significant intangible non-current assets and their remaining amortization period

	2023		2022	
	Closing planned residual value (SEKm)	Remaining amortization period (years)	Closing planned residual value (SEKm)	Remaining amortization period (years)
Customer relations				
AQ Anton Kft	7	2	10	3
AQ Wiring System, Canada Inc	10	4	13	5
Technology				
AQ Mecanova OY	11	4	13	5
AQ Wiring System, Canada Inc	13	4	16	5
AQ Trafotek OY	11	5	13	6
AQ Trafotek AS	11	5	13	6

ACCOUNTING PRINCIPLE**Customer relations and technology**

Identified acquired customer relations and technology are amortized linearly over 5-10 years.

Other

Other intangible assets relate primarily to acquired software, rental rights and other capitalised expenditures. These are amortized linearly over 5-10 years.

For all intangible assets, any need for impairment is tested annually or more often if there is an indication of a significant decrease in value, in accordance with IAS 36.

Note 18 Right-of-use assets**ACCOUNTING PRINCIPLE**

When entering into an agreement, the Group assesses whether the agreement is, or contains, a lease agreement. An agreement is, or contains, a leasing agreement if the agreement assigns the right to decide, over a certain period, the use of an identified asset in exchange for compensation.

The Group reports a right-of-use asset and a leasing debt on the date of the lease agreement. The right-of-use is initially valued at acquisition value, which consists of the original value of the lease liability with addition for lease payments paid at or before the start date plus any initial expenses. The right-of-use asset is subsequently written off linearly from the start date to the earliest of the end of the asset's useful life and the end of the lease term.

The leasing liability - which is divided into long-term and short-term - is initially valued at the present value of remaining leasing fees during the assessed leasing period. The leasing period is the non-cancellable period with the addition of additional periods in the agreement if it is deemed reasonably certain at the commencement date that these will be used. Leasing fees are discounted with the implicit interest rate of the lease. If this interest rate cannot be determined, the Group's marginal borrowing rate is used.

The lease debt is valued at amortized cost using the effective interest method. The lease liability is revalued if future lease payments change due to, among other things, changes in an index or a price. When the lease liability is revalued in this way, a corresponding adjustment is made to the carrying value of the right-of-use asset.

The Group has chosen not to report liability for right-of-use assets for leases that are shorter than 12 months and contracts of lesser value. Leasing fees for these leases are reported as a cost linearly over the lease period.

The Group's leasing agreements mainly consist of properties used for production and offices.

During the year, acquisitions of right-of-use assets were made of SEK 133 m (96). The amount includes new contracts and increased payments due to an extended lease period.

See also Note 3 where information on maturity structure for leasing liabilities can be found.

Reported value of right-of-use assets

SEKm	Group				Total
	Real estate	Machinery	Vehicles	IT equipment	
Opening balance, 2023	224	4	5	0	233
Depreciation for the year	-98	-3	-4	-0	-104
Closing balance, 2023	246	6	10	0	262
Opening balance, 2022	220	6	6	0	232
Depreciation for the year	-92	-2	-3	-0	-98
Closing balance, 2022	224	4	5	0	233

SEKm	Group	
	2023	2022
Leasing liabilities		
Current	88	83
Non-current	179	154
Total	267	237

Amounts reported in the cash flow report

SEKm	Group	
	2023	2022
Total cash flow attributable to lease agreements	-128	-116

Amounts reported in the income statement

SEKm	Group	
	2023	2022
Depreciation of right-of-use assets	-104	-98
Interest on lease liabilities	-6	-4
Costs for short-term leases	-13	-12
Costs for leases of lesser value	-6	-2
Total	-129	-115

Note 19 Tangible assets

SEKm	Group				Total
	Land and buildings	Plant and machinery	Equipment, tools, fixtures and fittings	Construction in progress	
Opening accumulated cost of acquisition, 2023	596	1,199	287	66	2,149
Direct investments for the year	19	78	44	77	218
Sales/retirements	-	-15	-10	-0	-26
Reclassifications	12	35	17	-64	1
Translation difference	6	7	-1	-1	10
Closing accumulated cost of acquisition, 2023	632	1,304	337	79	2,352
Opening accumulated depreciation, 2023	-141	-780	-186	-	-1,106
Depreciation for the year	-21	-93	-32	-	-146
Sales/retirements	-	13	9	-	23
Reclassifications	-	-1	1	-	-0
Translation difference	-0	-5	1	-	-5
Closing accumulated depreciation, 2023	-162	-866	-207	-	-1,235
Closing planned residual value, 2023	470	438	130	79	1,117
Opening accumulated cost of acquisition, 2022	388	1,019	224	116	1,748
Direct investments for the year	70	92	32	103	298
Sales/retirements	-0	-1	-9	-1	-11
Reclassifications	116	24	26	-166	-1
Translation difference	22	65	15	14	116
Closing accumulated cost of acquisition, 2022	596	1,199	287	66	2,149
Opening accumulated depreciation, 2022	-117	-652	-158	-	-927
Depreciation for the year	-18	-84	-26	-	-128
Sales/retirements	0	0	7	-	7
Reclassifications	-	-	-	-	-
Translation difference	-6	-43	-10	-	-59
Closing accumulated depreciation, 2022	-141	-780	-186	-	-1,106
Closing planned residual value, 2022	456	419	102	66	1,043

ACCOUNTING PRINCIPLE

Tangible fixed assets are depreciated on a straight-line basis over the estimated useful life; there is no depreciation of land. The Group applies component depreciation, which means that the components' estimated useful life forms the basis of depreciation.

Land and buildings include factories and offices. There are operational properties within the Group, but no investment properties.

The cost of acquisition includes expenses that can be attributed directly to the acquisition. Plant and machinery consist solely of assets intended for production, while equipment, tools, fixtures and fittings are divided between offices and production. Plant and machinery are recorded at the cost of acquisition with deductions for accumulated depreciation and amortisation. Expenses for repairs and maintenance to maintain and make marginal improvements to production capacity in the machinery are recorded as expenses directly in the income statement.

Assets are depreciated over the periods indicated below

Buildings	10-60 years
Improvement expenses on leasehold property	20 years
Land improvements	20 years
Plant and machinery	5-12 years
Equipment, tools, fixtures and fittings	3-10 years

Buildings consist of following identified components with varying useful lives

Frame	40-60 years
Supplements to the frame, internal walls, etc	20-40 years
Installations: heating, electricity, plumbing, ventilation	20-40 years
Outer layer: facades, roofs, etc.	20-30 years
Inner layer: mechanical equipment, etc.	10-15 years

Depreciation methods, residual values and useful lives used are reviewed at the end of every year.

