

engcon®

**CHANGE  
THE WORLD OF  
DIGGING**

engcon

**Annual and  
Sustainability Report  
2025**



**With innovative solutions  
for sustainable digging,  
we are taking important  
steps towards our vision  
– to change the world of  
digging.**

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## About this report

The formal Annual Report comprises pages 38–104. The statutory sustainability report comprises pages 10, 25–37 and 109–124.  
Market information source: Market study, Strategy& (PwC) 2022, 2025

# This is engcon

With the heart of our operations in Strömsund in the north of Jämtland in Sweden, we are the world’s leading manufacturer of tiltrotators and associated tools that increase the efficiency, flexibility, profitability, safety and sustainability of excavators.

Under our own brand and for over 35 years, we have offered a unique tiltrotator concept – system engcon – that transforms an excavator into a tool carrier that can replace other machines while reducing the need for manual labour.

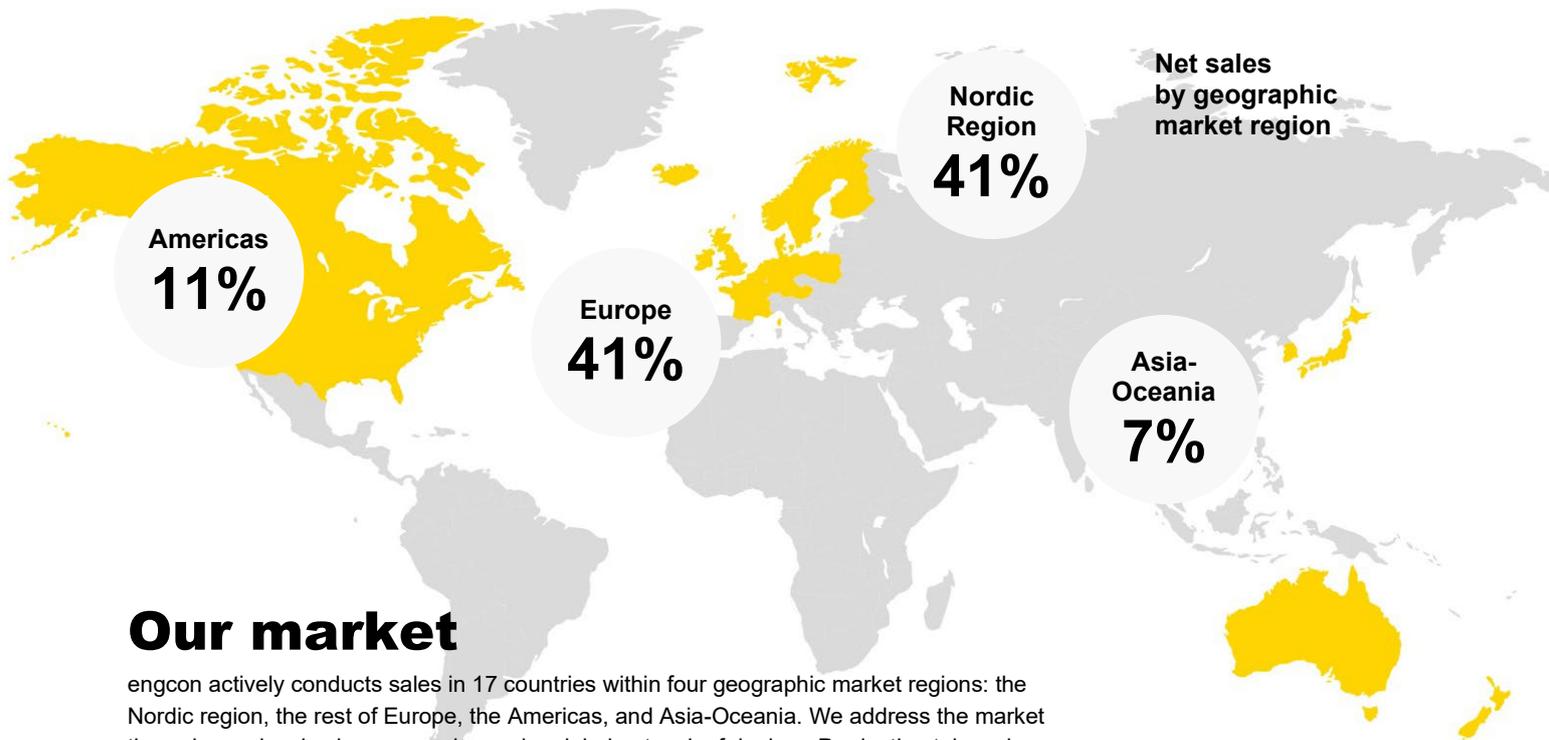
With a close relationship to our end customers, we address the market through our local sales companies and an established network of dealers across the globe.

engcon’s Class B share has been traded on Nasdaq Stockholm since June 2022.

**Our vision** is to change the world of digging.

**Our mission** is to be the leading, independent manufacturer of advanced attachments for excavators worldwide.

<p><b>Global coverage</b></p> <p>Active in 17 markets through own local sales companies and a network of dealers.</p>	<p><b>Strong position</b></p> <p>Global market share of approximately 49 per cent.</p>	<p><b>Sustainable solution</b></p> <p>Resource-efficient and safer digging with a lower climate impact.</p>	<p><b>Scalable manufacturing</b></p> <p>Assembly and production in Sweden and Poland.</p>	<p><b>Committed employees</b></p> <p>~450 employees around the world.</p>
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## Our market

engcon actively conducts sales in 17 countries within four geographic market regions: the Nordic region, the rest of Europe, the Americas, and Asia-Oceania. We address the market through own local sales companies and a global network of dealers. Production takes place in Strömsund, Sweden and Niepruszewo, Poland.

# How we are changing the world of digging

With innovative solutions for sustainable digging, we are taking important steps towards our vision – to change the world of digging. Our mission is to be the leading, independent manufacturer of advanced attachments for excavators worldwide.



## Success factors



### Profitability

Resource and time-efficient digging



### Flexibility

Machinery fitted with tools can perform multiple tasks and replace manual labour.



### Safety

Technical innovation creates a safer way of working.



### Climate and environment

Lower energy requirements and environmental impact.

## Products

System engcon turns excavators into world-class tool carriers. Our couplers and tiltrotators are used with various tools, fitted on new or existing excavators, and together with our control systems, form the ultimate combination for changing the world of digging. When developing our products, the starting point is always the needs of end customers.



### Tiltrotators

The flexible wrist of excavators: 360° rotation and +/- 45° tilt.



### Tools

Hydraulic and mechanical tools for all types of work.



### Quick couplers

Automatic quick couplers for safe and flexible retooling.



### Control systems

Control systems for automated and simplified digging.

# The year in brief

2025 was characterised by a clear increase in sales despite continued geopolitical uncertainty. In the Nordic region, demand was mainly driven by reduced dealer inventories and a gradual recovery in excavator sales. In parallel, we have continued to strengthen our market position in Europe. The positive sales performance was not fully reflected in earnings, which was mainly due to the effects of a stronger SEK.

## Key performance indicators

SEK million	2025	2024	2023
Order intake, SEK million	1,981	1,716	1,510
Net sales, SEK million	1,889	1,649	1,898
Gross profit, SEK million	798	726	802
Gross margin, %	42.3	44.0	42.3
Operating profit, SEK million	321	295	376
Operating margin, %	17.0	17.9	19.8
Profit/loss for the period, SEK million	223	229	285
Earnings per share, basic, SEK	1.44	1.42	1.81
Earnings per share, diluted, SEK	1.43	1.42	1.81
Return on capital employed, %	35.9	38.3	49.3
Equity/assets ratio, %	58.5	65.8	63.6
Average number of full-time employees	429	379	406

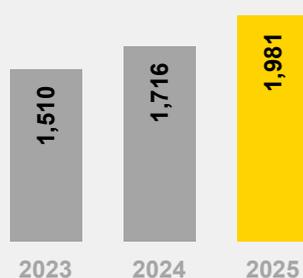
For more information, see the Alternative performance measures and definitions section on pages 127-129.

**18%**  
Organic net sales growth

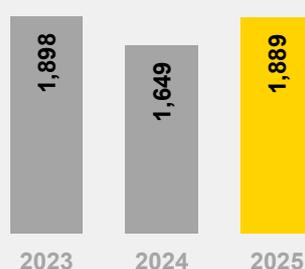
**42%**  
Gross margin

**36%**  
Return on capital employed

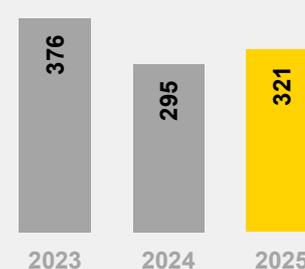
Order intake, SEK million



Net sales, SEK million



Operating profit, SEK million



# Highlights 2025



## Success in Munich

engcon's participation at the Bauma international trade show in Munich was a great success. Interest in engcon's products in Germany is considerable. The country is Europe's largest excavator market with almost 40,000 new excavators entering the market each year. There is considerable potential for engcon's products in the German market due to significant demand for increased efficiency and productivity in the construction and civil engineering industry.

## Increasing global market share

During the year, Strategy& published a market study showing that engcon had strengthened its position from 45 to 49 per cent of the global tiltrotator market. The report confirms that increased requirements for efficiency, digitisation, sustainability and safety, combined with a shortage of labour, are driving demand for flexible and technologically advanced solutions, which is entirely in line with engcon's strategic direction. The report also predicts that the tiltrotator market will grow an average of 20 per cent up to 2030 with 92 per cent of the volume increase expected to take place outside the Nordic region.

## Strategic OEM partnerships

During the year, engcon entered into three important partnerships with Komatsu, Develon and Hitachi, strengthening the company's position as a world leader in tiltrotator technology.

With Komatsu, engcon's new DC3 control system is seamlessly integrated with the company's intelligent machine control, resulting in increased precision and efficiency. Develon's new 9 series is delivered tiltrotator-ready from the factory, simplifying the installation and increasing the accessibility of the technology. A new agreement with Hitachi provides engcon with access to a comprehensive European dealer network, opening doors to new markets.

## Innovation in focus

In 2025, engcon took the next step in its development of the third generation tiltrotator with the launch of the EC319 and the EC309.

These models fuse power, precision and smart technology to meet future demands for efficiency and sustainability. 2026 marks the finale of a groundbreaking product journey with the launch of an additional four models, completing engcon's most advanced tiltrotator series to date. At the same time, we are continually developing and broadening the rest of our range to maximise user-friendliness and efficiency, always with end-customer needs in focus.



## engcon's founder recognised once again

Stig Engström, engcon's founder and largest shareholder, was awarded the "Årets företagare i Sverige" (En: Sweden's Entrepreneur of the Year 2025) prize at the Swedish Federation of Business Owner's prestigious gala. The award is presented to entrepreneurs who are profitable, sustainable and contribute to societal development through their commitment and entrepreneurship. The jury's motivation highlights Stig Engström as a role model of entrepreneurial spirit: from a simple idea to a world-leading company, with persistence, ingenuity and an unshakable drive as evidence that anything is possible.

"It is important to have faith in your idea and always be prepared to think in new ways. Without my excellent team around me, this journey would never have been possible," said Stig Engström in his acceptance speech.

# CEO's comments

**“An updated market study shows that we currently account for 49 per cent of the global tiltrotator market, which is a clear indication of the confidence that customers and partners around the world have for us.”**



**2025 was in many ways a challenging year owing to geopolitical uncertainty, rapid market changes and a strong SEK. Despite this, engcon stood strong, continued to grow, strengthened its market position and took important steps for the future.**

## Strength in a changing world

Despite a challenging market situation, we continued to see healthy demand for our products in 2025. This was reflected in both the order intake and net sales. For full-year 2025, order intake increased 15 per cent to SEK 1,981 million, with organic growth of 20 per cent. Net sales amounted to SEK 1,889 million, corresponding to organic growth of 18 per cent. This growth was primarily driven by the Nordic region and Europe.

In the **Nordic region**, we saw a clear recovery early in the year. Low dealer inventory levels, pent up investment needs and an ageing machinery fleet led to a strong order intake ahead of the digging season. As inventory levels gradually normalised, demand from end customers had a direct impact on sales. This provided us with a stable foundation throughout the year and good conditions going forward.

**Europe** continued to be our most important growth region. We are seeing clear results from our long-term efforts to maintain a local presence, forge partnerships and provide training for end customers. It became particularly evident during the year that the tiltrotator is increasingly seen as an integral part of the excavator and the way of working in the industry, which confirms that our offering is meeting real everyday needs.

In the **Americas**, the year was characterised by a more cautious market. Uncertainty regarding the introduction and announcement of tariffs impacted the willingness to invest. It will therefore be important ahead of 2026 to carefully balance our presence, profitability and cost discipline. Our ambition is clear: to keep our long-term positioning while being ready to act when the market picks up pace.

In **Asia-Oceania**, we saw variations between the quarters, but with a clear positive underlying trend. Our performance in Japan was especially pleasing, with increased requirements for efficiency and governmental incentives leading to favourable conditions for continued growth.

## Profitability in focus

Despite increased volumes, profitability was impacted during the year by a stronger SEK and fluctuations in the market and product mix. The operating margin amounted to 17 per cent, compared with 18 per cent in the preceding year, which is below our target. This is unsatisfactory and we will now be taking measures to ensure continued profitable growth with a focus on business-strategic priorities, price and product packaging and strengthened cost discipline. Together with a strong order book and the investments we have made in capacity, IT and organisation, this provides us with favourable conditions to create a better balance between growth and profitability moving forward.

## Market in a phase of structural growth

An updated market study from Strategy& confirms that the tiltrotator market is currently in a phase of structural growth and is expected to grow an average of about 20 per cent per year until 2030. Global demand is becoming less dependent on cyclical fluctuations and more on long-term trends such as increased efficiency, labour shortage and a strengthened focus on safety

and sustainability in the construction and civil engineering industry.

**“It is estimated that about 93 per cent of excavators in our focus markets will still not be fitted with a tiltrotator by 2030, which demonstrates our significant long-term growth potential.”**

While the Nordic region is a highly mature market with strong penetration, the greatest growth is expected to take place in immature markets in Europe, North America and APAC, where penetration rates remain low but driving forces for increased adoption are considered strong. At the same time, the study shows that about 93 per cent of excavators in our focus markets will still not be fitted with a tiltrotator by 2030, which demonstrates our significant long-term growth potential.

### **Partnerships that make a difference**

Collaborating with leading excavator manufacturers is a key component of our strategy. During the year, we took several important steps to further strengthen engcon's position and credibility.

Through closer partnerships with companies such as Komatsu and Develon, our solutions are now all the more clearly being integrated into the excavator ecosystem. As the tiltrotator becomes a natural part of the excavator from the start, this simplifies our customers' every-day operations, boosts productivity and lowers the threshold for using the attachment, which is a critical factor for increased market penetration.

In parallel, we have strengthened our European presence with new and developed partnerships. Our partnership with Hitachi and collaboration with TM Benne in Italy are clear examples of how local presence and strong distribution channels make our offering more accessible. In Germany, this approach has led to increased use and a stronger position in Europe's largest excavator market.

### **End customer in focus**

For engcon, the end customer is always the starting point. Through close dialogue and direct contact, we strengthen relationships and our brand. As such, exhibitions and demo days are not just about displaying our products, but allow us to demonstrate opportunities – how our solutions can change and enhance the efficiency of daily work.

This became especially clear during Bauma, the world's largest trade fair for the construction and civil engineering industry. The interest and curiosity we encountered there confirmed that the industry is undergoing a shift in which the tiltrotator is increasingly seen as an integral part of excavator work. At CSPI in Japan, which is a market with low penetration and considerable potential for future growth, we received a similar response after participating with our own stand for the first time.

### **Innovation as a driving force**

Innovation has always been a driving force for engcon, and concerns always being one step ahead in a rapidly changing industry. In 2025, we took a further step in the development of our third generation tiltrotator, with the launch of two new models. These models further our ambition to fuse power, precision and smart technology to meet future demands for efficiency, safety and sustainability. The positive response we have received from the market is confirmation that the technological choices we have taken have been the right ones.

In 2026, this journey is continuing with the launch of an additional four models. All this while we continue to broaden our offering in tools, control systems and couplers. With a new method of presenting our product portfolio based on performance levels, we make it easier for customers to understand, compare and select the right solution for their needs.

### **Strong position for future growth**

We are looking to the future with confidence. The long-term driving forces of increasing requirements for efficiency, safety and sustainability that are shaping our industry are continuing to create major opportunities. An updated market study shows that we currently account for 49 per cent of the global tiltrotator market. For me, this is more than just a figure, it is a clear indication of the confidence that our customers and partners around the world place in us. At the same time, I am aware that our continued success will primarily be based on people.

Given this, we commenced Group-wide efforts in 2025 to clarify our values. These efforts will take a further step in 2026 with the aim of creating a shared foundation for how we lead, collaborate and make decisions, and therefore strengthen both our culture and our long-term development.