Note 20 Shares and participations in group companies

SEKm	Parent Company	
	2023	2022
Opening accumulated cost of acquisition	1,464	1,459
Investment in subsidiaries	-	0
Shareholder contribution	5	5
Closing accumulated costs of acquisition	1,468	1,464
Opening accumulated impairment	-242	-242
Impairment losses	-	-
Closing accumulated impairment	-242	-242
Closing book value	1,227	1,222

ACCOUNTING PRINCIPLE

Shares in subsidiaries are recorded in the parent company in accordance with the cost value method. The carrying amount for shares in subsidiaries undergoes impairment testing in accordance with IAS 36, Impairment of Assets. Transaction expenses that arise in connection with an acquisition are recorded by the parent company as part of the cost of acquisition and are thus not recorded as an expense.

No material acquisitions have been made in 2022 or 2023. The focus was on organic growth and integration of the companies (AQ Inductives Hungary Kft., AQ Transformer Solutions Inc and AQ Inductive Components Germany GmbH) that were acquired in 2021.

Companies	Domicile	Country	Corp. ID no.	Number of participation rights	Holding % ¹⁾	Book value
AQ Fastighet i Lund AB	Lund	Sweden	556527-5228	10,000	100	4
AQ Fastighet Tokarp AB	Gislaved	Sweden	556220-0195	1,000	100	4
AQ Fastighet i Pålshoda AB	Eskilstuna	Sweden	556275-6212	14,200	100	6
AQ Plast AB	Västerås	Sweden	556497-2239	3,000	100	4
AQ Trafo AB	Enköping	Sweden	556443-9726	26,000	100	0
AQ Mekatronik AB	Västerås	Sweden	556666-7829	1,000	100	0
AQ Special Sheet Metal AB	Hallsberg	Sweden	559138-9753	1,000	100	43
AQ ParkoPrint AB	Gävle	Sweden	556574-6319	20,000	100	17
- AQ Fastigheter i Gävle AB	Gävle	Sweden	556448-3385			-
AQ Fastighet i Lyrestad AB	Eskilstuna	Sweden	556443-9734	15,000	100	0
AQ Elautomatik AB	Västerås	Sweden	556272-8484	1,000	100	4
AQ M-Tech AB	Uppsala	Sweden	556358-1411	1,000	100	2
AQ Enclosure Systems AB	Vaggeryd	Sweden	556660-1844	20,000	100	2
AQ Components Västerås AB	Västerås	Sweden	556733-7216	5,000	100	11
AQ Components Mjällom AB	Kramfors	Sweden	556209-2634	10,000	100	11
AQ Wiring Systems AB	Kramfors	Sweden	556261-0955	10,000	100	16
- AQ Wiring Systems STG Sp. Z.o.o.	Linowiec	Poland	0000043722			-
AQ Enclosure Sollefteå AB	Sollefteå	Sweden	556720-8466	10,000	100	14
AQ Engineering AB	Gothenburg	Sweden	556622-8697	1,050	100	2
AQ Fastighet i Torslanda AB	Gothenburg	Sweden	556690-3018	1,000	100	0
AQ Lasertool OÜ	Pärnu	Estonia	10 930 852	40,000	100	9
AQ Components Kodara OÜ	Kodara	Estonia	16 532 472	100,000	100	0
AQ Magnetica Italy S.r.l.	Castelfidardo	Italy	02591110420	30,000	100	3

Companies	Domicile	Country	Corp. ID no.	Number of participation rights	Holding % ¹⁾	Book value
AQ Inductive Components d.o.o	Pirot	Serbia	21531723		100	6
AQ Mecanova OY	Nivala	Finland	0745938-3	494,854	100	40
- Mecanova Inc	Dallas	USA	150214900			-
AQ Anton Kft	Zalaegerszeg	Hungary	20-09-061216	²⁾	100	236
AQ Inductives Hungary Kft.	Kecskemét	Hungary	03-09-108594	1	100	62
AQ Plastronic AD	Veliko Tarnovo	Bulgaria	1040 11529	595,560	95	14
AQ Electric AD	Radomir	Bulgaria	1135 61397	544,618	96	17
AQ Magnit AD	Godech	Bulgaria	1220 33267	690,681	99,7	40
AQ Wiring Systems Sp.z.o.o.	Łódź	Poland	0000199352	2,227	100	43
AQ Wiring Systems UAB	Panevėžys	Lithuania	148 427 212	1,200	100	56
AQ Wiring Systems SA DE CV	Tultitlan Edo	Mexico	DME051116H2A	317,308,905	99,9 ³⁾	24
AQ Electric Suzhou Co., Ltd	Suzhou	China	913205057859862515	169,730	100	23
- AQ Electric & Enclosure Suzhou Co., Ltd	Suzhou	China	91320505MA22AAMD01			-
- AQ Power Magnetics Shanghai Co., Ltd	Shanghai	China	91310115MA1HBNCL5A			-
AQ Components Suzhou Co., Ltd	Suzhou	China	91320505717465227Y	173,517	100	2
AQ Asia Limited	Hongkong	China	2568747	100,000	100	0
AQ Mechanical & Electrical M.I.Pvt.Ltd	Pune	India	U31909PN2011FTC139442	5,153,321	100	39
AQ Inductive Components India Pvt.Ltd	Pune	India	U29309PN2018FTC175319	497,696	99,9 ⁴⁾	24
Société de Gestion B3CG Interconnect Inc	Saint-Eustache	Canada	807949219 RC0001	340,000	100	90
- AQ Wiring Systems Canada, Inc.	Saint-Eustache	Canada	136814217 RC0002			-
- AQ B3CG Real Estate Inc	Saint-Eustache	Canada	768141731 RC0001			-
8046000 Canada Inc	Saint-Eustache	Canada	842130304 RC0001	340,000	100	34
- AQ Wiring Systems NY Inc.	Plattsburgh	USA	98-1035861			-
LTI Holding OY	Helsinki	Finland	2368936-5	5,619,145	100	295
- AQ Trafotek OY	S:t Karins	Finland	2359889-3			-
- AQ Trafotek AS	Harjumaa	Estonia	12625219			-
- AQ Trafotek Power Eletrônicos e Transformadores LTDA	Itu	Brazil	22.119.284/0001-72			-
- Trafotek Corporation	Houston	USA	80-2012450			-
AQ Transformer Solutions Inc	Wytheville	USA	11222449	5,000	100	23
AQ Inductive Components Germany GmbH	Paderborn	Germany	HRB15234	100	100	5
Total						1,227

¹⁾ The voting share corresponds to the share of equity in all companies.

²⁾ AQ Anton Kft, has no shares. Instead the company has a "business quota" of HUF 12 millions.

³⁾ Total holding by AQ Elautomatik AB and AQ Group AB is 100%.

⁴⁾ Total holding by AQ Trafo AB and AQ Group AB is 100%.

Note 21 Non-current receivables

The Group's non-current receivables of SEK 11 m (5) mainly refer to deposits. The change in the parents company's non-current intercompany receivables is shown below.