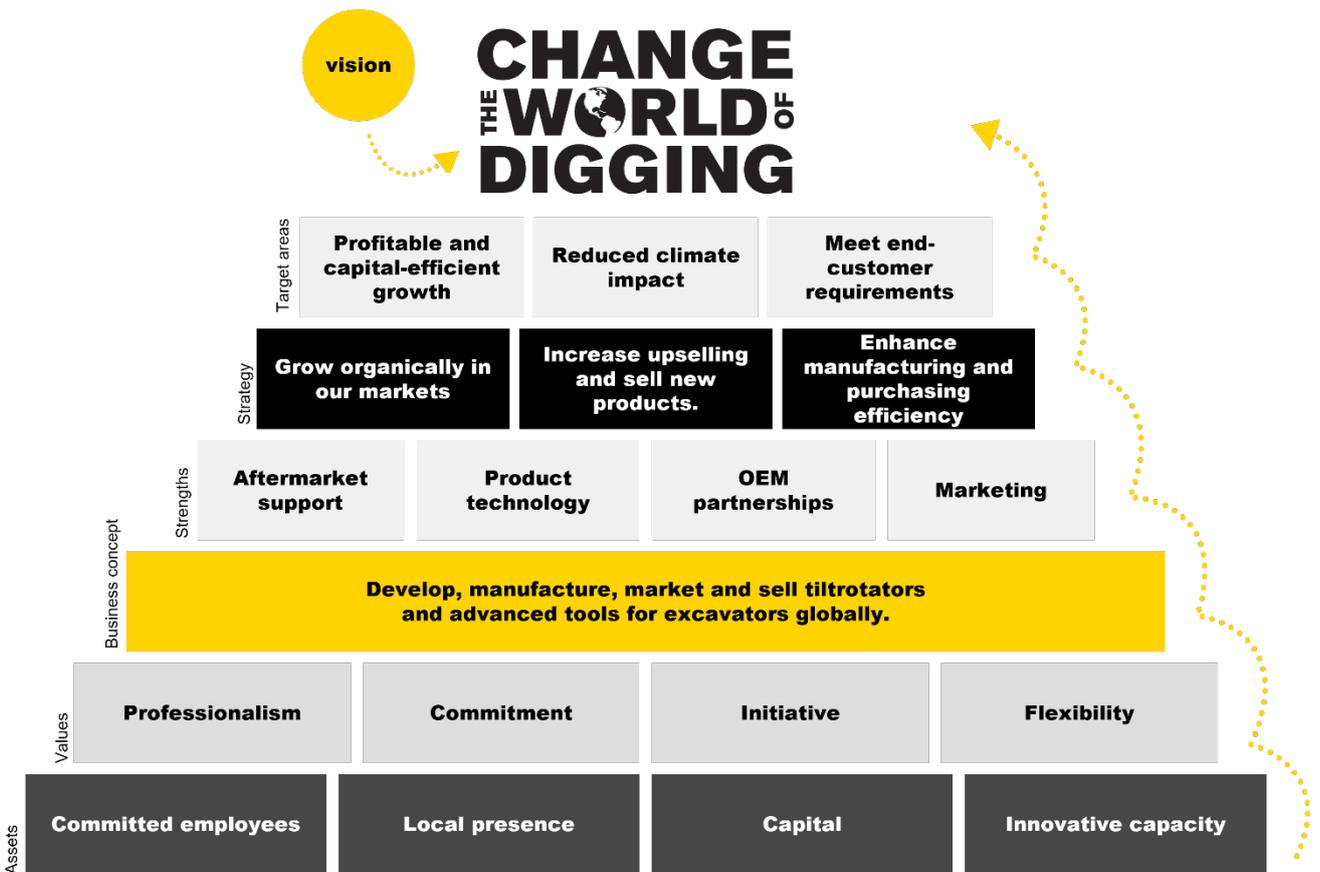
Finally, I would like to extend my warm and sincere thanks to our employees, customers, partners and shareholders for your commitment and confidence. Together, we are continuing to change the world of digging.

### **Krister Blomgren**

President and CEO

# Value-creating business model

As a global supplier of tiltrotator solutions, engcon strives to create long-term value for end customers, shareholders and society at large. We want to contribute to and drive the industry’s transition to more sustainable and resource-efficient digging.



### Added value for our stakeholders

Our business model contributes to creating added value for all key stakeholders. engcon’s ambition is to strengthen its position as an industry-leading innovator of tiltrotators with a clear and integrated sustainability perspective throughout the value chain and product offering. Our ability to develop solutions that meet the needs of end customers is critical both to maintain and to strengthen our position.

Our growth strategy involves continual product development, efficiency improvement and increasing sales across existing and new markets. We invest in technology and strategic partnerships and we are developing strong local relationships with our customers and partners. Our financial targets and climate targets are contributing to more sustainable digging and value creation over time.

## Delivered value for our stakeholders

# Sustainable and efficient digging

By investing in a tiltrotator, customers are provided environmental and climate benefits, improved flexibility, greater safety and increased profitability. We focus on developing innovative products and solutions based primarily on customer needs.



### Profitability

#### Resource and time-efficient digging

Our customers increase their profitability by

- Completing projects **25 per cent** faster
- Reducing fuel use by up to **6,000 litres** of diesel per year
- **Reducing labour requirements** by at least one man-year
- Reducing the need for up to **2.2 other machines**
- Reducing wear and tear of excavators by **20-40 per cent**

**Increased efficiency corresponding to annual savings of at least SEK 850,000**



### Safety

#### Technology creates a safer way of working

**Refined technology** with visible and audible indicators both for operators and other personnel, combined with a reduced need to enter and exit the excavator cab, increases safety for end customers.

**61 per cent of our customers value increased safety**



### Flexibility

#### Machinery fitted with tools can perform multiple tasks

With a tiltrotator and advanced couplers, changing tools is efficient, making the excavator a **flexible tool carrier**. For many customers, this means a reduction in the need for up to **2.2** other machines such as smaller excavators, wheel loaders, landfill compactors, soil compactors, forwarders or fork lifts.

**Corresponds to indirect climate savings of up to 1,276 tonnes of CO<sub>2</sub>e calculated throughout the lifecycle**



### Environment and climate

#### Fuel savings and reduced climate impact

With a tiltrotator, **the excavator is more flexible and does not need to be moved** as often. Depending on the task, projects can be completed up to 50 per cent quicker, freeing up time and potentially doubling the amount of work completed per year. The reduced driving time means greater fuel efficiency and lower climate impact per project. On average, customers report 25 per cent time saving.

**Based on completed projects, this corresponds to increased climate efficiency of up to a total of 16,200 kg CO<sub>2</sub>e over one year.**

Source: Market study, Strategy& (PwC) 2022, 2025

# Operational targets

engcon manages and continually monitors the Group’s performance based on strategic overriding targets adopted by the Board. A strong financial position and sustainable operations create scope and the basis for long-term sustainable growth.

## Financial targets

### Growth

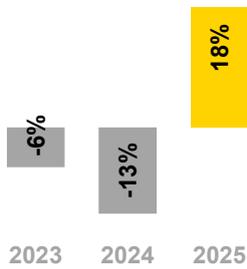
Net sales growth

**Target >19%**

**Outcome 18%**

engcon will exceed the growth in the company’s existing markets through organic growth.

(Annual market growth is forecast to be approximately 19 per cent during the 2021–2026 period.)



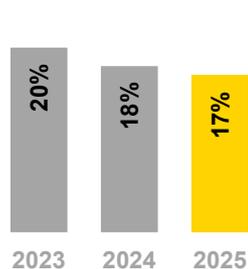
### Profitability

Operating margin

**Target >20%**

**Outcome 17%**

engcon will have an operating margin (EBIT margin) in excess of 20 per cent, measured over a business cycle.



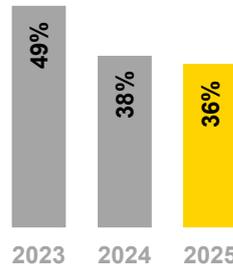
### Capital efficiency

Return on capital employed

**Target >40%**

**Outcome 36%**

engcon will continue to achieve industry-leading capital efficiency. Return on capital employed (ROCE) to exceed 40 per cent, measured over a business cycle.



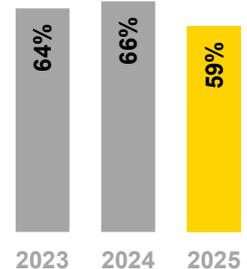
### Capital structure

Equity/assets ratio

**Target >35%**

**Outcome 59%**

engcon will maintain a strong capital structure supporting further expansive organic growth and dividends to shareholders. Equity/assets ratio to be above 35 per cent.



## Sustainability targets 2030

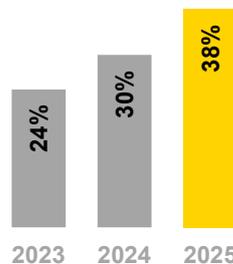
### Reduced emissions Scope 4

CO<sub>2</sub>e

**Target: reduction of 74 MT CO<sub>2</sub>e**

**Outcome: -28 MT**

Through its products, engcon is committed to reducing emissions by a total of 74 MT CO<sub>2</sub>e during the period from 2021 to 2030.





**Market**

# Market overview

## Market in growth

**The market for tiltrotators is an attractive and growing niche within the global market for excavator tools. The proportion of excavators fitted with tiltrotators remains low outside of the Nordic region.**

engcon is the leading manufacturer of tiltrotators with a global market share of approximately 49 per cent. Market studies from Strategy& show that tiltrotators is an attractive and rapidly growing niche within the broader market for excavator tools.

To be able to meet future needs for more resource-efficient and sustainable digging, a structural transformation of the excavator industry is under way. engcon's products and solutions are designed to meet this transformation. A tiltrotator increases digging efficiency and broadens the excavator's areas of use as the machine is transformed into a flexible tool carrier. At the same time, developments in digitisation, connectivity and electrification are opening up new opportunities for the industry. From a global perspective, the market for tiltrotators is still in its infancy with a penetration rate of approximately 2 per cent. Newly manufactured excavators account for the largest share of tiltrotator sales, but sales are also conducted in the second-hand excavator market.

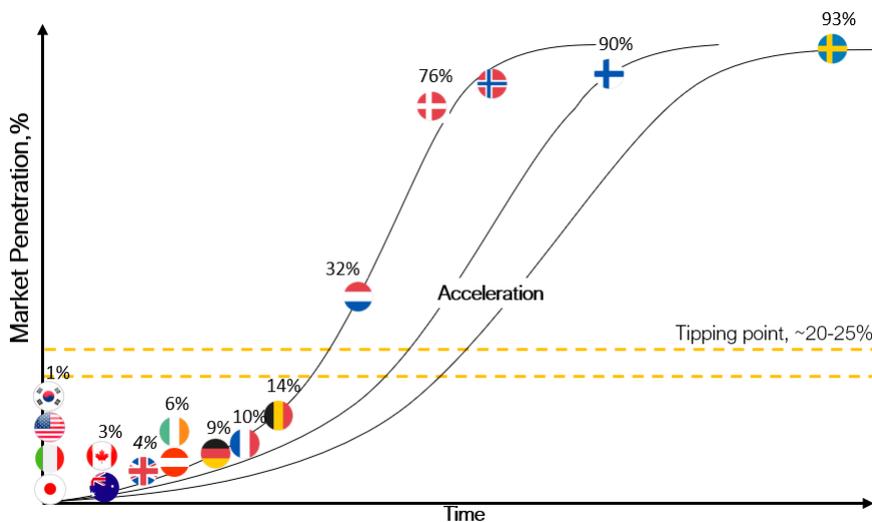
### Market phases and “tipping point”

The penetration rate describes the market's degree of maturity and is divided into phases: the development phase, the acceleration phase and mature market. In the development

phase, the penetration rate increases from zero to 20-25 per cent. Customers and end users are eager to be first with the latest technology and demand innovative, cutting-edge products. In the acceleration phase, the penetration rate has passed 20-25 per cent and risen to approximately 60 per cent. This is called the “tipping point” after which the tiltrotator begins to become established as a market standard and sales to both new excavators and the aftermarket gain momentum. A mature market has been achieved in the Nordic countries, while the Netherlands has relatively recently passed the tipping point.

The tiltrotator market is expected to grow with an annual growth rate of approximately 20 per cent until 2030. The main reason for this will be the increased penetration in both established and new markets. Excavator sales tend to follow the overall economic trend, while significant investments in modernising outdated infrastructure, particularly through NATO's increased infrastructure investments, create favourable conditions for additional growth.

Growth is primarily expected to be generated from markets that combine a significant excavator fleet with a rapid increase in the penetration of tiltrotators. The markets are mainly in Europe, which is therefore the region that is expected to account for the majority of volume growth until 2030. Nevertheless, the greatest percentage increase in penetration rate is expected in the Asia-Oceania region, primarily in Japan, where the effects of the tiltrotator in terms of raising productivity will be a way of handling a forecast labour shortage.



**Penetration rate** – The 2025 market study from Strategy& estimated the penetration rate based on the estimated number of tiltrotators sold in relation to the number of excavators sold in relevant weight classes in 2024.

## A small number of major operators

The market for tiltrotator manufacturers is dominated by three major operators, where engcon maintains a leading position with approximately 49 per cent of the global market. The operators can be divided into global manufacturers, local manufacturers, companies that do not have tiltrotators as their core operations and excavator manufacturers (OEMs), which sell other operators' tiltrotators under their own brand (white label). The three leading operators are all Swedish global players, and all of them collaborate with OEMs. Their product portfolios include quick couplers, tools and other advanced attachments for excavators. Other operators have a marginal market share, limited geographical presence and primarily operate in a small number of local markets.

engcon's strategy is to offer independent solutions to different OEMs while we, through various partnerships, develop innovative solutions to satisfy the needs of OEMs and end customers.

## Competitive advantages

The factors considered to be strengths for the various operators can also be viewed as entry barriers for new operators who wish to enter the market:

- **Aftermarket support**, the tiltrotator is a significant investment that is either sold separately or as a full-range product suite with a quick coupler, control system and various tools. Both the excavator and the tiltrotator typically have a heavy workload, which is why an easily accessible and reliable aftermarket service is important.
- **Go-to-market strategy**, a well-defined and implemented strategy to address the market is particularly important in the development phase of a geographic market, and more important than being first to enter that market. Having a focus on the end customer is important in all phases.
- **Product technology**, quality, product range and new innovative solutions such as attachments and control systems are decisive for the customer. In the development phase and the acceleration phase, educating the end user in the various benefits of a tiltrotator is important.
- **Partnership with OEMs**, with valuable knowledge of the excavator market, a strong brand and an established network of dealers, partnerships with OEMs contribute to increased awareness and sales of tiltrotators, but also to simplifying the installation process. These partnerships also provide product credibility in the development and acceleration phases.

# Contractor in Australia selects engcon

In Australia, where extreme conditions and long workdays are commonplace, contractor Anthony Spinozzi has invested in engcon's products in his operations. Today, the company's machine fleet includes over 100 engcon tiltrotators, making them one of engcon's largest single customers.

For Spinozzi, tiltrotators are a key component of everyday operations and have become a natural tool for enhancing workplace efficiency and productivity.

The high operational reliability, consistent quality and ability to standardise the equipment across a large machine fleet were crucial factors behind the decision to invest. For excavator operators, this means greater sense of security in daily work and increased job satisfaction, at the same time as productivity is strengthened.

The fact that a customer in Australia has chosen to equip over 100 excavators with tiltrotators from engcon is clear evidence



of the confidence in our products and our ability to deliver solutions that create value for end customers, even in markets far from our Nordic home turf.

"When we began working with engcon's tiltrotators, we were quick to notice the difference. The excavators become more versatile, and tasks are completed more quickly and significantly more efficiently," says Anthony Spinozzi.



# Trends and driving forces Strengthened position in a growing market

## Trends driving our business

The tiltrotator market is driven by clear and structural trends in the construction and civil engineering industry, which is facing a comprehensive transition. Digitisation, more stringent sustainability requirements and a labour shortage are fuelling the need for innovative and flexible solutions. engcon is addressing these driving forces with a clear strategy that creates value for its customers, both today and in the future. Through continual business intelligence monitoring and close dialogue with end customers, we are transforming these trends into concrete business opportunities, developing solutions of the future and strengthening our position as a global market leader.

### Considerable need for enhanced efficiency

The excavator and construction industry is facing a growing demand for higher productivity and efficiency in line with the rise of material and labour costs. With projects completed more quickly, lower fuel consumption and personnel costs, our product portfolio offers a quick return on investment. At the same time, our solutions are able to replace other machines, further strengthening the customer's total efficiency and resource utilisation.

### Digitisation and automation

As excavators are becoming digitised, the way of working is changing. Technology is creating opportunities to measure productivity and efficiency in real time, which will create demand for technologies that support this. engcon invests in smart and connected solutions that enhance efficiency and strengthen customer productivity. This makes our tiltrotators a natural part of the digital transition of the industry. Through partnerships with OEMs and a new generation of tiltrotator that is fully adapted for electrical, autonomous and semi-autonomous excavators, we are meeting future requirements for efficiency and connectivity.

## Sustainability and climate requirements

The construction and civil engineering industry accounts for a significant proportion of global carbon dioxide emissions, which is encouraging companies and public bodies to intensify their sustainability efforts. With products that reduce the need of several machines and thereby reduce emissions, engcon is contributing to a more circular economy. Our climate targets are in line with the SBTi and our innovation agenda strives for a lower climate impact.

## Urbanisation and infrastructure investments

As cities grow and large infrastructure projects require high flexibility, machines are required that are able to perform several tasks in confined spaces. Construction machines are often large and difficult to transport, which makes their relocation costly and logistically demanding. An excavator equipped with a tiltrotator can replace other machines and perform several tasks on site, reducing the need for transportation and congestion and contributing to more resource-efficient and sustainable work.

## Labour shortages

The labour shortage in the industry is a global challenge that is encouraging contractors to look for solutions that both reduce the need for manual work and elevate productivity. The integration of tiltrotators enhances the efficiency of workflows, reduces the need for manual labour and means that projects can be carried out more quickly and cost efficiently.

## Safety in focus

Our products are developed with safety as a first priority. With advanced control systems and functions, risks are minimised and a safer work environment is created. Stricter work environment requirements are driving investments in equipment that improve workplace safety.



## Demographic shifts

### Urbanisation and lack of labour

#### Why

The global population is continuing to rise and long-term urbanisation is leading to increased construction in urban environments. Demand for housing, offices, public buildings and infrastructure is growing, as is the need for maintenance work. Urban environments also increase requirements for more flexible excavators that are easier to operate in confined spaces and can be used for different types of tasks. Large parts of the western world are also experiencing a labour shortage in the construction and civil engineering industry.

#### How

engcon's innovative tiltrotator solutions increase the flexibility of excavators in urban environments. The tiltrotator facilitates digging in confined spaces and reduces the need to move the excavator. The machine becomes a tool carrier that is able to perform several types of tasks and replaces an average of 2.2 other construction machines. The result is more resource-efficient digging, less transportation, and less extensive barriers and cordons at excavation sites. The number of workers per project is also reduced through the use of technologically smart solutions that improve digging efficiency.



## Sustainability

### Climate impact and safety

#### Why

Our global climate challenges are leading to an increased focus on sustainable and resource-efficient solutions. The construction industry is a major focus area of this due to its significant carbon footprint. Authorities and organisations are tightening requirements, regulations and standards. Sustainability also encompasses an increased focus on safety in the construction industry. The risk of accidents during digging work is mainly associated with the excavator operator entering or exiting the cabin and falling tools in conjunction with manual groundwork near the excavator. Requirements for contractors to equip excavators with tiltrotators, quick couplers and warning systems are increasing with the aim of preventing and minimising accidents.

#### How

Our tiltrotator system reduces the climate and environmental impact and enhances workplace safety. The productivity of excavators is enhanced by an average of 25 per cent, and the improved fuel efficiency corresponds to approximately 16,200 kg of carbon dioxide emissions per year for completed projects. An excavator fitted with a tiltrotator can also replace an average of 2.2 other construction machines, leading to further climate benefits of up to 1,276 tonnes CO<sub>2</sub>e over the machine's lifecycle. Retooling can be carried out without leaving the cabin with a quick coupler connected to the tiltrotator, reducing the risk of injury for the operator, providing greater control and increasing operator well-being. engcon's Q-safe safety system counteracts the risk of falling tools, thereby also reducing the risk of accidents.



## Excavator's evolution

### Digitisation, electrification and versatility

#### Why

Historically, construction machines have been a step behind the forest industry and heavy vehicles in terms of technological development, but investments in technological development have increased in recent years. Digitally connected positioning and machine control systems are required to efficiently and precisely determine area, depth and angles for digging and to complete certain semi- and fully automated tasks. Electrification also optimises the machine's energy consumption. At the same time, it will be possible to measure the efficiency of the excavator in real time. This will create a stronger incentive to further improve efficiency and invest in innovations that contribute to faster, safer and more resource-efficient workflows. The need to transform the excavator into a more versatile machine and tool carrier for various fields of application is also increasing.

#### How

A broad and innovative product offering with integrated system solutions ensures that engcon is well positioned for the transformation of the industry. Smart technology reduces the third generation tiltrotator system's fuel consumption, which is designed for the future electrification of the industry, and its smooth and precise operating performance makes it suitable for autonomous excavators. The control system with load-sensing hydraulics does not put any unnecessary strain on the machine while the operator can get more working hours from one battery recharge or full fuel tank while comfort and safety are increased. Hydraulic quick couplers allow the excavator to perform multiple types of work. A pallet fork can replace need for forklifts and an integrated hydraulic coupler is equipped with a grab for demolition and forestry work, while sweeper rollers can be attached or cleaning.



## Market strategy

# Go-to-market

### Local presence and end-customer focus

engcon is currently active in 17 markets across the globe. Our capacity to grow sales depends on which phase the local markets are in and our go-to-market strategy is adapted based on the degree of maturity of the respective markets.

Local presence is an integral part of our strategy to address the market. Our local employees establish relationships with end customers and dealers and build trust in engcon's brand and products. Marketing activities are primarily targeted at end customers with the aim that demand for our products from this group will mean that dealers and OEMs will want to enter into partnerships with engcon.

### Distribution and sales channels

The majority of our sales take place through our global network of dealers. Sales also take place through collaboration with OEMs via their dealer networks. In the Nordic region, engcon's complete range of hydraulic and mechanical tools are available in our webshop. We are also continuing to develop our webshop for spare parts and open it up for additional markets. engcon has a partnership with OilQuick, which manufactures quick coupler systems for construction machines and sell a large share of engcon's products in the German market. Since 2023, we have also had a partnership with ZD - Solution KG in the DACH region. Both of these partnerships aim to sell tiltrotator frames that are installed on quick couplers not offered by engcon.

### Strategic partnerships with OEMs

Partnerships with global OEMs help to grow sales and grant access to a large installed base for potential aftermarket updates and maintenance. The partnerships strengthen both engcon's and the OEMs' brands, increase the reach of the company's products and prepare future excavators for faster and easier installations of tiltrotators. These partnerships also provide valuable insight into which technologies OEMs are developing for the future at the same time as we contribute with knowledge of end-customer requirements. The partnerships also include joint marketing activities.

### Aftermarket with a high level of service

engcon has a large service network and widely available aftermarket support with a high level of service. In our growth markets, service is primarily carried out by our service partners. In our more mature markets, the majority of service is carried out at the dealer level with training provided by engcon's employees. In certain cases, engcon's own personnel also supervise repairs and specialised service. In addition, support personnel are available that can connect remotely to engcon's control system and applications to troubleshoot and fix problems.

### End-customer targeted marketing

We combine traditional channels, such as exhibitions and demo days, with marketing and brand-building communication via social media, mainly directed to our end customers. Exhibitions and other events help to create new, and maintain existing, relationships with end customers, OEMs, and dealers.

In relation to digital marketing, we work primarily with our own social media channels through influencers, other excavator operators and followers around the world. This is a relatively cost-efficient platform to reach a large target group with targeted marketing. Influencers are also invited to exhibitions and other events to raise awareness of the advantages of engcon’s products and solutions. Digital marketing is particularly used in connection with efforts to increase the penetration rate in markets that are in the development phase and is targeted at innovators and early adopters. Social media channels that provide video content such as YouTube, Facebook, Instagram and LinkedIn simplify and streamline our communication.

### Full-range product suite and value-based pricing strategy

We apply a mix of value and competition-based pricing that is partly governed by customers’ perceived value of the products and partly by the competitive landscape in a particular market. We work in close proximity to our end customers and develop products with a high level of technology rather than competing on price through large-volume manufacturing. At the same time, we prioritise packaging our full-range product suite – tiltrotators, quick couplers, control and safety systems, and joysticks – as a standardised product bundle containing the most advanced and value-generating parts of our product portfolio. This will be available to our customers at the most competitive price.

Our module-based solution creates flexibility for the customer who can select the product bundle that suits their needs while also adding other solutions across the lifespan of the tiltrotator. This standardisation simplifies production, sales and service, and improves volumes and profitability per tiltrotator sold.

## Distribution strategy and channels





## Geographic market

# Four regions

engcon is currently active in 17 markets in four geographic regions across the globe. The Nordic region has historically been our largest region, but in recent years Europe has increased significantly and competed for the top spot.

# Nordic region



**“It is pleasing to see a clear recovery in sales and a healthy performance in 2025. At the same time, we are yet to reach previous peak levels, demonstrating that the region still holds potential. We are therefore committed to leverage this potential and strengthen our performance going forward.”**

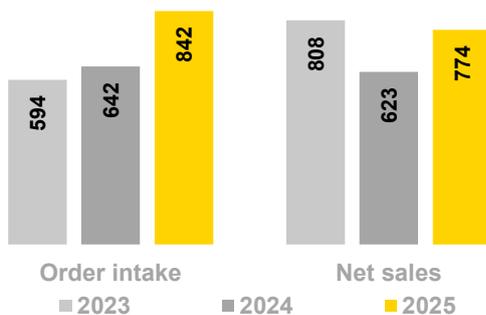
Patrik Kutto, Nordic Region Director

engcon was founded in Sweden and, in recent decades, has established a strong and well-anchored presence throughout the Nordic region. The tiltrotator made an early impact in the region when the industry was quickly able to identify how it would significantly boost efficiency. Today, the Nordic region is the world’s most mature tiltrotator market, with the product a standard addition for excavators in the 6–33 tonne range and the penetration rate is estimated to be approximately 90 per cent. The region’s growth largely follows the trend of the market for excavator sales.

The trend was partly the result of dealers gradually reducing built-up inventories between 2022 and 2024 and therefore needing to place new orders to meet rising demand. In the second half of the year, sales of excavators also increased, which is a trend that is expected to continue. Development is being fuelled by forthcoming investments in infrastructure, a continued need for housing construction and a rising need to replace machinery. Overall, this creates healthy prerequisites for a continued positive trend even after a strong 2025.

A clear recovery in the Nordic region took place in 2025 with organic growth in net sales of 27 per cent. The order intake increased organically by 34 per cent.

## Performance, SEK million



# Europe



**“The use of the tiltrotator is rapidly increasing and gradually becoming established in the European market. It is very positive that we have built strong positions in the markets expected to drive a significant share of engcon’s future growth.”**

Mark Lisman, Regional Director Europe

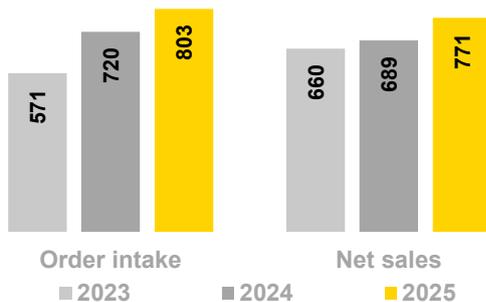
engcon commenced its European expansion outside the Nordic region in 2003 through establishment in Germany, followed by the UK a year later. engcon subsequently expanded into France in 2014 before entering the Netherlands and Belgium. Over the past five years, the company’s presence has been further broadened through establishment in neighbouring markets such as Ireland and Austria.

The region now constitutes a significant share of the Group’s revenue base and now contributes to a more diversified and balanced business. engcon has established strong positions in several of Europe’s key markets and holds a leading position in many of them. It is estimated that this region has the greatest growth potential in terms of volume over the next five years.

Germany is Europe’s largest excavator market and penetration is increasing rapidly in line with the growing awareness of the technological benefits. In the Netherlands, the trend has accelerated further since the market passed a clear tipping point. The UK market is characterised by the presence of major rental companies. An increase in adoption by these would rapidly boost sales. In France, a strengthening of both awareness and visibility of the tiltrotator concept is continuing.

The region as a whole reported a strong performance in 2025, with organic growth in net sales of 15 per cent and a corresponding increase of the order intake of 15 per cent.

## Performance, SEK million



# Americas



**“2025 was characterised by uncertainty regarding tariffs and pricing, leading to a cautious market. The long-term potential is considerable as the region represents one of the world’s largest excavator markets.”**

Anders Smith, Regional Director Americas

engcon was established in the US in 2017 and in Montreal, Canada in 2021. In 2023, we relocated the US operations to High Point, North Carolina, at the same time as we established a logistics hub to serve both the US and Canadian markets.

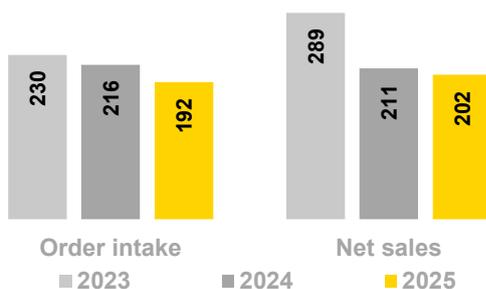
The US is one of the world’s three largest excavator markets, but tiltrotator penetration remains very low at roughly 1 per cent in 2024. This provides significant volume potential in the long term.

In 2025, however, the market was characterised by a high degree of uncertainty.

The so-called “Liberation Day” tariffs that were introduced in April 2025 led to concern regarding future price levels and dampened willingness to invest. This resulted in a noticeable downturn in demand, and the region reported an organic increase of net sales of only 3 per cent, while the order intake declined 3 per cent.

Despite the short-term challenges, the Americas is estimated to have significant long-term potential owing to the region’s size, planned infrastructure investments and a growing need for enhancing the efficiency of the construction and civil engineering industry.

## Performance, SEK million



# Asia-Oceania



“Asia-Oceania is a region with considerable long-term potential, where demand for solutions that drive productivity is increasing in several markets. The establishment last year of a sales company in Japan felt well-timed considering the strong governmental incentives for efficiency-enhancing investments.”

Sam Ryan, Regional Director Asia-Oceania

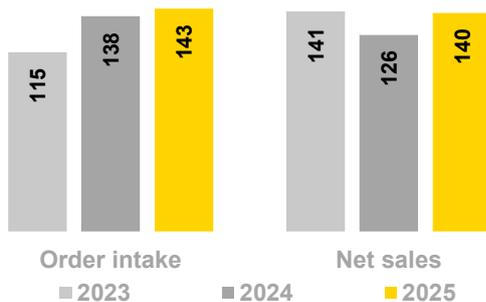
engcon established its presence in the region in 2018 through a distributor in Japan. The company’s presence then gradually expanded with local sales offices in both South Korea and Australia. The region is home to significant long-term potential and several markets that have structural conditions that would benefit from a broader adoption of tiltrotators.

In South Korea, there is a large proportion of wheeled excavators which, when fitted with tiltrotators, create an ideal tool carrier, thereby creating favourable conditions for improving efficiency. The Australian market is characterised by a large railway sector in addition to the traditional construction and civil engineering industry.

It is Japan, however, that accounts for the largest growth potential in the region. The country’s ageing workforce combined with a low birth rate has resulted in government subsidies for investments in efficiency-enhancing technologies, while Japan has one of the world’s largest excavator fleets and a continued low penetration rate of tiltrotators. To address this trend, engcon established its own sales company in the country in late 2024.

The region performed well in 2025, with an organic increase of net sales of 19 per cent and an order intake that grew 13 per cent. The Japanese market accounted for a significant proportion of this growth.

## Performance, SEK million





**Sustainability**

## Sustainability strategy

# Relevance and resilience

engcon is an innovation-driven company with a clear vision: to change the world of digging. We are building further on what is working well today with solutions that meet the needs of tomorrow. With clear and purposeful work, we maintain a sustainability agenda that strengthens both our operations and our impact. In our sustainability efforts, we work with relevance and resilience to change the world of digging in the long term and ensure that we remain a driving force in the transition of the industry. This allows us to meet new requirements, adapt to changed markets and contribute to more sustainable development.

### Strengthening our relevance

We continue to drive innovation that makes a real difference for our end users, for the industry and for society at large. Our products increase efficiency and reduce the number of operations, in turn reducing fuel consumption per operation. This results in a lower climate impact and a more profitable and sustainable workday for our customers. This frees up time, resources and capacity for our customers and creates the prerequisites for more sustainable workplaces. The focus of our

sustainability strategy is to accelerate these positive effects through technological development and an increased global market penetration.

Read more about engcon's sustainability targets and how our products increase efficiency and reduce emissions on page 27.

### Strengthening our resilience

engcon's resilience comprises four strategic focus areas for sustainability for which we have defined clear and measurable targets in line with our double materiality assessment. These areas form the foundation for how we strengthen our competitiveness, reduce risks and create value over time. We are actively working to strengthen these areas and integrate them into our business development. This concerns creating long-term business value, taking responsibility throughout the value chain and continuing to drive the industry's transition toward increased sustainability and competitiveness. Through dialogue with stakeholders, we contribute to shaping the solutions of the future and strengthen our role as a positive force in society.

## Focus areas



### Innovation and future solutions

We grow by driving product innovation that offers the world of digging increased profitability, flexibility, safety and climate benefits.