SEKm	Parent Company	
	2023	2022
Opening receivables from group companies	211	196
Lending during the year	3	82
Repayments during the year	-62	-14
Write-down of loan receivable, subsidiaries	-3	-72
Translation difference	-3	20
Closing receivables from group companies	147	211

Note 22 Inventories**ACCOUNTING PRINCIPLE**

Goods for resale, raw materials and consumables and purchased finished/semi-finished products are valued at the cost of acquisition or the net realisable value, whichever is lower. The acquisition value is calculated according to a weighted average calculation. Calculation of net realisable value arises when a risk of obsolescence has been identified in an inventory item, such as one with slow movement.

Finished products and work in progress are valued as direct costs and a reasonable proportion of indirect costs, based on normal utilisation capacity. The change is recorded in the income statement.

Work in progress on behalf of another party is valued as direct costs and an estimated proportion of indirect costs.

SEKm	Group	
	2023	2022
Raw materials and consumables	981	1,128
Work in progress	277	297
Finished goods and goods for resale	216	205
Total	1,474	1,629

Of the recorded inventory values of raw materials and consumables of SEK 981 m (1,128), it is estimated that 95% will be turned over within one year. It is estimated that other inventories, such as work in progress, finished products and goods for resale, totalling SEK 494 m (501), will be turned over in their entirety within one year.

The value of inventories was written down by SEK 143 m (118) on the balance sheet date. The valuation was based on the use of an obsolescence scale. The obsolescence scale is based on each company's historical obsolescence risks, quantities and maturity.

Note 23 Other receivables

SEKm	Group		Parent Company	
	2023	2022	2023	2022
VAT receivables	77	82	-	0
Other current receivables ¹⁾	68	24	0	0
Total	145	106	0	0

¹⁾ The increase compared to the previous year mainly refers to customs deposit Bulgaria of SEK 35 m.

Note 24 Prepaid expenses and accrued income

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Prepaid rent	9	7	0	0
Prepaid leasing	1	0	-	-
Prepaid insurances	5	4	1	1
Customer owned tools	23	34	-	-
Accrued income	2	3	-	-
Prepaid IT expenses	13	9	2	1
Other interim receivables ¹⁾	10	18	0	0
Total	63	76	4	2

¹⁾ Refers to prepaid project, service and maintenance costs.

Note 25 Equity/Earnings per share**Restricted and non-restricted equity in the Parent Company**

Equity is divided between the restricted and the respective non-restricted funds. Share capital and reserve funds are restricted equity. Non-restricted funds consist of share premium, retained earnings and profit for the year.

The parent company's share capital amounts to SEK 37 m (37), the statutory reserve SEK 1 m (1), the share premium reserve SEK 86 m (86), retained earnings SEK 531 m (541) and profit for the year SEK 155 m (51).

Capital management

According to the Board's policy, the Group's financial objective is to have a good capital structure and financial stability and thereby maintain investors, creditors and market confidence and to provide a basis for continued development of the business.

The Group's objective is to maintain an equity ratio of at least 40%. Group equity ratio at closing 31/12/2023 was 63% (56). The dividend policy is that the dividend should correspond to approximately 25% of the average profit after tax over a business cycle

Reserves

Reserves contains mainly of foreign exchange differences arising from conversion of foreign entities' financial reports.

Proposed dividend

The Board has proposed a dividend of SEK 6.66 (3.33) per share to the Annual General Meeting (AGM) for fiscal year 2023, which means that SEK 121,838,426 will be distributed to shareholders if the AGM decides so in accordance with the Board's proposal. During the year, no change in the Group's capital management has taken place.

Note 26 Untaxed reserves

SEKm	Parent Company	
	2023	2022
Tax allocation reserve, 2019	6	6
Tax allocation reserve, 2022	2	2
Tax allocation reserve, 2023	14	-
Total	22	8

Parent Company	Number of shares (pcs)	Share capital (SEK)
31/12/2012--31/12/2015	18,034,058	36,068,116
31/12/2016--31/12/2023	18,294,058	36,588,116

	Group	
	2023	2022
Profit for the year attributable to Parent company shareholders, SEKm	632	410
Number of shares at the beginning of the year	18,294,058	18,294,058
Number of shares at the end of the year	18,294,058	18,294,058
Average number of outstanding shares	18,294,058	18,294,058
Warrants with impact on earnings per share	52,000	-
Average number of outstanding shares after dilution	18,346,558	18,294,058
Earnings per share before dilution, SEK	34.57	22.43
Earnings per share after dilution, SEK	34.47	22.43

Calculation of earnings per share is based on the consolidated profit/loss for the year and the weighted average number of shares outstanding during the year. The company's warrant program has had a dilution effect during the year.

Share quotient value is SEK 2 and all shares have equal voting rights and privileges

Note 27 Provisions**ACCOUNTING PRINCIPLE**

A provision differs from other liabilities as there is uncertainty about the payment date and the amount to settle the provision. A provision is reported in the balance sheet when there is an existing legal or informal obligation as a consequence of an event, and it is probable that an outflow of financial resources will be required to settle the obligation and a reliable estimate of the amount can be produced. Provisions are made at the amount that represents the best estimate of what is required to settle the existing obligation on the balance sheet date. If the effect of when payment is made is significant, provisions are calculated by discounting the expected future cash flow at an interest rate before tax

that reflects current market assessments of the money's timevalue and the risks associated with the liability. If there are a number of similar obligations, an individual assessment is usually made regarding the probability of whether an outflow of resources from the company will be required. A provision is recorded when the probability of outflow in respect of a special item in this group of obligations is likely. Provision is made at the amount that represents the best estimate of what is required to settle the existing obligation on the balance sheet date.

SEKm	Group									
	2023					2022				
	Post-employment benefits, non-current	Warranty obligations, non-current	Other, non-current	Warranty obligations, current	Other, current	Post-employment benefits, non-current	Warranty obligations, non-current	Other, non-current	Warranty obligations, current	Other, current
Opening provisions	17	5	1	10	3	15	3	0	10	1
Provisions made during the year	3	1	1	28	12	2	2	1	1	2
Used provisions	-1	-1	-1	-2	-12	-1	-0	-0	-0	-0
Reversed provisions	-0	-0	-	-1	-	-1	-	-	-2	-0
Reclassifications	-	-1	-	1	-	-	-	-	-	-
Translation difference	-0	0	0	-1	0	1	0	0	1	0
Closing provisions	19	5	1	35	3	17	5	1	10	3

Post-employment benefits

The group's pension obligations mainly consist of defined contribution and defined benefit pension plans are only available to a limited extent in the following countries: Bulgaria, Italy, India, Lithuania and Poland. The pension provisions are based on long-term interest, inflation based on estimated salary increases, retirement age, lifetime assumption and personnel turnover. The total net obligation at the end of the year of SEK 19 (17) m is recorded in provisions for post-employment benefits. It is attributable to Bulgaria 55% (60), Italy 15% (16), India 8% (9), Lithuania 9% (5) and Poland 13% (9).

Warranty obligations

As is customary in the industry where AQ Group operates, many products are covered by a guarantee which is included in the price and valid for a pre-determined period. Provisions for guarantees are calculated on basis of historical data on the extent of measures, repair costs and similar. The actual outcome of warranty costs may differ from previous provisions and could have a significant impact on the group's results and financial position.