### Climate and circularity

We are future-proofing the company's growth by promoting circularity and resource efficiency while working towards science-based climate targets.



### People and society

We create long-term growth by being a leading sustainable company, working closely with local communities and promoting an inclusive, equal and sustainable workplace. Our leaders inspire and strengthen our culture, with innovation as a critical driving force.



### Responsible business

We strive toward sustainable growth by taking responsibility throughout the value chain and collaborating to ensure a more sustainable transition of the world of digging.

For a more in-depth presentation of key performance indicators and follow up in our focus areas, refer to the sustainability notes on pages 109-124.

## Sustainability targets

# 74 MT reduced emissions

### Sustainability targets 2030

Through its products, engcon is committed to reducing emissions by a total of 74 MT CO<sub>2</sub>e during the period from 2021 to 2030.

### Outcome until 2025

28

Million tonnes CO<sub>2</sub>e

38%

Avoided emissions

### Innovation that leads to climate benefit

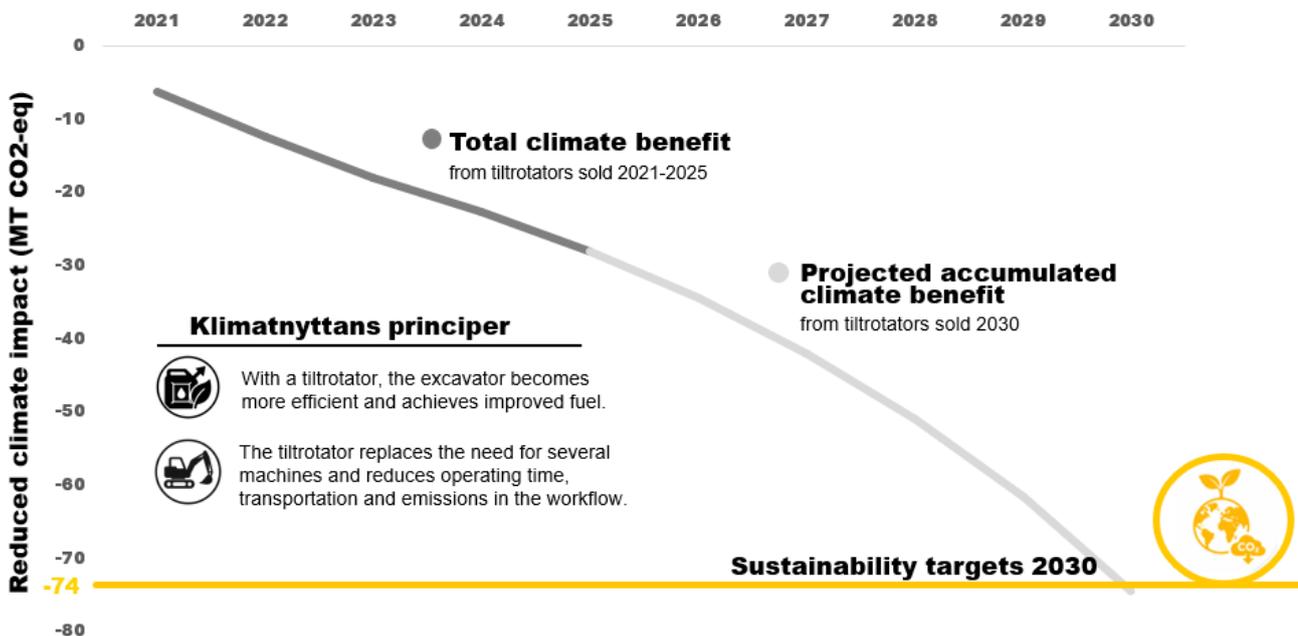
At engcon, we see sustainability as a driving force for innovation and future competitiveness. Since 1990, our focus has been on developing solutions that make it possible to work smarter, safer and more resource efficient. Our tiltrotator is at the core of this – allowing the excavator to do more.

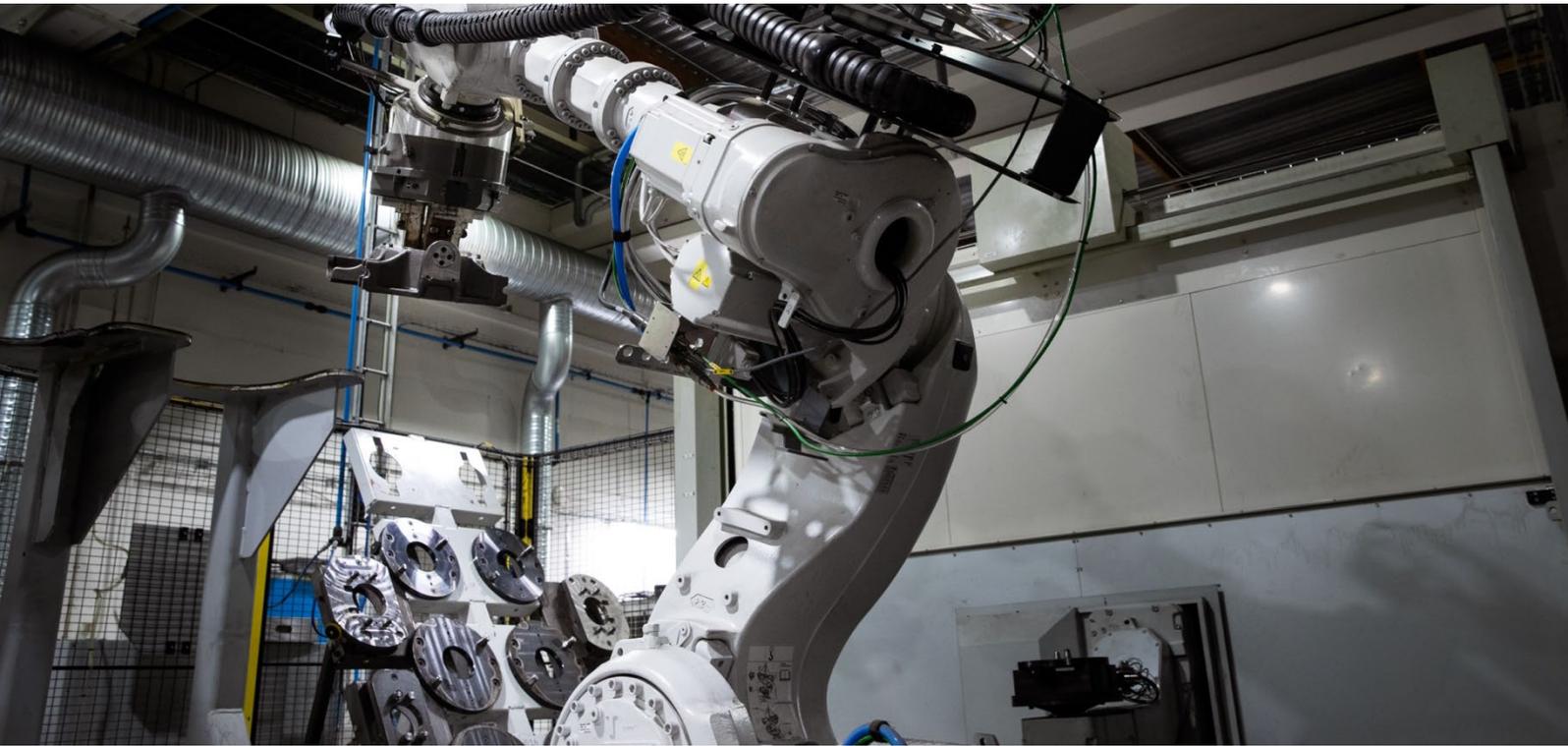
The climate benefit is based on two principles: increased fuel efficiency in each project and less need of other machines, reducing operating time, transportation and emissions across the workflow. These effects amplify one another and grow in line with more projects using the technology. As a result, we set targets for emissions avoided through our products (Scope 4) and monitor the climate benefit that our solution facilitates.

An in-depth analysis completed in 2025 demonstrated that a tiltrotator is able to replace several types of machines such as wheel loaders, landfill compactors, forwarders and forklifts. Previous user studies also show that a tiltrotator replaces an

average of 2.2 machines, which further confirms their collective climate and productivity benefit. Together, these effects mean that climate impact can be reduced in every project, partly through increased fuel efficiency and because fewer machines need to be used in the projects.

This collective climate benefit is illustrated in the figure, which demonstrates the accumulated climate savings from tiltrotators sold between 2021 and 2030. During the 2021–2025 period, the use of tiltrotators contributed to the avoidance of approximately 28 MT CO<sub>2</sub>e, which is demonstrated by the dark grey line in the diagram and is based on products currently in operation. The projected accumulated climate benefit is illustrated by the light grey curve from 2026 onwards, where the increase is based on more machines being deployed and on an assumed annual growth rate of 19 per cent. For 2025, climate savings amounted to 5,500 tonnes CO<sub>2</sub>, which exceeds both the preceding year and the estimated level. If this trend continues at the same pace, we will be in a good position to exceed our targets for 2030.





## Focus area

# Innovation and future solutions

### Ambitions by 2030

engcon commits to launching 30 production-ready innovative initiatives that meet one or more of the following criteria: increased safety, reduced climate impact or retained product value.

### Outcome 2025

# 17

Production-ready innovation initiatives

### Sustainable innovation in practice

Our ambition is to grow by offering the world of digging increased profitability, flexibility, safety and climate benefits. Our products facilitate climate savings that far exceed our own climate impact, but we can still do more. We have a clear objective to continuously improve and take additional steps to deliver even greater climate benefits.

To ensure that our ambitions are translated into concrete action, we work in accordance with a structured innovation process. All innovation projects are to contribute to one or more of our focus areas:

#### Technologies that simplify and improve

During the year, we continued to future proof our solutions by ensuring compatibility with more of the technical standards

**Increased safety for end customers** – We are to develop products, new tools and systems that automate work tasks and assist the operator to work in a safe way.

**Reduce the climate impact of end customers** – We are to provide for the future of sustainable excavators by developing new, low-energy systems that streamline work and enhance excavator efficiency.

**Preserve product value** – We strive to design and build products that retain their value and can be used by our end customers over a long period thanks to product architecture that simplifies service and repair.

established in the industry, including MiC 4.0. For us, this mainly concerns providing customers with flexibility and smooth interfaces regardless of whether they are a machine

or tools manufacturer. By making our products adaptable to various systems, we reduce the complexity in installation and service, in turn minimising sources of error, cutting downtime and enhancing resource efficiency. This flexibility strengthens both operational reliability and sustainability over time.

We have also continued to develop our hose-free machine couplers. By eliminating visible hydraulic hoses in the coupler, we reduce the risk of hose damage, leaks and unplanned downtime – factors that can otherwise lead to both environmental impact and costly repairs. Hose-free couplers also increase operational reliability, lower the need for maintenance and reduce the risk of hydraulic oil spills, enhancing both the safety and sustainability of the customer's work environment.

We are continuing to launch third generation tiltrotators in more models. By broadening our range, we make this new technology accessible for more machines and work areas. The third generation builds on its predecessor with lower weight, greater energy efficiency and improved serviceability, providing more customers with the opportunity of benefiting from high precision, lower fuel consumption and longer product life.

## A more efficient and sustainable industry

Through smart design and high operational reliability, we are raising the technological level in the industry and creating solutions that work across the value chain, from manufacturing to service and recycling. New opportunities are being created for sustainable change in practice as the industry transitions to the innovative and resource-efficient technology that we develop.

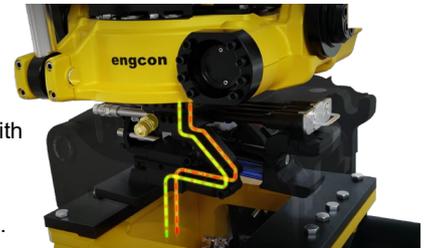
Our innovation initiatives demonstrate how we turn sustainability ambitions into concrete results. We develop low-energy systems, improve machine efficiency and design products that are easier to service, repair and recycle. Together, these initiatives strengthen the circular use of resources. This means that material can be used for longer, that value is preserved over time and that overall costs are reduced for customers.

With high ambitions, a systematic approach and a growing portfolio of innovation projects, we are continuing to drive the industry toward a more sustainable future. By combining customer needs, technical excellence and continual investments in research and development, we are building solutions that make a real difference – both for today and for tomorrow.

# Hose-free modular systems

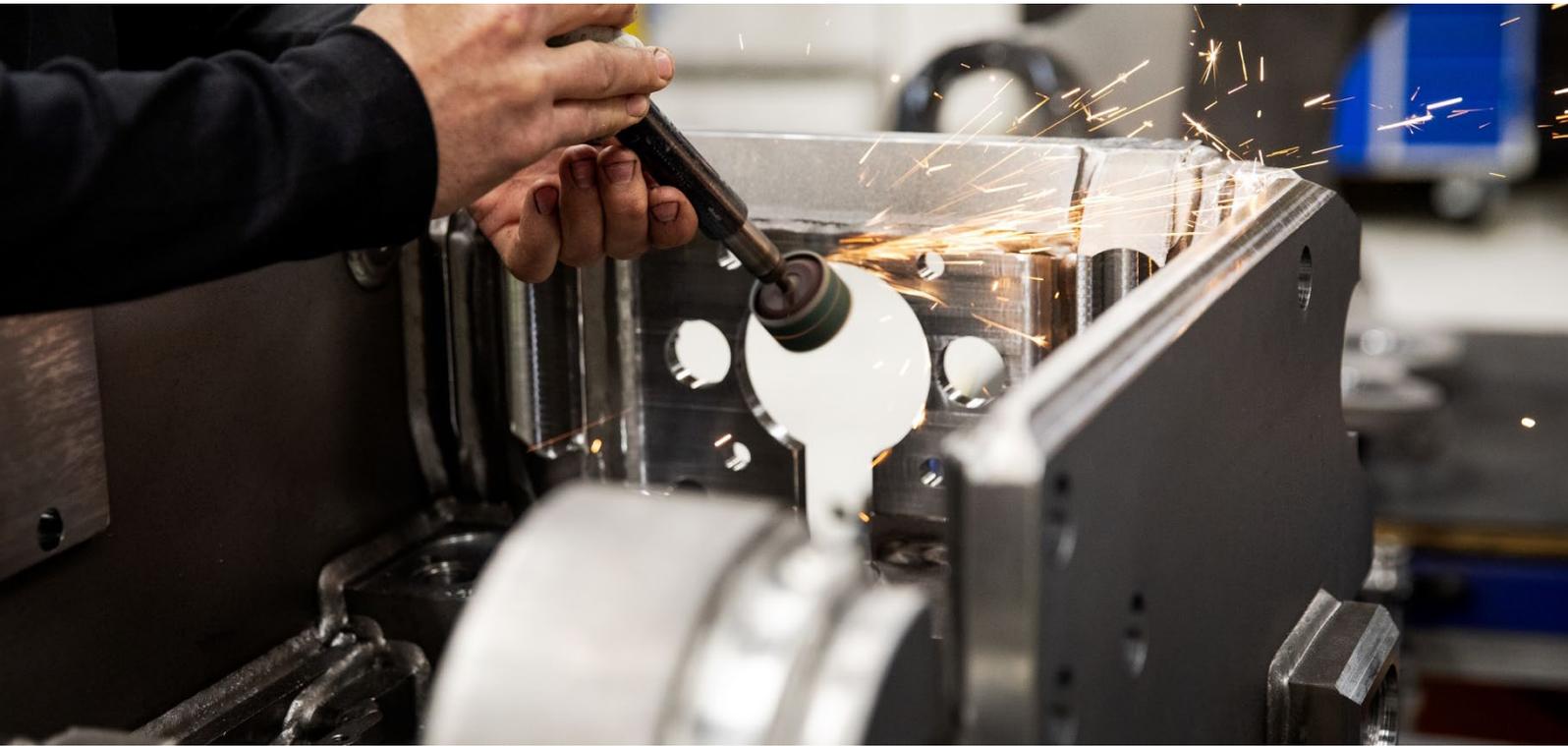


**Hose-free design** with few moving parts for increased flow and a reduced risk of leaks.



**EC-Oil blocks** screw directly into a distribution block without hoses





## Focus area

# Climate and circularity

### Ambitions by 2030

engcon is committed to reducing its absolute Scope 1 and 2 greenhouse gas (GHG) emissions by 42 per cent by 2030 from the base year of 2021, and measuring and reducing Scope 3 emissions. Climate targets are validated by the Science Based Targets initiative (SBTi).

### Outcome 2025

# 50%

Reduction in emissions from our own operations

### Circularity and climate responsibility in focus

Our ambition is to future-proof engcon's growth by reducing our climate impact, increasing resource efficiency and establishing solutions that last over time. We strive to ensure that our products and processes contribute to a more circular and climate-smart value chain – from raw materials to end customers. At the same time, we are continuing to develop our way of working and collaborations that will allow us to reach our science-based climate targets.

To ensure that our ambitions are translated into concrete action, we work in a structured way with four focus areas:

**Reduced climate impact** – We work towards science-based climate targets that are in line with the Paris Agreement and are transparent in our reporting.