Note 28 Other current liabilities

SEKm	Group		Parent Company	
	2023	2022	2023	2022
VAT liabilities	31	32	0	0
Personnel related liabilities	61	50	1	1
Other current liabilities	23	25	8	8
Total	115	107	9	9

Note 29 Accrued expenses and prepaid income

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Prepaid income	5	13	-	-
Liability to personnel	186	157	8	3
Liability, social security contributions	56	48	3	2
Accrued interest expense	2	3	2	3
Other interim liabilities	65	50	4	2
Total	315	271	17	10

Note 30 Pledged assets and contingent liabilities

Pledged assets SEKm	Group		Parent Company	
	2023	2022	2023	2022
Property mortgages	110	110	-	-
Floating charges	329	329	-	-
<i>of which in own custody</i>	439	425	-	-
Ownership reservation regarding leased machines	4	4	-	-
Other ownership reservations	-	-	-	-
Contingent liabilities SEKm				
Other contingencies	206	208	175	175

Note 31 Cash flow analysis

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Cash and bank balances	426	231	192	62
Cash and cash equivalents recorded in the cash flow statement	426	231	192	62

Changes in interest-bearing liabilities included in financing activities

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Opening long-term interest-bearing liabilities	707	481	683	478
New borrowings	-	234	-	234
Amortizations	-287	-2	-263	-
Reclassification	-90	-22	-90	-44
Non-cash generating item, exchange rate differences	4	16	4	16
Closing long-term interest-bearing liabilities	334	707	334	683
Opening short-term interest-bearing liabilities	96	127	59	72
Change in overdraft facility	1	2	-	-
Amortizations	-71	-60	-60	-60
Reclassifications	90	22	90	44
Non-cash generating item, exchange rate differences	-1	6	-	2
Other	1	1	1	1
Closing short-term interest-bearing liabilities	117	96	90	59
Opening leasing liabilities	237	236	-	-
New and modified leasing contracts	133	97	-	-
Amortizations	-110	-103	-	-
Non-cash generating items, exchange rate differences and interest	6	7	-	-
Other	-0	0	-	-
Closing leasing liabilities	267	237	-	-
Total closing balance interest-bearing liabilities	717	1,040	424	742

The Group's total unutilized limits on overdraft facilities at the end of the year amounted to SEK 217 m (187). AQ has a revolving loan facility of SEK 600 m (600), of which SEK 266 m (7) remains to be used.

Specification of adjustments for non-cash generating items

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Depreciations and impairment losses	288	261	1	72
Result from sold fixed assets	1	-2	-	-
Group contributions not paid	-	-	-64	0
Provisions	28	5	14	2
Interest	6	4	-	-
Withholding tax	-5	-1	3	-0
Exchange rate differences	0	-2	7	-2
Non-cash generating items	319	264	-38	72

Information regarding interest and dividends

SEKm	Group		Parent Company	
	2023	2022	2023	2022
Received interest during the year	11	1	32	12
Paid interest during the year	-40	-21	-35	-16
Received dividend during the year	-	-	122	119

Note 32 Transactions with related parties**ACCOUNTING PRINCIPLE**

Regarding transactions between companies within the Group, these take place at arm's length in accordance with the Group's internal pricing policy. See also Note 4.

The parent company has a close relationship with its subsidiaries. Some sales occur between the operating Group companies regarding goods. The parent company invoices a business support service fee to the subsidiaries. All sales occur at market prices and give rise to receivables and liabilities between the Group companies, which are settled continuously. Between the parent company and a few Group companies, there are long-term lending and borrowing. These are charged with market interest rates. Most of the Group companies are also connected to a cash pool in the parent company. The connected companies receive/pay market interest rates.

In 2023, AQ Group AB has paid SEK 60,919,213 (60,919,213) in dividends to its shareholders. No other transactions between AQ and related parties that significantly affected the company's position and earnings have taken place.

Two of the company's Board members control as per December 31, 2023 about 39% (39) of the votes in the company.

In addition to the above, there are customary remunerations for the board and other senior executives as well as individual related transactions regarding the purchase of products and consulting services which are at market conditions. No loans to Board members or other key people in leading positions exist.

Other remuneration to the Board and group management, see Note 9.

SEKm	Parent Company	
	2023	2022
Invoicing	58	51
Purchase	-2	-1
Interest revenue	23	12
Interest expense	-5	-2
Dividends from subsidiaries	122	119
Receivables from group companies (non-current)	147	211
Receivables from group companies (current)	409	356
Interest-bearing liabilities to group companies (current)	689	368
Liabilities to group companies (current)	1	0

Note 33 Proposed appropriation of profits

The Board proposes that the retained earnings, SEK 772,704,087, are distributed as follows:

Available, SEK		Appropriation, SEK	
Share premium reserve	86,304,157	Distributed to shareholders ¹⁾	121,838,426
Retained earnings incl. Profit for the year	686,399,930	Carried forward ²⁾	650,865,661
Total non-restricted equity	772,704,087	Total	772,704,087

1) 6.66 SEK per share

2) of which 86,304,157 returns to the share premium reserve

Note 34 Post balance sheet events

On March 11, 2024 AQ Group AB signed an agreement with JIT Mech se Förvaltning AB and Momen Holding AB to acquire 100% of the shares in JIT Mech se Industri AB with the subsidiaries JIT Mech i Robertsfors AB and JIT Mech i Örnsköldsvik AB. JIT Mech is a leading supplier of large and complex machined and welded components to customers in the electrification, forestry automation and defense industries. The companies have a consolidated turnover for 2023 of approximately SEK 130 m, an operating margin in line with the AQ average and have 75 employees. Operations are conducted in Robertsfors and Örnsköldsvik. The purchase price consists of SEK 40 m in cash at closing plus an earnout based on the companies' earnings for the years 2024–2026. The transaction is subject to approval by the Swedish Supervisory Authority in accordance with the FDI Act and closing is expected to take place during the second quarter of 2024.

The Board of Directors of AQ Group informed on March 15, 2024 that they decided to propose that the Annual General Meeting 18 April 2024 resolves to divide each share into five shares (Share split 5:1) and thereby increase the number of shares five times. The purpose of the division of shares is to achieve an appropriate number of shares for the company.

AQ has no production units in the Middle East, Ukraine, Russia or Belarus and no significant customers nor suppliers in these countries. The risks that are most prominent for AQ in a shorter perspective are the impacts of component shortages on delivery precision, the uncertain political and economic global situation that might affect our customers as well as currency and price risks on, for example, energy, transport and materials. AQ constantly monitor and evaluate the situation in order to be prepared to act quickly to limit any impact on the company.