**Sustainable logistics solutions** – By optimising our logistics chain, we reduce our climate footprint and meet our customers' demand for rapid, secure and sustainable deliveries.

**Promoting circularity and resource efficiency** – We strive to promote a circular system where products and materials are used for a longer time and we optimise our use of resources through recycling.

**Renewable energy** – We strive to increase our share of renewable energy upstream and downstream in the value chain and reduce our internal energy consumption.

## Climate impact in the value chain

Our climate impact primarily takes place in our value chain, where the extraction of raw materials and purchasing of components accounts for the majority of our emissions. To reduce this impact, we work on a long-term basis to increase our share of recycled materials and improve the resource efficiency of our products and processes. We also collaborate with our largest suppliers in order to map their climate impact and provide them with tools and support in their efforts to develop own targets and measures to reduce emissions.

## Circularity and the product life cycles of the future

Circularity is a key component of our strategy in reducing our resource consumption. By developing products that are easy to service, repair and recycle, we make it possible for materials to be used for a longer time and with a lower environmental impact while keeping total costs down for our customers.

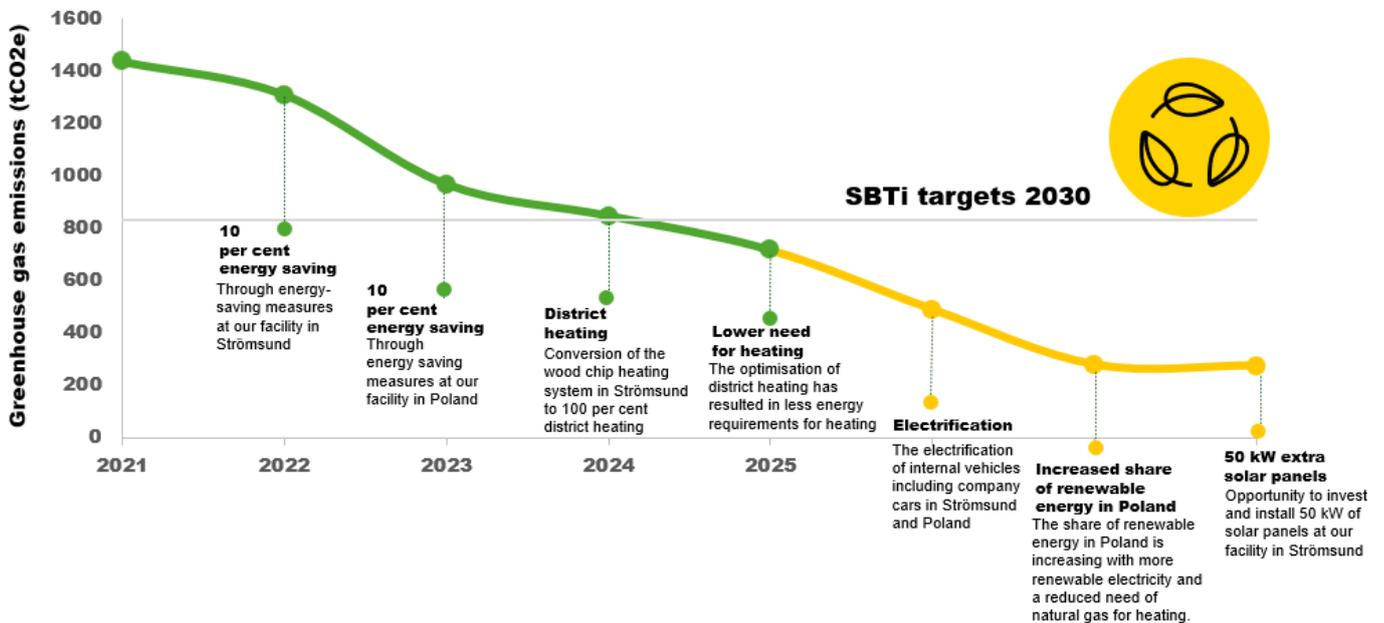
In 2025, we took an important step toward increased circularity by – together with Volvo CE, Mälardalen University and Stena Circular Consulting – initiating CIRCLE-E, a Vinnova-financed project to develop new circular business models and technological solutions for the construction and civil engineer-

ing industry. The project focuses on how machines and components can be managed at the end of their lifecycle in a way that enables reuse, recycling and reduced environmental impact. CIRCLE-E will provide us with access to research and methods that can be integrated in our product development and strengthen our ability to create products and services that preserve value over time and support a more resource-efficient value chain.

## Path to the 2030 climate targets

We are faced with the challenge of reducing our emissions at the same time as we are expanding globally. We have set ambitious science-based climate targets and are continually updating our strategy in line with the company’s growth. Climate-saving activities such as transitioning to district heating, implementing energy-saving measures and the electrification of our internal vehicle fleet will enable us to achieve our climate target for 2030 by some margin and provide us with the scope to expand within the framework of the target.

In previous years, we have announced a plan to invest in solar power. As our needs and conditions change, we are now assessing various alternatives for renewable energy supply, where solar power remains a possibility. Our focus is on selecting the solutions that provide us with the greatest climate benefit and best support our long-term development.





## Focus area

# People and society

### Ambitions by 2030

engcon is to ensure an equal and inclusive work environment, and by 2030, 30 per cent of the Group's employees are to be women and the number of women in leadership positions is to reflect the number of women in total. We are to ensure equal and adequate salaries throughout the Group and offer a safe work environment with a Lost Time Injury Rate (LTIR) below 2. We also strive to have a long-term strong corporate culture with an employee Net Promoter Score (eNPS) above 20.

### Outcome 2025

**23%**      **-1**

Share of female employees

eNPS

### Employees as a driving force for our future

At engcon, we strive to build an organisation in which each employee feels safe, included and committed to contribute to our mutual journey. We are convinced that a gender-equal, safe and engaging work environment is crucial for innovation, quality and long-term growth. By investing in our employees and culture, we create the best prerequisites to grow as a company. We aim to offer a workplace in which people want to stay, develop and make a difference.

### Strong culture for future growth

In 2025, we placed particular focus on our values, with the aim of further strengthening the link between our culture and our future growth. We launched a strategic initiative to develop and strengthen the Group's mutual values.

This is based on the comprehensive development journey undertaken by the company over the past 15 years in which we have grown, expanded to new markets and become a listed company. In line with these developments, it is also important that our culture and our values continue to develop in the same direction.

In this process, we have encouraged the entire organisation to ensure that the new values we have adopted are in line with our existing culture and values. We have endeavoured to build on our existing strong corporate culture and preserve the mindset that has characterised our company since its foundation.

The aim of these efforts is to establish a more clear and unified basis for how we lead, cooperate, make decisions and act in our day-to-day work. The new values are to contribute to increased solidarity, strengthened collaboration and a shared culture throughout the organisation, while supporting our ability to attract and retain competent employees.

The new values will be launched in 2026 and gradually implemented into operations thereafter. The implementation of these values will be important for putting them into practice and ensuring that they become a natural part of engcon's way of working, leadership and long-term development.

## Our prioritised areas



### Diversity and inclusion

We are committed to creating an inclusive working environment where differences are valued and where each individual is provided with the same opportunities to contribute to the company's success.



### Health and well-being

We are to promote the good health and well-being of every employee by actively addressing the work environment, the work-life balance and healthy lifestyle choices.



### Leadership and culture

Our leaders are to act as role models and actively drive and support initiatives that promote our values, our culture and our long-term targets.



### Engaging with the local community

We actively contribute to the development and well-being of the communities in which we operate through collaboration and long-term commitment.

# Team engcon – health promotion initiatives for a sustainable working life

engcon conducts long-term and structured efforts to promote the health, well-being and satisfaction of its employees. As part of these efforts, all employees in Sweden are offered the opportunity of participating in Team engcon, engcon's own wellness initiative.

Team engcon aims to promote regular physical activity and a more active lifestyle based on the circumstances of the individual. Through recurring joint leader-led training activities, inspiration and support, we establish the prerequisites for improved physical and mental health as well as increased workplace community.

Team engcon promotes satisfaction and commitment and is an example of how engcon works to preventively create a sustainable working life.





## Focus area

# Responsible business

### Ambitions by 2030

engcon is committed to ensuring that 95 per cent of all material suppliers linked to engcon's value chain with an annual spend of over SEK 100,000 will meet our sustainability criteria for social and climate-related sustainability by 2030. We will support our partners in achieving complete compliance.

### Outcome 2025

# 87%

**Core suppliers and new suppliers that meet engcon's sustainability criteria**

### Responsibility as a force for change

We intend to grow in a long-term and responsible way, with high ethical requirements, respect for human rights and a clear focus on social and environmental sustainability. To put this into practice, we work on the basis of three focus areas:

**Responsible business conduct** – We conduct our operations in line with the UN Global Compact and its ten principles. In doing so, we actively work to maintain high ethical standards, combat corruption and make sure that human rights are respected throughout the organisation.

**Supplier chain responsibility** – We grow together with our suppliers and work closely to facilitate social and environmental sustainability throughout the value chain. Through long-term relationships, joint improvements and clear requirements, we create stable and sustainable supply chains.

**Safe and open culture** – We promote a culture of openness, accountability and integrity. By providing safe and confidential channels to raise issues and report deviations, we strengthen transparency and ensure that we act responsibly at all levels.

## Ethics and responsibility in the value chain

To ensure that our ambitions are translated into action, we work systematically to ensure that our entire organisation complies with our Code of Conduct. As a member of the UN Global Compact, we comply with its ten principles and ensure that ethical behaviour, human rights and responsibility pervade our day-to-day work. All employees undergo annual training in the Code of Conduct, creating a mutual understanding of how we are to act responsibly in various situations.

Our responsibility also extends beyond our own organisation, and to ensure that our values permeate the entire supply chain, we work closely with our partners and follow up on whether they are complying with our requirements. All core suppliers (the suppliers that together account for over 70 per cent of our accumulated spend) have signed our Code of Conduct, and we have performed audits on 97 per cent of them over the last three years. We are continuing to work on our target of conducting audits on 100 per cent of our core suppliers over a rolling three-year period and supporting suppliers in strengthening their social and environmental processes. engcon also has a target of 95 per cent of suppliers in the value chain meeting our sustainability criteria by 2030. In the long term, our aim is to audit all suppliers with an annual

spend exceeding SEK 100,000. We are currently auditing core suppliers and new suppliers, of which 87 per cent meet our social and climate-related sustainability criteria. We are supporting our partners in achieving full compliance with this.

Transparency is also key to our work. In line with this, we offer an external global whistleblower function that enables anonymous reporting of deviations and ensures that these are handled correctly and confidentially. During the past year, no reports were received through the whistleblower channel.

## Long-term supplier relationships

An important aspect of our accountability pertains to how we build and develop our supplier relationships. For many years, engcon has grown together with its suppliers, which is something that is often highlighted as a unique strength for a company of engcon's size. Our location in the heart of Norrland has shaped close and long-term partnerships in which we have developed side by side with our partners. Through frequent dialogues, joint improvement initiatives and mutual accountability, we establish stable and sustainable supply chains that strengthen quality, innovation and sustainability throughout the value chain. For us, suppliers are not just external operators but are an integrated part of our development journey.

# Local partnerships creating shared value

Our partnership with Jorm Lego AB is a clear example of how engcon works with local suppliers to establish sustainable, innovative and competitive value chains. Jorm Lego, with roots in northern Jämtland, has been with us since the start and is one of engcon's oldest and most long-standing partners. We have grown alongside Jorm Lego over the years, and our close dialogue and shared focus on quality and continual improvements have developed a stable and long-term relationship that strengthens both local development and our shared competitiveness.

"We have developed together with engcon from day one. This close partnership, mutual trust and the will to always be better has made both of us more competitive," says Mathias Rolandsson, CEO of Jorm Lego.



# Impact on the value chain

engcon’s impact varies across the value chain. Our products provide significant sustainability advantages for customers through reduced energy use and increased efficiency. Purchases of components account for the greatest climate impact. By focusing on material selection, design and longevity, we can increase sustainability across the value chain and maximise the positive impact of our solutions.



## Development of products

Through innovation, we are continuing to lead technological development and deliver sustainable solutions to our customers. Our initiatives focus on reducing the carbon footprint, strengthening safety and maximising the life-cycle value of our products.

## Extraction of raw materials

With responsible methods and strong partnerships, we promote the sustainable extraction of raw materials. With a strong base of suppliers in Europe, we work to reduce environmental impact, improve traceability and maintain high ethical standards.

## Purchases of components

With stable relationships, clear requirements, controls and targeted activities, we can contribute to improving work conditions, strengthening human rights and reducing climate impact in the supply chain.

## Manufacturing

By focusing on sustainable manufacturing and social responsibility, we are reducing our climate footprint, promoting employee health and strengthening diversity and equality. This makes us a stronger organisation that contributes to the development of society.

Emissions  
**0.2k tonne CO<sub>2</sub>e**

Share of total emissions  
**0.4%**

Ability to influence  
**High**

Data quality



■ Specific ■ General

Emissions  
**9k tonnes CO<sub>2</sub>e**

Share of total emissions  
**25%**

Ability to influence  
**Medium**

Data quality



■ Estimated

Emissions  
**21k tonnes CO<sub>2</sub>e**

Share of total emissions  
**59%**

Ability to influence  
**Medium**

Data quality



Emissions  
**0.8k tonnes CO<sub>2</sub>e**

Share of total emissions  
**2%**

Ability to influence  
**High**

Data quality





### Transportation

By optimising our logistics chain, we reduce our climate footprint and meet our customers' demand for rapid, secure and sustainable deliveries.

### Sales

Clear values and efficient procedures to ensure compliance with laws and ethical principles allow us to create stable business relationships and increase transparency and control in the sales process.

### Customer use

By enabling more efficient and more sustainable workflows, engcon's products assist our customers in reducing fuel consumption, increasing safety and optimising their use of resources. Emission savings are calculated over a lifespan of seven years.

### End-of-life management

By offering a high-quality product with a focus on maintenance and upgrades, we extend the useful lives of our equipment. We offer a product that is manufactured from recoverable material. By doing so, we contribute to a more circular approach in the digging industry.

Emissions  
**3k tonnes CO<sub>2</sub>e**

Share of total emissions  
**8%**

Ability to influence  
**Medium**

Data quality



■ Specific    ■ General

Emissions  
**0.2k tonne CO<sub>2</sub>e**

Share of total emissions  
**0.7%**

Ability to influence  
**High**

Data quality



■ Estimated

Emission savings  
**5,500k tonnes CO<sub>2</sub>e**

Savings in per cent  
**15,000%**

Ability to influence  
**High**

Data quality



Emissions  
**2k tonnes CO<sub>2</sub>e**

Share of total emissions  
**5%**

Ability to influence  
**Medium**

Data quality





# Administration Report

**The Board of Directors and the CEO of engcon AB (publ) with Corp. Reg. No. 556647-1727 hereby submit the Annual Report and consolidated accounts for the Group's and Parent Company's operations for the 2025 financial year.**

The Board of Directors' report on internal control of financial reporting and the corporate governance report encompasses both the Parent Company and the Group and is prepared in accordance with the Swedish Annual Accounts Act, see pages 53-64. In accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act, a sustainability report has been prepared. The sustainability report can be found on pages 25-37 and sustainability notes can be found on pages 109-124. Amounts are recognised in millions of Swedish kronor (SEK million) unless otherwise stated. Rounding differences may occur.

## Business operations

The engcon AB Group, referred to below as "engcon", the "Group" and the "company", is a global developer and manufacturer of tiltrotators with accessories and software for digging. Under its own brand, engcon offers a unique full-range product suite that turns an excavator into a tool carrier that can replace several other machines. The products and solutions enhance flexibility, precision and safety of excavators and thereby increase the efficiency and safety of digging for end users.

The products consist of various components designed by engcon. Some of the components are manufactured at engcon's production sites in Strömsund, Sweden and in Niepruszewo, Poland. Most of the components are purchased from suppliers in Sweden and Northern Europe. engcon's head office is located in Strömsund, Sweden.

## Market

engcon has an active sales strategy in 17 (16) markets in the Nordic region, the Rest of Europe, the Americas and Asia-Oceania and generates some sales from the rest of the world. Sales and installations primarily take place through an established network of dealers. At the same time, end customers are targeted directly through the Group's 15 (15) local sales companies. The Nordic region and Europe are engcon's largest regions and each accounted for 41 per cent of net sales.