Board certification

The Board and the CEO ensure that the Annual Report has been prepared in accordance with generally accepted accounting principles in Sweden and that the consolidated financial statements have been prepared in accordance with the international accounting standards referred to in the European Parliament's and Council's Regulation (EC) No 1606/2002 as of July 19, 2002 regarding the application of international accounting standards. The Annual Report and the consolidated financial state-

ments provide a true and fair view of the Parent Company's and the Group's position and results. The Directors' Report for the Parent Company and the Group provide a fair overview of the development of the Parent Company's and the Group's operations, financial position and results and describes significant risks and uncertainties which the Parent Company and the companies included in the Group are facing.

Västerås March 25, 2024

James Ahrgren
CEO

Claes Mellgren
Chairman of the Board

Lars Wrebo
Board member

Per Olof Andersson
Board member

Kristina Willgård
Board member

Gunilla Spongh
Board member

Ulf Gundemark
Board member

Our audit report has been submitted on March 25, 2024
Ernst & Young AB

Jennifer Rock-Baley
Authorized Public Accountant

Auditor's report

To the general meeting of the shareholders of AQ Group AB (publ), corporate identity number 556281-8830

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of AQ Group AB (publ) for the year 2023. The annual accounts and consolidated accounts of the company are included on pages 38-80 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2023 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 2023 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), and the Annual Accounts Act. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

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

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

Basis for Opinions

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

We believe that the audit evidence we have obtained is suffi-

cient and appropriate to provide a basis for our opinions.

Other information

The audit of the annual accounts for the year 2022 has been performed by another auditor who submitted an auditor's report dated 27 March 2023 with unmodified opinions in the *Report on the Annual Accounts and consolidated accounts*.

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. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of inventories

Description of key audit matter

As of December 31, 2023, the Group's inventories amounted to SEK 1 474 million. Inventories consist of raw materials and consumables, goods in progress, and finished goods and goods for resale.

Inventory valuation is an area that is considered to be a particularly significant area due to the materiality of the asset and that it involves some assessment and appreciation by management.

The product calculations are central to the valuation of inventories, where a number of trade-offs are made that have an impact on the reported values. The valuation also includes assessments, such as the estimation of the net realizable value when applying the lowest value principle, and also in the assessment of obsolescence.

There is a risk of impairment if the fair value of inventories is less than the book value.

How our audit addressed this key audit matter

We have conducted a review of the Group's purchasing and inventory process.

We have carried out price tests of raw materials, review of calculations, control of accruals linked to incoming and outgoing deliveries and also analytical review of the inventory such as inventory turnover rate.

We have taken note of the management's assessment and assumptions linked to the obsolescence model as well as the inventory calculations. We have attended stock inventories and carried out control calculations at key storage locations.

We have also reviewed additional information in the annual report.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-31. The other information also includes the remuneration report and were obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

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

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

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible

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

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

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

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

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

- ▶ Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- ▶ Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that

are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.

- ▶ Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.

- ▶ Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.

- ▶ Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in

the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Report on the audit of the administration 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 AQ Group AB (publ) for the year 2023 and the proposed appropriations of the company's profit or loss.

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

Basis for opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

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

- ▶ has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
 - ▶ in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.
- Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

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

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

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 AQ Group AB for the financial year 2023.

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 AQ Group AB 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 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 audit firm applies ISQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements* and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and 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 and consolidated 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.

Ernst & Young AB, Box 7850 10399 Stockholm, was appointed auditor of AQ Group AB by the general meeting of the shareholders on the 20 April 2023 and has been the company's auditor since the 26 April 2023.

Stockholm March 25, 2024
Ernst & Young AB

Jennifer Rock-Baley
Authorized Public Accountant

Operating profit, SEKm

Calculated as the periods' profit before tax and financial items. The operating profit shows the results generated from operations and is used with the operating margin and the return on total assets for evaluating and managing operations.

Profit before tax, SEKm

Calculated as the periods' profit before tax. The key figure shows the earnings generated by operations and financial income while taking into account payments to creditors for the capital they are contributing to finance the business. The measure thus shows the remaining profit to the owners, yet takes into account that the public receives a share (tax) of this profit.

Operating margin (EBIT), %

Calculated as operating profit divided by net sales. This ratio indicates the profitability achieved in operations. Operating margin is a useful measure for monitoring profitability and efficiency of operations before deduction of bound capital. The ratio is used both internally in the control and monitoring of operations as well as benchmarking with other companies in the industry.

Profit margin before tax (EBT), %

Calculated as profit before tax divided by net sales. This ratio shows the profitability achieved in operations before tax. Profit margin is a useful measure for monitoring profitability and operational efficiency including bound capital. The ratio is used both internally in the control and monitoring of operations as well as benchmarking with other companies in the industry.

EBITDA

Calculated as the periods' net operating profit with the addition of depreciations and amortization of tangible and intangible assets. The key figure is used in the calculation of covenants towards the bank.

Liquid ratio, %

Calculated as current assets (excl. Inventories) divided by current liabilities. This ratio reflects the company's short-term ability to make payments because it takes into account the company's current assets (excluding inventory) in relation to current liabilities. If the liquid ratio exceeds 100 %, it means that the assets exceed the liabilities in question.

Equity ratio, %

Calculated as adjusted equity divided by total assets. This ratio reflects the company's financial position and thus its long-term solvency. Having a good equity ratio and thus a strong financial position is important for being able to manage periods of weak economic activity. To have a strong financial position is also important for managing growth.

Return on total assets, %

Calculated as profit after financial items plus financial expenses divided by average total assets. This ratio also shows the profitability achieved in operations. This ratio complements the operating margin to the extent that even bound capital is taken into account. It therefore means that the ratio provides information about what return the company's operations give in relation to the amount of bound capital in operations. (In this context, financial investments, cash and cash equivalents and the surplus these give in the form of financial income are also taken into account).

Return on equity after tax, %

Calculated as profit after tax divided by average equity including minority interests. This is a ratio that shows the company's return on the capital that the owners have invested in the business (including retained earnings) after other parties have received their remuneration. This ratio therefore shows how profitable the company is for its owners. This return is also important for the company's growth opportunities while having balanced finances.

Net cash/Net debt, SEKm

Calculated as the difference between interest-bearing debts and cash. This key figure reflects the amount of interest-bearing liabilities with regard to existing cash and cash equivalents. The ratio therefore provides a good picture of indebtedness.

Growth, %

The company uses two indicators to describe growth; 1) organic and 2) growth through acquisitions. Organic growth is calculated as the difference between net sales for the period and the preceding period, excluding currency effect and net sales of acquired units. Organic growth in %, is calculated as the organic growth divided by the net sales for the same period previous year. Growth through acquisitions is calculated as net sales of acquired companies divided by the net sales in the same period in the previous year. Growth is a key component of the company's strategy as growth is required to be one of the leading players in the markets where it operates. Growth is partly through acquisitions and partly organic. It is important to monitor and present the growth achieved by each growth method because these are two different ways to grow. Acquisitions are made when opportunities open up to expand the business in a particular geographic market or in a specific product area (which is in line with the company's strategic plan). Organic growth usually has the character of a continuous expansion of existing operations.

Dividend per share, SEK

Dividend per share is decided at the Annual General Meeting where the annual report is approved for the fiscal year. The number of shares is the number of shares outstanding at the date of distribution.

Earnings per share, before/after dilution, SEK

Income for the period attributable to equity holders of the parent company divided by the average number of shares before or after dilution. When the average share price during the period is higher than the established subscription price for subscribed warrants, dilution effect is calculated for the earnings per share.

Group key figures

Key figures defined by IFRS

	2023	2022	2021	2020	2019
Net sales, SEKm	8,968	7,053	5,471	4,819	5,113
Earnings per share before dilution, SEK	34.57	22.43	19.99	17.24	14.37

Alternative key figures that are not defined according to IFRS

The annual report includes certain key figures which are not defined according to IFRS. AQ's view is that the presented key figures are essential for investors, securities analysts and other stakeholders. Furthermore, the operating margin, cash liquidity and solidity are important measures in terms of AQ's monitoring of results, position and liquidity. AQ's key figures not calculated in accordance

SEKm unless otherwise stated	2023	2022	2021	2020	2019
Operating profit	792	491	446	401	340
Net sales	8,968	7,053	5,471	4,819	5,113
Operating margin (EBIT), %	8.8	7.0	8.2	8.3	6.7
Profit before tax	757	482	441	369	321
Net sales	8,968	7,053	5,471	4,819	5,113
Profit margin before tax (EBT), %	8.4	6.8	8.1	7.7	6.3
Operating profit	792	491	446	401	340
Depreciation and amortization	-288	-261	-234	-234	-220
EBITDA	1,079	751	681	635	561
Accounts receivable - trade	1,879	1,745	1,295	995	1,044
Other current receivables	231	204	173	125	118
Cash and cash equivalents	426	231	283	452	161
Current liabilities	1,565	1,551	1,342	1,166	1,252
Liquid ratio, %	162	140	130	135	106
Total equity	3,762	3,180	2,627	2,191	2,015
Total assets	5,960	5,704	4,699	3,864	3,852
Equity ratio, %	63	56	56	57	52
Profit before tax	757	482	441	369	321
Financial expenses	-50	-48	-28	-48	-30
Total equity and liabilities, opening balance	5,704	4,699	3,864	3,852	3,100
Total equity and liabilities, closing balance	5,960	5,704	4,699	3,864	3,852
Total equity and liabilities, average	5,832	5,202	4,282	3,858	3,476
Return on total assets, %	13.8	10.2	11.0	10.8	10.1

with IFRS are not necessarily comparable to similar measures presented by other companies, and have certain limitations as an analytical tool. They should therefore not be considered in isolation from, or as a substitute for, AQ's financial information prepared in accordance with IFRS.

SEKm unless otherwise stated	2023	2022	2021	2020	2019
Profit for the year	636	413	368	318	263
Total equity, opening balance	3,180	2,627	2,191	2,015	1,783
Total equity, closing balance	3,762	3,180	2,627	2,191	2,015
Total equity, average	3,471	2,904	2,409	2,103	1,899
Return on equity after tax, %	18.3	14.2	15.3	15.1	13.8
Cash and cash equivalents	426	231	283	452	161
Non-current interest bearing liabilities	513	861	632	406	442
Current interest bearing liabilities	204	180	212	391	474
Total interest bearing liabilities	717	1,040	844	797	916
Net cash/Net debt	-291	-810	-561	-345	-755
Growth, %					
Organic growth					
Net sales	8,968	7,053	5,471	4,819	5,113
- Effect of changes in exchange rates	454	103	-134	-91	101
- Net sales last year	7,053	5,471	4,819	5,113	4,667
- Net sales for acquired companies	-	185	192	236	400
= Organic growth	1,461	1,293	594	-439	-56
Organic growth divided by last year net sales, %	20.7	23.6	12.3	-8.6	-1.2
Growth through acquisitions					
Net sales for acquired companies divided by last year net revenue, %	0.0	3.4	4.0	4.6	8.6

Parent Company's key figures

SEKm unless otherwise stated	2023	2022	2021	2020	2019
Accounts receivable - trade	-	-	0	-	-
Current receivables	412	360	132	185	388
Cash and cash equivalents	192	62	142	296	-
Current liabilities	811	449	480	792	644
Liquid ratio, %	74	94	57	61	60
Total equity	810	716	724	722	648
Equity part of untaxed reserves	17	6	5	23	41
Adjusted equity	828	722	728	745	690
Total assets	1,978	1,856	1,687	1,753	1,587
Equity ratio, %	42	39	43	42	43

GROUP STRUCTURE - OPERATIONS

The information within parentheses refers to the companies corporation identification number.

PARENT COMPANY**AQ Group AB (publ) (556281-8830)**

MD: James Ahrgren

The company, based in Västerås, is the parent company of the Group. The business consists of general corporate and financial management for Swedish subsidiaries.

SWEDISH OPERATING GROUP COMPANIES**AQ Elautomatik AB (556272-8484)**

MD: Emma Östling Karlsson

The company develops, designs, manufactures and installs complete electric cabinets for controlling machines and processes. Operations are conducted in Västerås, Lund and Örnsköldsvik.

AQ M-Tech AB (556358-1411)

MD: Tobias Hammar

The company develops, designs, manufactures and installs control equipment. The company has its own products such as sensors for detection of gas and liquid flows and heating jackets to avoid condensation in demanding filter applications. The company designs and manufactures mechanical components and systems for high-tech clients. Operations are conducted in Uppsala.

AQ Enclosure Systems AB (556660-1844)

MD: Thomas Löfgren

The company is engaged in manufacturing and selling complete machines and sheet metal components. Operations are conducted in Vaggeryd.

AQ Mekatronik AB (556666-7829)

MD: Emma Östling Karlsson

The company develops, designs and sells products for the rail industry. Operations are conducted in Västerås.

AQ ParkoPrint AB (556574-6319)

MD: Marcus Halldin

The company manufactures OEM products, such as check-in terminals, parking meters and high-end work-out equipment. In addition to manufacturing, assembly and testing, the company has resources for visual and mechanical design. Operations are conducted in Gävle.

AQ Plast AB (556497-2239)

MD: Krister Fahlström

The company designs and manufactures stamped metal components, injection molded thermoplastic components and combination products. Operations are conducted in Anderstorp, Torslanda and Västerås.

AQ Trafo AB (556443-9726)

MD: Niklas Ericsson

The company develops and sells inductors and transformers. Operations are conducted in Enköping.

AQ Engineering AB (556622-8697)

MD: Erik Olsson

The company operates a consultancy business focusing on engineering work for demanding industrial customers. Operations are conducted in Torslanda, Östersund, Västerås and Trollhättan.

AQ Components Västerås AB (556733-7216)

MD: Emma Östling Karlsson

The company designs, engineers and manufactures sheet metal parts ranging from simple components to complete systems. Operations are conducted in Västerås.