## Group structure and segments

engcon AB is the Parent Company of the Group with 25 (25) directly and indirectly wholly owned subsidiaries, which are presented in Parent Company Note 9. The Group's operations are based on one operating segment, but sales and order intake are governed based on the following geographic market regions:

- Nordic region – Sweden, Denmark, Norway and Finland
- Europe – Europe excluding the Nordic region
- Americas – North America and South America
- Asia-Oceania – Japan, South Korea, Australia, New Zealand and rest of the world

## Significant events during the year

2025 was dominated by geopolitical uncertainty, especially as a result of "Liberation Day" and the US tariffs, which dampened willingness to invest in the market and for the industry as a whole. Despite this, engcon generated net sales growth in all regions, with the Nordic region accounting for the largest increase. Order intake was also strong, with the Nordic region being the largest following a robust recovery. These results reflect how the market has stabilised in line with the inventories of dealers having returned to normal levels. Europe also made a strong recovery in the latter part of the year. At the end of the year, we saw a clear increase in pre-orders from both the Nordic region and Europe, which was a sign of higher excavator sales and growing optimism among customers and dealers. Cash flow was lower compared with the preceding year, primarily due to increased inventory levels. Inventory was built up to meet the expected increases in sales in the next year. The gross margin amounted to 42 per cent (44) despite the impact of a strong SEK, and the year concluded with an operating profit of SEK 321 million (295), corresponding to an operating margin of 17 per cent (18). The operating margin was somewhat lower than last year and was impacted by a lower gross margin, a strengthened SEK and costs related to IT and legal services. Profitability is below our targets and we are now taking specific measures to ensure continued profitable growth with a focus on business-strategic priorities, price and product packaging as well as strengthened cost discipline. engcon's flexibility and ability to adapt operations has created a solid platform for stable earnings despite a market that is difficult to assess.

In April, it was announced that engcon entered into agreements to acquire all shares not already owned by engcon in the subsidiaries engcon Denmark A/S, engcon Finland OY and engcon France SAS. The purpose of this was to create a more efficient and uniform Group structure while maintaining the community of interest between the local executives and engcon's shareholders. The purchase price for the shares in the subsidiaries corresponded to approximately SEK 125 million. Half of the purchase price was paid through a new issue of shares in engcon AB and half was paid in cash. The transactions were conditional upon engcon AB's Annual General Meeting on 15 May 2025 resolving to approve the Board of Directors' proposal for a new issue of Class B shares to the minority shareholders, which took place. Following the approval of the Annual General Meeting, a new share issue was completed in May in which the number of shares and votes in engcon AB increased by 694,827 Class B shares and 694,827 votes as a result of the direct share issue. At the same time, the acquisition of minority stakes in the foreign companies was completed in accordance with the above and they are included as wholly owned subsidiaries in the Group as of 20 May 2025.

## Lawsuit

In March 2025, the Swedish Patent and Market Court of Appeal announced a verdict and dismissed Rototilt Group's action concerning alleged patent infringement, announcing that there was no patent infringement by engcon. On 15 September 2025, engcon AB received new lawsuits against engcon and its subsidiaries regarding alleged infringement of Rototilt's patent. Rototilt has previously initiated legal proceedings against the same engcon companies for alleged infringement of the same patent.

In consultation with experts in the field of patent law engaged by engcon as well as with the company's legal advisors, engcon has assessed that no patent infringement has taken place and in the claim sought that Rototilt's lawsuit be dismissed since the issue has already been subject for examination in the Swedish Patent and Market Court of Appeal. engcon has not made any provision for the dispute in its accounts. The Swedish Patent and Market Court is expected to make a decision on whether the merits of the claim be examined or dismissed in the first quarter of 2026.

## Group development

### Multi-year overview

SEK million	2025	2024	2023
Orderingång	1,981	1,716	1,510
Net sales	1,889	1,649	1,898
Gross profit	798	726	802
Operating profit	321	295	376
Equity	708	732	643
Balance sheet total	1,210	1,112	1,012

### Order intake and net sales

The Group's order intake in 2025 amounted to SEK 1,981 million (1,716), an increase of 15 per cent (14) year-on-year. Organic order intake growth amounted to 20 per cent (14).

Net sales amounted to SEK 1,889 million (1,649), an increase of 15 per cent (-13). Organic net sales growth amounted to 18 per cent (-13).

### Earnings and net financial items

Operating profit amounted to SEK 321 million (295), an increase of 9 (-21) per cent. The operating margin was 17.0 per cent (17.9). The improved operating profit was the result of increased net sales.

Net financial items amounted to SEK -30 million (0). This year, net financial items were impacted by the weak SEK, which resulted in negative currency effects that impacted earnings by SEK -23 million (10).

Profit before tax amounted to SEK 290 million (295). Income tax was SEK -67 million (-66). The effective tax rate for the year amounted to 23.1 per cent (22.3), which was impacted by non-deductible costs.

Profit for the year amounted to SEK 223 million (229).

## Significant events during the year

- On 1 January 2025, Group management was expanded with the addition of Anders Smith, who assumed the role of Chief Operating Officer (COO).
- engcon was moved to Nasdaq Stockholm's Large Cap segment on 2 January 2025.
- On 27 March, the Swedish Patent and Market Court of Appeal announced its judgement and dismissed Rototilt Group's lawsuit regarding alleged infringement of patented technology against engcon.
- On 9 April 2025, it was announced that engcon AB entered into agreements to acquire all shares not already owned by engcon in the subsidiaries engcon Denmark A/S, engcon Finland OY and engcon France SAS. This was completed on 20 May 2025 following the approval of the Annual General Meeting.
- engcon participated in several exhibitions during the year, including the world's largest and most visited trade exhibition, Bauma, in Germany, between 7-13 April, the Japanese exhibition CSPI-Expo in Tokyo and TKD in the Netherlands between 12-14 June.
- On 15 May, the company announced that engcon's Board of Directors had resolved on the acquisition of own Class B shares with the purpose to enable delivery of Class B shares to the participants in a new long-term share-based incentive programme, provided the outcome is positive.
- On 15 September, engcon AB received lawsuits against engcon and its subsidiaries regarding alleged infringement of Rototilt's patent.
- Stig Engström, engcon's founder and largest shareholder, was awarded the "Årets företagare i Sverige" (En: Sweden's Entrepreneur of the Year 2025) prize on 10 October.
- During the year, engcon initiated several strategic partnerships of various kinds including with Develon, Hitachi Construction Machinery (Europe) NB (HCME), TM Benne, Volvo and Komatsu.
- engcon won a strategically important order with Beauloc in France.

### Investments and depreciation/amortisation

engcon continuously invests in the maintenance of production units and production equipment in order to increase productivity and capacity. In 2025, investments were primarily attributable to the production unit in Strömsund and development costs for the third generation tiltrotator. In 2025, engcon took the next step in its development of the third generation tiltrotator with the launch of the EC319 and the EC309.

The Group's investments in non-current assets and right-of-use assets amounted to SEK 63 million (56).

Depreciation/amortisation relating to non-current assets amounted to SEK 55 million (48) during the year.

### Cash flow

Cash flow from operating activities amounted to SEK 95 million (239). The change was mainly attributable to higher capital tied up in inventories and accounts receivable.

Cash flow from investing activities amounted to SEK -37 million (-44) for the year. The investments were mainly attributable to development costs.

Cash flow from financing activities amounted to SEK -120 million (-176). During the year, cash flow was negatively impacted by SEK -63 million concerning acquisitions of minority stakes in subsidiaries and SEK -12 million concerning acquisition of own shares. A dividend was also paid to shareholders during the year totalling SEK -153 million (149).

Total cash flow for the year was SEK -62 million (19).

### Financial position and return

SEK million	31 Dec	31 Dec
	2025	2024
Total borrowing	25	33
Total lease liabilities	85	89
Bank overdraft facilities	151	-
Cash and cash equivalents	-42	-132
Net debt	219	-10
Equity	708	732
Return on capital employed, %	35.9	38.3
Equity ratio, %	58.5	65.8

Net debt (net cash) at the end of the year was SEK 219 million (-10). On the balance sheet date, the utilisation of bank overdraft facilities amounted to SEK 151 million (0).

Equity amounted to SEK 708 million (732) and the equity/assets ratio was 58.5 per cent (65.8). Return on capital employed was 35.9 per cent (38.3).

### Performance by geographic market region

#### Order intake

SEK million	2025	2024	Δ%
Nordic region	842	642	31
Europe	803	720	12
Americas	192	216	-11
Asia-Oceania	143	138	3
<b>Total excl. foreign exchange</b>	<b>1,981</b>	<b>1,716</b>	<b>15</b>
Foreign exchange effect	71	4	
<b>Total</b>	<b>2,052</b>	<b>1,720</b>	<b>20</b>

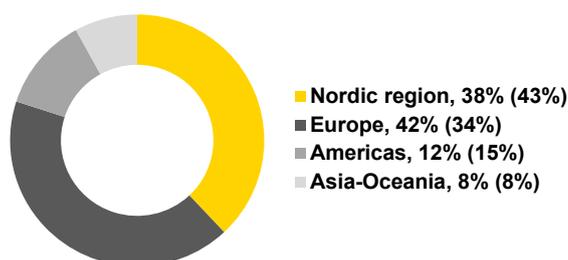
During the year, all markets posted a positive order intake with the exception of the Americas. The Nordic region accounted for the largest share.

### Net sales

SEK million	2025	2024	Δ%
Nordic region	774	623	24
Europe	771	689	12
Americas	202	211	-4
Asia-Oceania	140	126	11
<b>Total excl. foreign exchange</b>	<b>1,889</b>	<b>1,649</b>	<b>15</b>
Foreign exchange effect	64	6	
<b>Total</b>	<b>1,953</b>	<b>1,655</b>	<b>18</b>

All markets with the exception of the Americas reported positive net sales growth with the Nordic region accounting for the largest increase.

### Net sales by geographic market region 2025



### Financial targets

The financial targets for the Group aim to secure the company's financial stability. The measurable and risk-limiting financial targets for 2025 were:

**Net sales growth**, engcon's objective is to exceed the growth in the company's existing markets through organic growth. Net sales growth was 18 per cent (-13) for the year.

**Profitability**, engcon targets an operating margin (EBIT margin) in excess of 20 per cent measured over a business cycle. The operating margin was 17.0 per cent (17.9) for the year.

**Capital efficiency**, engcon will continue to achieve an industry-leading capital efficiency. Return on capital employed (ROCE) to exceed 40 per cent, measured over a business cycle. On 31 December, return on capital employed amounted to 35.9 per cent (38.3).

**Capital structure**, engcon will maintain a strong capital structure supporting further expansive organic growth and dividends to shareholders. Equity/assets ratio to be above 35 per cent. Equity/assets ratio amounted to 58.5 per cent (65.8) for the Group and 60.9 per cent (67.9) for the Parent Company. Following the proposed dividend of SEK 1.00 (1.00) per share, the equity/assets ratio as of 31 December 2025 was 45.9 per cent (52.1) for the Group and 44.7 per cent (44.5) for the Parent Company.

**Dividend policy**, engcon will pay approximately 50 per cent of net profit in dividends. The dividend proposal will consider engcon's long-term development potential, financial position and investment needs. The proposed dividend corresponds to about 68 (66) per cent of net profit. For more information, see page 44 as well as page 104.

**Sustainability target**, engcon is to combat climate change by reducing Scope 1 and Scope 2 GHG emissions by -42 per cent by 2030 from a base year of 2021. The target is validated by the Science Based Targets initiative (SBTi). For more information, see pages 30-31 and pages 109-124 of the sustainability report.

For 2025, we did not achieve the financial targets related to net sales growth, profitability and capital efficiency. However, the company met the target related to capital structure. These targets are, however, set over a business cycle. The company meets the requirements that the banks place on the company's financial stability.

## Other Group information

### Employees

The average number of full-time employees at year-end amounted to 429 (379), of whom 23 per cent (23) were women and 77 per cent (77) men.

### Sustainability and the environment

engcon's corporate responsibility involves an overall perspective on economic, social and environmental aspects. The company works actively to change its own behaviour so that it contributes to a positive impact and ultimately inspires and motivates the company's stakeholders to do the same. For more information, refer to the sustainability report on pages 109-124.

engcon works to promote greater environmental responsibility across its operations. The company continuously pursues a responsible environmental agenda in the areas that are considered to be the most significant for operations: transportation; energy and water use; waste management and purchases. engcon's ambitious climate targets have been validated by the Science Based Targets initiative (SBTi) and require the company to reduce its absolute carbon dioxide emissions by 42 per cent by 2030 from the 2021 level, and take responsibility for working towards reducing its impact from transportation, waste and purchases. engcon's Code of Conduct is the starting point for how all employees should approach environmental consideration.

engcon does not conduct operations requiring a permit under the Swedish Environmental Code, but has a reporting obligation to Strömsund Municipality regarding the production unit's painting operations.

engcon follows the prevailing environmental legislation and other prevailing norms and regulations that concern the impact that people have on the environment. engcon conducts an environmentally friendly production process that is certified pursuant to the SS-EN ISO 14001:2015 environmental standard.

Health and safety are a central part of the Group's operations and encompass both employees and customers. engcon works in an integrated manner with health and safety and strives to increase awareness of the importance of prioritising safety through training and other recurring activities.

engcon has prepared a sustainability report in accordance with the Swedish Annual Accounts Act on pages 109-124.

### Intellectual key resources

The company's value creation is largely dependent on intellectual key resources. Our business model is based on a combination of the following non-physical assets:

**Brands, patents and market position:** a strong and renowned brand in the tiltrotator industry that has established strong customer relationships with end customers and dealers, which is a fundamental prerequisite for our revenue generation, competitiveness and value creation.

**Human capital and expertise:** our employees' specialist knowledge in the excavator industry is crucial for our capacity to be innovative and deliver quality. We continually invest in skills development to retain our market-leading position.

**Innovation, technology and software:** our proprietary tiltrotator and control system constitutes the core of our operations. Development costs are managed in accordance with prevailing accounting policies. For more information, refer to the Research and development – innovations section on page 43 and to Note 2 Accounting policies.

### Share capital and shareholders

The company's share is listed on Nasdaq OMX Stockholm. Share capital amounts to SEK 21,347,599 (21,250,320), distributed among 35,344,778 Class A shares (35,344,778) and 117,138,049 Class B shares (116,443,222). The shares have a quotient value of SEK 0.14 per share. Each Class A share represents ten votes and each Class B share one vote. On 31 December, there were 9,090 (7,179) shareholders in the company. The company's largest shareholder on 31 December 2025 was the company's founder, Stig Engström, through the company Ommapo förvaltning AB, which controlled 35.3 per cent (35.4) of the capital and 67.0 per cent (67.1) of the votes. The second largest shareholder was Monica Engström, through the company Monen Group AB, which controlled 31.8 per cent (32.0) of the capital and 22.4 per cent (22.4) of the votes. Following these, Capital Group, the First Swedish National Pension Fund, the Second Swedish National Pension Fund, C WorldWide Asset Management, Handelsbanken Fonder, Premier Miton Investors, ODIN Fonder and Carnegie Fonder were engcon's largest shareholders.

On 15 May, the Board of Directors resolved on the acquisition of own Class B shares with the support of the authorisation granted by the Annual General Meeting on 15 May. 119,000 Class B shares at a value of SEK 11.5 million were acquired on 10 June 2025 with a quotient value of SEK 0.14 per share. As of 31 December 2025, engcon holds 119,000 Class B shares at a value of SEK 11.5 million. For more information, refer to Note 24, page 87. For more information on the decisions of the Annual General Meeting, see the corporate governance report on pages 53-64.

### Dividend

The dividend to shareholders is to amount to approximately 50 per cent of net profit. A dividend of SEK 1.00 (1.00) per share is proposed for the financial year, which corresponds to a dividend of about 68 per cent (66) of net profit. For more information, see appropriation of profits and dividend on page 44 and page 104.

### Parent Company

The Parent Company is domiciled in Strömsund, Sweden, and its primary operations consist of Group-wide functions. The Parent Company's net sales amounted to SEK 34 million (59). Operating loss amounted to SEK -50 million (-64), and profit for the year was SEK 181 million (170). During the year, the Parent Company received a dividend of SEK 56 million (59). Earnings for the year were negatively impacted by currency effects. During the year, the Parent Company acquired shares in subsidiaries for SEK 125 million. For more information, see the "Significant events during the year" section.

### Research and development – innovations

engcon has a high level of ambition in terms of sustainability. Increasing safety and reducing environmental impact are important when developing new products. Innovation has been a central aspect of our work since engcon was founded. Product development is conducted centrally next to our factory in Strömsund. The company works continually to further improve its products, and increasing safety, reducing the climate footprint and retaining product value are central aspects of this. engcon develops products, new tools and systems that automate work tasks and assist the operator to work in a safe way. At the same time, engcon provides for the future of sustainable excavators by developing new, smart and low-energy systems that streamline work and enhance excavator efficiency. As part of this work, the company strives to design and build products that retain their value and can be used by end customers over a long period thanks to product architecture that simplifies service and repair.

The third generation tiltrotator system is equipped with technology that has never been used on tiltrotators and that takes a clear step towards the electrified, connected and autonomous excavators of the future. The third generation's load-sensing technology leads to reduced fuel consumption, improved precision, less wear and tear, and lower maintenance costs. The reduced energy need simplifies the use of alternative fuels for excavators, such as electricity and hybrid solutions. With help from a new sensor technology, the newly developed control system can precisely calculate the tilt and rotation of the tiltrotator, which means improved user-friendliness and greater potential for autonomous operations. Furthermore, the newly developed control system enables a more efficient remote connection, thereby improving remote support as well as the ability to remotely configure equipment.