AQ Special Sheet Metal AB (559138-9753)

MD: Lars Gäfvert

The company processes and assembles sheet metal by pressing and cutting. Operations are conducted in Pålshoda and Lyrestad.

AQ Wiring Systems AB (556261-0955)

MD: Mikael Jonsson

The company offers solutions in the development and manufacturing of electrical systems. Through close collaboration with product-owning customers, added value and optimal total cost are created, which contributes to the customers' competitiveness. Lead time and service are focus areas and the customers are mainly in the industries Forest, Defense and Construction. Operations are conducted in Mjällom.

AQ Enclosure Sollefteå AB (556720-8466)

MD: Joakim Falk

The company designs, engineers and manufactures sheet metal parts ranging from simple components to complete systems. Operations are conducted in Sollefteå.

AQ Components Mjällom AB (556209-2634)

MD: Mikael Jonsson

The company provides high-quality welding to customers within cranes, trains, defence, forestry and construction equipment. The company delivers mechanical components and parts within sheet metal and machining. Operations are conducted in Mjällom.

OTHER SWEDISH GROUP COMPANIES**AQ Fastighet i Lund AB (556527-5228)**

MD: Emma Östling Karlsson

The company manages an industrial property in Lund of approximately 2,100 m², where AQ Elautomatik AB operates.

AQ Fastighet i Lyrestad AB (556443-9734)

MD: Lars Gäfvert

The company manages an industrial property in Lyrestad, Mariestad of 7,360 m², where AQ Special Sheet Metal AB operates.

AQ Fastighet i Pålshoda AB (556275-6212)

MD: Lars Gäfvert

The company manages industrial properties in Pålshoda of approximately 5,500 m², where AQ Special Sheet Metal AB operates.

AQ Fastighet Tokarp AB (556220-0195)

MD: Krister Fahlström

The company manages an industrial property in Anderstorp of approximately 10,000 m², where AQ Plast AB operates.

AQ Fastighet i Torslanda AB (556690-3018)

MD: Krister Fahlström

The company manages an industrial property in Torslanda of approximately 1,500 m², where AQ Plast AB and AQ Engineering AB operate.

AQ Fastigheter i Gävle AB (556448-3385)

MD: Marcus Halldin

Subsidiary of AQ ParkoPrint AB. The company manages an industrial property in Gävle of 4,590 m², where AQ ParkoPrint AB operates.

FOREIGN OPERATING GROUP COMPANIES**AQ Electric AD (1135 61397)**

MD: Emil Nikolov

The company is owned 96% by AQ Group AB (publ). The company designs, manufactures and sells electric cabinets and mechanical parts. Operations are conducted in Radomir and Pernik, Bulgaria.

AQ Electric Suzhou Co., Ltd (913205057859862515)

MD: Andreas Björk

The company designs, manufactures assembles wiring systems and inductive components. Operations are conducted in Suzhou, China, focusing on external customers in Asia.

AQ Electric & Enclosure Suzhou Co., Ltd (91320505MA22AAMD01)

MD: Andreas Björk

The company designs, manufactures and assembles enclosures, sheet metal parts, electric cabinets and container-based electrical and automation solutions. Operations are conducted in Suzhou, China, and focuses on external customers in Asia.

AQ Power Magnetics Shanghai Co., Ltd (91310115MA1HBNCL5A)

MD: Andreas Björk

The company designs, manufactures and assembles inductive components for traction including EMU and metro, renewable energy, HVAC and industrial applications. Our products range from small capacity to high voltage products, liquid cooled products, and filter inductors. The company meets different regional standards like UL and CE. Operations are conducted in Shanghai, China and focuses on external customers in Asia.

AQ Components Suzhou Co., Ltd (91320505717465227Y)

MD: Andreas Björk

The company manufactures and sells stamped metal components and injection molded thermoplastic parts. Operations are conducted in Suzhou, China, and focuses on external customers in Asia.

AQ Inductive Components India Pvt. Ltd. (U29309PN2018FTC175319)

MD: Shreeniwas Bhide

The company manufactures and sells inductive components. Operations are conducted in Pune, India.

AQ Mechanical & Electrical Manufacturing India Pvt. Ltd (U31909PN2011FTC139442)

MD: Shreeniwas Bhide

The company manufactures and sells metal products and wiring systems. Operations are conducted in Pune, India.

AQ Lasertool OÜ (10 930 852)

MD: Rein Volt

The company manufactures, assembles and sells processed sheet metal parts and performs surface treatment for industrial customers. Operations are conducted in Pärnu Lagre, Jüri and Viimsi, Estonia.

AQ Components Kodara OÜ (16 532 472)

MD: Ivari Pöld

The company manufactures, assembles and sells processed sheet metal parts and performs surface treatment for railway and general industrial customers. Operations are conducted in rented premises in Pärnu Kodara, Estonia.

AQ Magnit AD (1220 33267)

MD: Vasil Dosev

The company is owned 99.7% by AQ Group AB (publ). The company manufactures and sells inductive components and relays. Operations are conducted in Godech, Bulgaria.

AQ Plastronic AD (1040 11529)

MD: Levtera Kirilova

The company is owned 95% by AQ Group AB (publ). The company produces electric instruments, electronics, injection molded thermoplastic components and maintains tools for injection molding. Operations are conducted in Veliko Tarnovo, Bulgaria.

AQ Wiring Systems SA de CV (DME051116H2A)

MD: Nersis Trindade

The company manufactures and sells wiring systems and electro-mechanical modules for industrial customers. Operations are conducted in Tultitlan Edo, Mexico.

AQ Wiring Systems Sp. Z.o.o., (0000199352)

MD: Mariusz Kopeć

The company manufactures and sells wiring systems and electro-mechanical modules for industrial customers. Operations are conducted in Lodz, Poland.

AQ Wiring Systems UAB (148 427 212)

MD: Nerijus Olšauskas

The company manufactures and sells wiring systems and electro-mechanical modules. Operations are conducted in Panevėžys, Lithuania.

AQ Anton Kft. (20-09-061216)

MD: András Németh

The company is leading within the machining of components for industrial gas turbines (IGT) and aircraft engines, in the production of complex injection molded components and in the design and manufacture of tools and custom machines. Operations are conducted in Zalaegerszeg, Hungary

AQ Inductives Hungary Kft. (03-09-108594)

MD: Gabor Papp

The company manufactures and assembles of LV power electronics inductive components, such as reactors, transformers and filters for demanding Industry segments. Operations are conducted in Kecskemét, Hungary

AQ Magnetica Italy S.r.l (02591110420)

MD: Giovanni Di Manici

The company is a technology and sales company, primarily for inductive components. Operations are conducted in Castelfidardo and Milan, Italy.

AQ Trafotek OY (2359889-3)

MD: Matti Seppä

The company is a leading supplier of power transformers for marine applications and reactors for frequency converters and wind turbines. Operations are conducted in S:t Karins, Finland, with a sales department in Germany.

AQ Trafotek AS (12625219)

MD: Tero Hankiala

The company is a leading supplier of specialized power electronics components, such as reactors, transformers and filters for industrial and marine applications. Operations are conducted in Rae, Estonia.

AQ Trafotek Power Eletrônicos e Transformadores LTDA (22.119.284/0001-72)

MD: Klaus Franco

The company is a leading supplier of specialized power electronics components, such as reactors, transformers and filters for industrial and marine applications. Operations are conducted in Itu - São Paulo, Brazil.

AQ Wiring Systems STG Sp.Z.o.o (0000043722)

MD: Ewa Sulewska

The company manufactures and sells wiring systems and electro-mechanical modules for industrial customers. Operations are conducted in Linowiec, Poland.

AQ Mecanova OY (0745938-3)

MD: Ulla Lahdenperä-Koski

The company designs, manufactures and assembles sheet metal and copper parts ranging from components to complete systems. Operations are conducted in Nivala, Finland.

AQ Wiring Systems Canada Inc. (136814217 RC0002)

MD: Guy Joannette

The company manufactures and sells wiring systems and electro-mechanical modules. Operations are conducted in Saint-Eustache, Quebec, Canada.

AQ Wiring Systems NY, Inc. (98-1035861)

MD: Guy Joannette

The company manufactures and sells wiring systems and electro-mechanical modules. Operations are conducted in Plattsburgh, New York, USA.

AQ Transformer Solutions, Inc (11222449)

MD: Dan Day

The company is the leading supplier of custom-built power magnetics components, such as transformers, reactors and filters. Operations are conducted in Wytheville, Virginia, USA.

AQ Inductive Components Germany GmbH (HRB15234)

MD: Krasimir Cholakov

The company designs and sells inductive components. Operations are conducted in Paderborn, Germany.

OTHER FOREIGN GROUP COMPANIES**8046000 Canada Inc (842130304 RC0001)**

MD: Guy Joannette

Holding company that owns AQ Wiring Systems NY, Inc.

Société de Gestion B3CG Interconnect Inc (807949219 RC0001)

MD: Guy Joannette

Holding company that owns AQ Wiring Systems Canada, Inc.

AQ B3CG Real Estate Inc (768141731 RC0001)

MD: Guy Joannette

The company manages an industrial property of approximately 4,200 m² in Saint-Eustache, Quebec, Canada.

AQ Inductive Components d.o.o Pirov (21531723)

MD: Krasimir Cholakov

The company is being liquidated.

LTI Holding OY (2368936-5)

MD: Niklas Ericsson

Holding company that owns AQ Trafotek OY.

Trafotek Corporation USA (80-2012450)

Dormant company.

AQ Asia Limited (2568747)

MD: Andreas Björk

Sales company in Hong Kong, without employees.

Mecanova Inc (150214900)

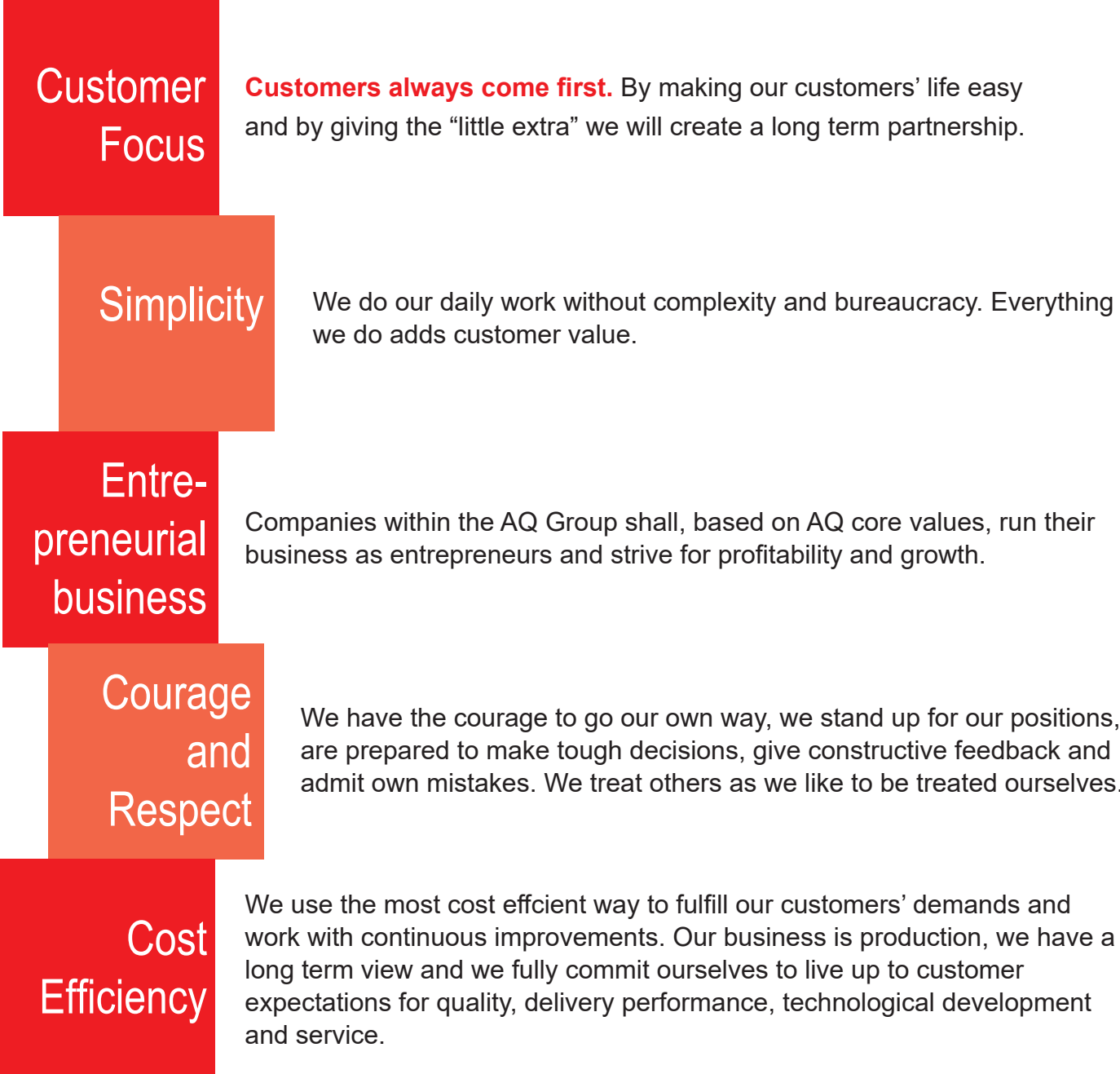
MD: Ulla Lahdenperä-Koski

Dormant company.

Financial calendar 2024

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WE ARE RELIABLE





• Countries where AQ Groups has operations:

Brazil	India	China	Poland	Germany
Bulgaria	Italy	Lithuania	Canada	Hungary
Estonia	Finland	Mexico	Sweden	USA