Costs for research are carried as an expense in the period in which they arise. An internally generated intangible asset that arises through development, or in the development phase of an internal project, is included as an asset in the statement of financial position only if engcon can demonstrate that all of the conditions of the regulations have been met: For more information, see Note 2, page 73 and Note 16, page 82.

### Guidelines for remuneration to senior executives

The CEO is entitled to annual fixed salary and pension benefits in accordance with engcon's pension policy applicable at any time. The employment agreement of the CEO stipulates a notice period of 12 months when notice is given by the company and a notice period of six months when notice is given by the CEO. For other senior executives, employment is subject to a mutual

notice of termination of three to six months. For more information, refer to Note 7 on pages 78-80. The guidelines for remuneration to senior executives are updated every four years. The Board of Directors will propose for the guidelines to remain unchanged at the 2026 Annual General Meeting.

### Incentive programme

In 2021, the Board resolved to introduce a long-term incentive programme in the form of a warrant programme for employees in the engcon Group. The purpose of the program is to encourage broad-based share ownership amongst the company's employees, facilitate recruitment, maintain competent employees, increase the alignment of interests between the employees and the company's shareholders and increase motivation to reach or exceed the company's financial targets. 189 (196) engcon employees are participating in the warrant programme. For more information, refer to Note 37 on page 92.

On 15 May 2025, the Annual General Meeting resolved to implement a new long-term incentive programme (LTIP 2025) in the form of a share-based programme for the CEO of the company, the other members of the Group management and certain other key persons in the engcon Group. The aim of the programme is to link the interest of participants with the interests of shareholders to promote long-term value creation. The programme is also expected to make it easier for the company to recruit and retain key personnel. To ensure the allocation of Class B shares under LTIP 2025, the Board of Directors resolved on 15 May to acquire own Class B shares and transfer own shares with the support of the authorisation granted by the Annual General Meeting on 15 May to enable allocation of Class B shares to the participants of the programme, provided the outcome is positive. The maximum number of share rights that can be granted to participants within the framework of LTIP 2025 is 119,000, which were acquired on 10 June 2025 to secure the allocation of shares. As of 31 December 2025, 22 (0) engcon employees are participating in the programme. For more information, refer to Note 37 on page 92.

### Outlook

engcon does not present any financial forecasts for its future performance. Operations in 2026 will be conducted with the same directional focus as previously.

### Events after the end of the year

engcon's new DC3 control system was made compatible with Caterpillar's wheeled excavators.

On 1 January, the bank overdraft facility was expanded by SEK 50 million at unchanged terms.

No other material events have taken place after the balance sheet date.

## Proposed appropriation of profits

### At the disposal of the Annual General Meeting:

<b>SEK</b>	<b>2025</b>
Share premium reserve	130,140,518
Retained earnings	497,993
Profit for the year	181,199,239
<b>Total</b>	<b>311,837,751</b>
The Board of Directors proposes that the following be distributed to shareholders:	
-Shareholders (SEK 1.00 per share)	152,482,827
The Board of Directors proposes that the following be carried forward	159,354,924
<b>Total</b>	<b>311,837,751</b>

The Board of Directors of engcon AB proposes that the Group's earnings and balance sheets will be presented to the Annual General Meeting for adoption on 5 May 2026. The Board of Directors proposes a dividend of SEK 1.00 (1.00) per share, distributed on two occasions (SEK 0.50 and SEK 0.50 per share respectively) with the record dates of 7 May and 5 October 2026. The payment dates are proposed to be 12 May and 8 October 2026, respectively.

The proposed dividend is justifiable in view of the requirements that the nature, scope and risks of the operations place on the amount of equity and the company's liquidity and general financial position. The dividend will not impact the company's ability to fulfil its current and long-term obligations or to implement necessary investments. Moreover, the Board believes that the company's financial position, in light of the proposed dividends, is satisfactory for creditors. Furthermore, the Board does not see any other circumstances that would prevent the dividend from being paid in accordance with the Board's proposal.

# Risks and risk management

All business activities are associated with risks that could impact operations, earnings and financial position. engcon conducts a collective risk assessment annually in which risks are identified and graded based on probability and impact. The aim is to identify and prevent risks with action plans to limit negative impact on operations and to enable profitable growth. The risks are grouped based on strategic, business-related and financial risks, which includes sustainability-related risks. The risks that engcon has identified as most material to operations are described below together with measures to mitigate risks.

Risk	Description	Controls
<b>Strategic risks</b>	Strategic risks can impact our ability to implement our business strategies, reach our long-term targets and create value for our stakeholders. Strategic risks include both external and internal factors. These risks are identified and managed by the Board and Group management and are generally addressed at Board meetings.	
<b>Market conditions and competition</b>	<p>engcon's products and solutions are used globally by companies that offer digging services to industries impacted by general economic conditions, such as the construction industry. This could impact demand from engcon's customers that primarily consist of dealers.</p> <p>Even if engcon's products and solutions are currently market leading, the competitive landscape could change in the form of more stringent requirements for certain products and for a sustainable offering.</p> <p>The current environment with uncertainty connected to political turmoil, increased protectionism, armed conflicts and the economic situation could impact demand for our products.</p>	<p>Flexible manufacturing in which a large proportion of the components that are used in assembly of our products are purchased from sub-suppliers.</p> <p>Increased focus on product development to broaden the existing product portfolio and meet customer demand for digital solutions, electrification and services.</p> <p>Focus on global expansion to developed and stable countries to minimise geopolitical risk and reduce dependency on one market/region.</p> <p>Competitors and market development are carefully monitored.</p> <p>The current environment, with uncertainty connected to geopolitical turmoil, increased protectionism, armed conflicts and the economic situation with increased inflation and interest rates, has provided us with additional experience when it comes to resilience, flexibility and the ability to manage a temporary downturn and allocate resources based on a change of local conditions.</p>

Risk	Description	Controls
<b>Strategic partnerships with OEMs</b>	engcon strives to be an independent supplier of products and services under its own brand to various original equipment manufacturers (OEMs). If OEMs were to decide to limit the availability of their machines through a closed interface or compatibility only with competing products, there is a risk that customers would not be able to choose engcon's full-range product suite, which could impact the company's sales and earnings.	engcon is conducting joint research and development projects with several OEMs both globally and for specific markets and strives to continually identify different strategic partnerships. These partnerships ensure that the excavators are prepared for engcon's tiltrotator and other attachments. In addition, OEM teams and local sales organisations share information concerning the product development of OEMs to ensure that engcon is up-to-date with the industry's technological developments. The local sales organisation works close to the end customers to market and demonstrate our product suite and to proactively identify needs that improve and develop our products. This is an integrated part of product development and innovation.
<b>External risks</b>	Political, macroeconomic and other events such as armed conflicts could have direct and indirect consequences on our market. Global trends can change the needs and behaviour of our customers.	<p>We are focused on global expansion in developed and stable countries to minimise geopolitical risks and limit dependency of single markets.</p> <p>We efficiently adapt operations in light of new conditions. A strong cash flow allows capital to be invested where needed, and we maintain a close relationship with our customers and dealers, enabling to rapidly identify new behaviour and any change in demand.</p>
<b>Corporate sustainability</b>	Our business model and strategy must be sustainable in the long term for operations to be conducted responsibly. Sustainability aspects are important for ensuring the relevance and competitiveness of our external offering from a recruitment perspective and a financial perspective.	Our business model and business plan, together with our strategy, are routinely followed up by the Board and Group management. Active sustainability efforts in prioritised areas enable us to take responsibility for global and national sustainability targets and work toward science-based climate targets. engcon is also part of the UN Global Compact and works to uphold human rights, labour rights, the environment and anti-corruption. For more information, see the sustainability report, material sustainability-related risk aspects and management and outcomes 2025 on pages 25-37 and sustainability notes of pages 109-124.

Risk	Description	Controls
<b>Environment and climate</b>	<p>Climate change entails a risk of changes in regulations, taxes and prices for resources, pollution and access to natural resources such as energy, water and raw materials. Increased requirements and demand regarding circular solutions for energy, water and raw materials are expected to reshape market conditions and create competitive situations.</p> <p>Companies that fail to reduce their environmental impact and do not embrace the concept of circularity may be negatively impacted by higher costs, reduced delivery capacity and loss of confidence among customers and investors. A lack of compliance with environmental regulations may lead to fines.</p>	<p>Science-based climate targets and strategies for increased circularity are important aspects of engcon’s sustainability strategy. By actively evaluating engcon’s climate risks, monitoring our emissions in accordance with applicable frameworks and continually completing risk assessments and maintaining clear environmental targets, proactive initiatives can be carried out to minimise our impact. For more information, see the sustainability report, material sustainability-related risk aspects and management and outcomes 2025 on pages 25-37 and sustainability notes of pages 109-124.</p>
<b>Operational risks</b>		
<p>Operational risks include risks that could have a direct negative impact on earnings and the financial position, and on our business in both the short and long term. These risks are continually identified and managed by the Board and Group management.</p>		
<b>Product development</b>	<p>An inability to develop, launch and market new products in response to customer requirements for productivity, safety and sustainability. Product development is also impacted by legislation in regard to issues involving emissions, noise, vibration, safety and recycling.</p> <p>The rapid technological development of AI adaptation and adapting to electrical and hybrid machines may increase the risk of existing products and solutions from engcon being replaced by alternatives from competitors.</p> <p>The risk that our competitors or engcon infringes on existing patents.</p>	<p>engcon continually invests in research and development to produce products in line with the needs and demands of end customers, even during periods of low business activity. Research and development projects are permeated by our sustainability strategy and must contribute to increased safety, reduced climate impact and increased product value.</p> <p>In order to remain at the forefront, engcon is monitoring the rapid technological developments in AI, electrification and hybrid excavators to avoid our products becoming obsolete. engcon is developing internal competence within these technologies to enable new products, such as the third generation tiltrotator, to be compatible with electric and autonomous excavators.</p> <p>Product design with a lifecycle perspective and recycling potential is applied to tiltrotators in accordance with relevant legislation. This takes place as part of an active process for developing and safeguarding our intangible assets and to ensure that no patent infringement occurs in conjunction with product development.</p>

Risk	Description	Controls
<b>Production and supply chain</b>	<p>Unforeseen serious occurrences or disruptions that impact the company's production or supply chain, caused by, for example, machine breakdowns, lack of components or raw materials, access to transportation, IT systems, weather conditions, geopolitical environment factors, fires or pandemics.</p> <p>The inability to deliver products or services in time to customers or other stakeholders, which could lead to a weaker financial performance or negative financial impact as a result of breaches of contract that could lead to claims for compensation from customers.</p>	<p>The Group has crisis management guidelines and a business continuity plan in place. The Group continuously plans for various risk scenarios for engcon's production units, supply chain weaknesses and dependencies on IT systems. An expanded network of subcontractors to minimise supplier dependence and ensure that this network can handle changes in volume. We also strive to optimise our own inventory in terms of production and tied-up capital. In order to be prepared, global risks such as geopolitical risks, environmental risks and market-related risks are continuously monitored.</p>
<b>Employees</b>	<p>Inability to attract and retain key competence and expertise to ensure innovation and high quality in product development and operations.</p>	<p>Continual analysis of competence and requirements to ensure access to people with the requisite expertise.</p> <p>Employee surveys are conducted continually for the entire Group.</p> <p>Market-based salaries are linked to commercial targets and priorities. engcon strives to maintain healthy relationships with trade unions, and collaborates with local schools and universities.</p> <p>Great value is also placed on preserving and further developing our strong corporate culture which, together with clear communication, promotes commitment, job satisfaction and rapid adjustment to new conditions.</p>
<b>Reputation and product liability</b>	<p>engcon's reputation, brand and business performance could be impacted by factors including customers losing confidence in the products and services supplied. This could be a result of quality flaws or a deterioration in delivery capacity and availability from both engcon and dealers.</p> <p>engcon is exposed to product liability and warranty claims should the company's products be defective or cause injury to a person or property. If a product is defective, the company is responsible in most cases to take measures or replace the defective products.</p> <p>engcon is also exposed to the risk of non-compliance by the company or any of its business partners with ethical, social, product, work, health, safety or environmental-related standards.</p>	<p>All products are carefully tested and quality assured. Clear processes and procedures for how complaints are to be managed are implemented, both internally and via dealers and other partners.</p> <p>engcon has a clear set of values that all employees are expected to act in accordance with. All employees are also expected to comply with the Code of Conduct, and all new employees must familiarise themselves with the Code of Conduct as part of their onboarding training.</p>

Risk	Description	Controls
<b>Information security</b>	<p>Major IT incidents leading to significant downtime in critical operational IT systems or services. These may be caused by cyberattacks and even lead to demand for ransoms and a loss of reputation. The inability to delivery products, services or information in time to customers or other stakeholders, which could lead to a decline in earnings or negative financial impact as a result of breaches of contract that could lead to claims for compensation from customers.</p>	<p>engcon works continually on IT security improvements, including a risk review of important business applications and networks to evaluate the resilience of business-critical systems and services. Security projects are continually ongoing with a focus on preventive measures and monitoring of firewalls and servers, as well as scanning of networks and implementation of penetration tests, which identify vulnerabilities that can be addressed by initiating preventive initiatives and activities to ensure stable and reliable IT infrastructure.</p> <p>engcon uses ISO 27002 controls to improve IT and information security.</p>
<b>Business ethics</b>	<p>All transactions and agreements should be entered into without the presence of any ethical ambiguity, such as threats, bribes or other unreasonable or unsound demands. Corruption must not occur. Even if clear guidelines and policies have been adopted and accepted by employees and suppliers, there is the risk that decisions are made that are in conflict with this.</p>	<p>We manage the risk of inappropriate actions by both employees and suppliers by setting clear conditions and routinely monitoring compliance with our guidelines and policies. Our employees receive regular training in our Code of Conduct.</p>
<b>Legislation and administration</b>	<p>The business is exposed to amendments to laws and regulations in various areas and countries. Obvious risks include errors and deficiencies in documentation and agreements. Insufficient and inappropriate procedures, a lack of proper reporting or checks, human error, skills shortages and unclear delegation of responsibilities comprise risks that could prevent operations from being run efficiently.</p>	<p>Amendments to, and forthcoming, legislation and regulations are continuously monitored. In the event of insufficient internal expertise, external expertise is called upon within specific areas. Clear procedures, guidelines and processes are established to counteract errors and deficiencies. These are evaluated and updated continually.</p>

Risk	Description	Controls
<b>Financial risks</b>	Financial risk management is crucial for long-term value creation and financial performance. Financial risks are regulated by the financial policy and any risks are identified and managed by the Board and Group management.	
<b>Group financing</b>	The Group's primary indebtedness is comprised of loans from credit institutions. The level of indebtedness could have consequences for engcon's operations and for investments, working capital and dividends. The company's ability to manage its indebtedness is dependent on future earnings, which in turn are impacted by the prevailing economic climate and financial, commercial, regulatory and other factors.	<p>The Group manages its capital to ensure that all units can continue to pursue operations and that shareholder returns are maximised by optimising the capital structure. The target is to maintain a balanced and flexible capital structure and to provide shareholders with a long-term, stable dividend. The Group manages short-term liquidity risk with a reserve that consists of unutilised facilities, cash and cash equivalents and short-term assets. The long-term liquidity risk is managed through continual forecasts and follow ups and by matching maturity profiles for financial assets and liabilities. The Group maintains close collaboration with a number of major Nordic commercial banks.</p> <p>For more information about market risks, foreign currency exchange risks, interest-rate risks, credit risks and capital risks, refer to Note 36.</p>
<b>Foreign currency exchange risks</b>	<p>engcon is exposed to foreign currency exchange risks in two areas: transaction exposure and translation exposure. Transaction exposure is the result of purchases and sales of goods and services taking place in currencies other than the company's own currency. The Group's manufacturing is located in Sweden and Poland, while about 75 per cent of sales takes place outside of these countries. The Group is therefore exposed to transaction exposure primarily related to currency fluctuations between SEK and PLN in relation to currencies in the selling companies, the majority of which are in countries using EUR. The Group is also impacted by currency fluctuations through the translation of income statements and balance sheets to the company's reporting currency of SEK.</p>	<p>The Group hedges its transaction flows periodically by using forward contracts. Otherwise, the Group looks to adapt its pricing to customers in local markets to changes in purchasing prices from companies in Sweden and Poland to the greatest extent possible. Translation risks are not hedged.</p> <p>For more information about foreign currency exchange risk, refer to Note 36.</p>

# The share and shareholders

**engcon's Class B share was listed on the Mid Cap segment of Nasdaq Stockholm on 17 June 2022 at an opening price of SEK 46. In January 2025, engcon moved to Nasdaq Stockholm's Large Cap segment.**

engcon has two share classes: Class A shares and Class B shares, of which the Class B share is traded on Nasdaq Stockholm. Each Class A share represents ten votes and each Class B share one vote. The share capital amounted to SEK 21,347,599 (21,250,320) on 31 December 2025, distributed among 35,344,778 Class A shares and 117,138,049 Class B shares. During the year, a directed new issue was completed of 694,827 Class B shares and 694,827 votes as resolved by the Annual General Meeting. The quotient value is SEK 0.14 per share. During the year, 36.8 million Class B shares were traded on Nasdaq Stockholm.

## Share performance and market capitalisation

At the end of the year, the share price was SEK 83.20 per share, a decrease of 20.5 per cent during the year. This can be compared with Nasdaq OMX Stockholm PI, which rose 9.5 per cent during the same period. The market capitalisation was SEK 12,687 million on 30 December.

## Shareholders

The number of shareholders at the end of the year amounted to 9,090. The company's largest shareholder, the company's founder, Stig Engström, through the company Ommapo Förvaltning AB, controlled 35.3 per cent of the capital and 67.0 per cent of the votes. The second largest shareholder was Monica Engström, through the company Monen Group AB, which controlled 31.8 per cent of the capital and 22.4 per cent of the votes. No other shareholder holds, directly or indirectly, more than 10 per cent of the shares in engcon (votes and capital). Following these, Capital Group, the First Swedish Pension Fund, the Second Swedish National Pension Fund, C WorldWide Asset Management, Premier Miton Investors, Handelsbanken Fonder, ODIN Fonder and Carnegie Fonder were engcon's largest shareholders.

➔ Read more about the share and share capital trend at [www.engcongroup.com](http://www.engcongroup.com).

## Incentive programme

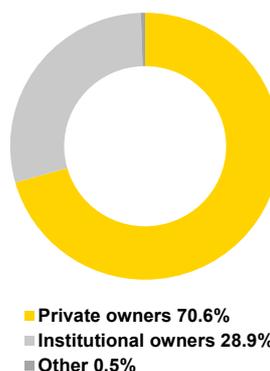
At the beginning of 2025, engcon had one active long-term share-based incentive programme that comprised a total of 189 individuals (196) at the end of the year and a newly approved incentive programme (LTIP 2025) that comprised a total of 22 individuals (0). Read more on page 92, Note 37.

## Dividend and dividend policy

engcon's dividend policy is to distribute approximately 50 per cent of net profit. The dividend proposal will consider engcon's long-term development potential, financial position and investment needs. For the 2025 financial year, the Board of Directors proposes a dividend of SEK 1.00 per share (1.00), distributed evenly on two disbursement occasions. The record date for the right to the first dividend payment is proposed to be 7 May, and for the second dividend payment, the record date is proposed to be 5 October 2026. Provided that the Annual General Meeting resolves in accordance with the dividend proposal, the payments will take place on 12 May 2026 and 8 October 2026, respectively.

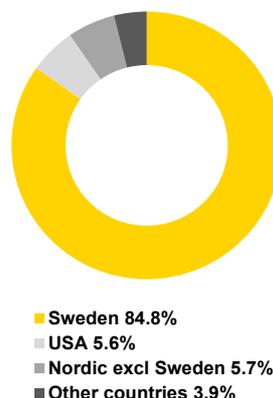
## Shareholders by type 31 Dec 2025

Proportion of capital



## Shareholders by country 31 Dec 2025

Proportion of capital

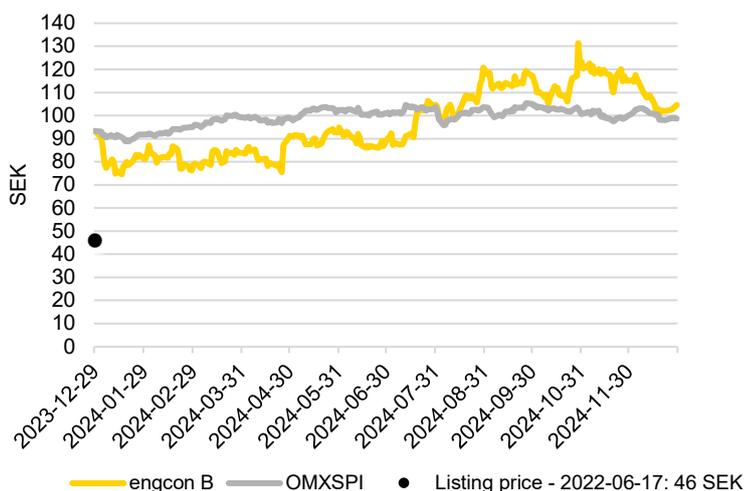


### Largest shareholders, 31 December 2025

Owner	Class A shares	Class B shares	Capital, %	Votes, %
Stig Engström	29,037,204	24,735,396	35.3	67.0
Monica Engström	6,307,574	42,212,226	31.8	22.4
Capital Group		5,705,298	3.8	1.2
First Swedish National Pension Fund		4,963,357	3.3	1.1
Second Swedish National Pension Fund		3,631,614	2.4	0.8
C WorldWide		3,236,806	2.1	0.7
Handelsbanken Fonder		2,676,687	1.8	0.6
Premier Miton Investors		2,556,038	1.7	0.5
ODIN Fonder		2,400,000	1.6	0.5
Carnegie Fonder		1,711,580	1.1	0.4
<b>Total ten largest</b>	<b>35,344,778</b>	<b>93,829,002</b>	<b>84.7</b>	<b>95.0</b>
Other		23,309,047	15.3	5.0
<b>Total number of shares</b>	<b>35,344,778</b>	<b>117,138,049</b>	<b>100</b>	<b>100</b>

\*The list of owners deviates from the list reported in the Year-end Report as a result of irregular and delayed reporting of the holdings of foreign owners.

### Share price development 2025



#### Quick facts

Trading venue: Nasdaq Stockholm  
 Segment: Large Cap  
 Sector: Industry  
 Share class: Class B share  
 Ticker: ENGCON B  
 ISIN code: SE0017769847  
 Total listed shares: 117,138,049  
 Market cap. 31 Dec 2025: SEK 12.7 billion

### Five reasons to invest in engcon

**1**

**Global market leader** in a rapidly growing niche supported by the transformation of the construction industry

**2**

**Industry-leading innovator** through strategic partnerships with OEMs and close relationships with end customers.

**3**

**End-customer centric go-to-market strategy** with global sales network.

**4**

Long track-record of **high, profitable and capital-efficient growth.**

**5**

**Clear strategy for continued value-creating growth globally.**



# Corporate governance report

**Corporate governance refers to the rules and regulations and the structure that exists to effectively and in a controlled manner govern and lead operations in a limited liability company. The ultimate purpose of corporate governance is to satisfy shareholders’ return requirements and to provide all stakeholders with adequate and accurate information about the company and its development.**

## Rules and regulations

engcon AB is a Swedish public limited liability company whose shares are listed on Nasdaq OMX Stockholm. The governance of engcon is based on both internal and external rules and regulations. These are listed below. engcon is subject to the Swedish Corporate Governance Code (the Code). It is the opinion of the Board that engcon in all respects complied with the Code in 2025 and has no deviations to report. The company has not

been subject to any decision of the Nasdaq Stockholm disciplinary board or any statement by the Swedish Securities Council. During the year, the company was subject to review by the Council for Swedish Financial Reporting Supervision, without comment.

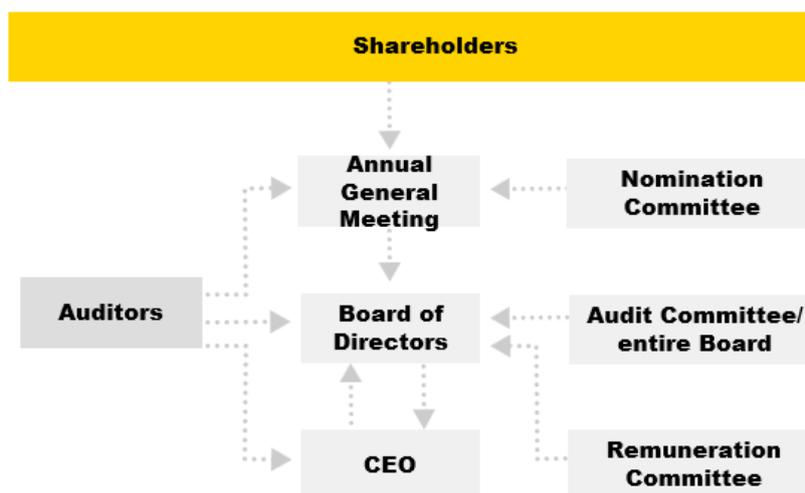
### External rules and regulations

- Swedish Companies Act
- Swedish Annual Accounts Act and IFRS
- Nasdaq OMX Stockholm Rule Book for Issuers
- Swedish Corporate Governance Code
- Other relevant Swedish and foreign laws, rules and regulations

### Internal rules and regulations

- Articles of Association
- Instructions and formal work plan for the Board and CEO, respectively
- The company’s Code of Conduct
- Internal guidelines, policies, handbooks and manuals

## Corporate governance in engcon



## Annual General Meeting

engcon’s highest decision-making body is the Annual General Meeting which, together with any extraordinary general meetings, offers shareholders an opportunity to govern through their right of decision.

The Annual General Meeting decides on:

- Adoption of annual accounts and appropriation of the company’s profit or loss.
- The granting of discharge from liability for the members of the Board and the CEO.
- Election of the Board members and auditors.
- Fees to Board members and auditors.
- Principles for the Nomination Committee’s composition.
- Guidelines for remuneration to senior executives.
- Approval of the Board’s annual remuneration report.
- Other issues that, in accordance with law or the company’s Articles of Association, are to be decided by the Annual General Meeting.

## Articles of Association

In accordance with the Articles of Association, engcon is a public limited liability company with its registered office in Strömsund Municipality. The object of the company’s operations is to, directly or indirectly through other wholly or partly owned companies, conduct development, production and/or sale of equipment and services to the construction industry and other related activities. The Board is elected each year at the Annual General Meeting and shall consist of at least three and at most ten members without deputies. The share capital shall amount to not less than SEK 21,250,000 and not more than SEK 85,001,000. The number of shares shall amount to not less than 151,788,000 and not more than 607,152,000. Shares are issued in two classes designated as Class A shares and Class B shares. The number of votes for each Class A share shall be ten (10), and for each Class B share shall be one (1).

The Articles of Association are available in their entirety at [www.engcongroup.com](http://www.engcongroup.com).

## Share capital and shareholders

At year-end, engcon had 9,090 (7,179) shareholders who held a total of 152,482,827 (151,788,000) shares. During the year, a directed new issue was completed of 694,827 Class B shares and 694,827 votes as resolved by the Annual General Meeting. The share has a quotient value of SEK 0.14. The proportion of foreign shareholders as of 31 December 2025 amounted to 15.2 per cent (14.5) of the capital. The company's two largest shareholders on 31 December 2025 were Stig Engström, through the company Ommafo förvaltning AB, with 67.0 per cent of the votes and 35.3 per cent of the capital and Monica Engström, through the company Monen Group AB, with 22.4 per cent of the votes and 31.8 per cent of the capital. Following these, Capital Group, the First Swedish National Pension Fund, the Second Swedish National Pension Fund, C WorldWide Asset Management, Premier Miton Investors, Handelsbanken Fonder, ODIN Fonder and Carnegie Fonder were engcon's largest shareholders. The company's ten largest shareholders held a total of 95.1 per cent of the votes and 85.0 per cent of the capital.

## 2025 Annual General Meeting

The 2025 Annual General Meeting was held on 15 May 2025 in Strömsund. 86 shareholders were represented at the meeting. The number of shares represented was 107,367,833, corresponding to 70 per cent of the total number of shares and 90 per cent per cent of the votes. The Annual General Meeting decided on:

- The adoption of the annual accounts and auditor's report as well as the consolidated financial statements and auditor's report on the consolidated financial statements and also to discharge the Board members and the CEO from liability for their management for the 2024 financial year.
- The election of Annika Bärems, Monica Engström, Stig Engström, Peter Hofvenstam and Anna Stålenbring as Board members for the period until the next Annual General Meeting.
- Annika Bärems was elected Chair of the Board.
- The adoption of dividends to shareholders in accordance with the Board's proposal. The record dates were set at 19 May and 13 October 2025, respectively.
- The election of Deloitte AB as auditor, with Jonas Ståhlberg as auditor-in-charge.
- The adoption of remuneration of the Board and fees to auditors, and adoption of the Board's proposal for guidelines and principles of remuneration and other employment conditions for the company's senior executives.
- The authorisation of the Board to resolve on a new issue of Class B shares in accordance with the Board's proposal.
- Resolution on the introduction of a long-term share-based incentive programme and the authorisation of the Board of Directors to resolve on the acquisition of own shares and resolution on transfer of own shares or share-swap agreements with third parties.
- Resolution of new issue of Class B shares as compensation to minority owners in foreign subsidiaries.

## Nomination Committee

In accordance with the instructions approved by the Annual General Meeting, the Nomination Committee shall be appointed each year in September and comprise at least three and not more than five members. Members are appointed by the three largest shareholders in the company in terms of voting rights as of 31 August each year. If any of the three largest shareholders in terms of voting rights does not exercise its right to appoint a member, the right to appoint such member is transferred to the next largest shareholder in terms of voting rights who does not already have the right to appoint a member of the Nomination Committee. The company's Chair of the Board is to be a co-opted member. The Chair of the Nomination Committee shall be the member representing the largest shareholder in terms of voting rights, unless the members decide otherwise. If during the Nomination Committee's period in office, one or more of the shareholders who have appointed members should cease to be among the three largest shareholders, the members appointed by these shareholders are to make their places available to the shareholder/shareholders who has/have instead become one of three largest shareholders. If a member of the Nomination Committee steps down during the course of the year, they are to be replaced by another representative from the same shareholder.

### The Nomination Committee's assignment

Ahead of the 2025 Annual General Meeting, the Nomination Committee submitted proposals for resolution regarding the Chair of the Meeting, Board of Directors, Chair of the Board, auditors, and Board and auditor fees.

Ahead of the 2026 Annual General Meeting, the Nomination Committee held four minuted meetings where all matters were addressed as stated in the Code and the Nomination Committee instruction. The Nomination Committee has applied Rule 4.1 of the Code as its diversity policy when preparing its proposal. The aim of the policy is to ensure that the Nomination Committee's proposal will result in engcon's Board of Directors having an appropriate composition with a satisfactory level of diversity and breadth in terms of the gender, competence, age, experience and background of its members.

The policy is considered to be fulfilled. Matters discussed and considered by the Nomination Committee include:

- The degree to which the current Board, as a group and individually, meets the demands that will be placed on the Board as a result of engcon's operations and phase of development.
- The size of the Board.
- The areas of competence that are and should be present on the Board.
- The composition of the Board in terms of experience, gender and background.
- Fees to Board members and remuneration for work on Board committees.
- The proposal for the appointment and remuneration of auditors.
- The model that should be applied when appointing a Nomination Committee ahead of the 2027 Annual General Meeting.

The proposals to be presented to the 2026 Annual General Meeting are:

- Meeting Chair
- Board of Directors
- Chair of the Board
- Board fees subdivided between the Chair and other members of the Board as well as fees for committee work
- Auditors
- Fees for the company's auditors

#### The Nomination Committee's composition

In accordance with the Nomination Committee's instruction, engcon's Nomination Committee ahead of the 2026 Annual General Meeting comprises: Monica Engström (Monen Group AB), Johan Wadell (Second Swedish National Pension Fund) and Henrik Söderberg (C WorldWide Asset Management). The Chair of the Board (Annika Bärems) is a co-opted member of the Nomination Committee. The Nomination Committee's Chair is Johan Wadell. The members represent together approximately 36 per cent of the shares and about 24 per cent of the votes in the company as of 31 August 2025. Shareholders who

wish to submit proposals to the Nomination Committee may do so by e-mail to [valberedning@engcon.com](mailto:valberedning@engcon.com).

## Board of Directors

### Responsibility of the Board and Chair

The Board of Directors consists of at least three and at most ten members without deputies. The members are elected each year at the Annual General Meeting for the period until the next Annual General Meeting. The Board of Directors, which represents all shareholders, has the overall responsibility for the organisation and administration of the company. The responsibility includes developing and monitoring the company's strategies and goals, regularly following up the company's performance and financial position and establishing business plans and annual accounts. The Board also has the task of ensuring that there is satisfactory control of the company's compliance with laws and regulations, and of appointing the CEO, adopting the instructions for the CEO and monitoring the day-to-day management of the company. Decisions on major investments and remuneration of Group management are further areas of responsibility. The Chair is responsible for ensuring that the Board executes its assignment in a well-organised and efficient manner.

### The Board of Directors' remuneration and attendance 2025

Name	Born	Elected	Dependent/ Independent	Board meetings	Remuneration Committee	Audit tee	Commit-Fees, SEK 000s
Annika Bärems	1964	2022	Independent	11/11	5/5	5/5	645
Anna Stålenbring	1961	2022	Independent	11/11	-	5/5	385
Peter Hofvenstam	1965	2024	Independent	11/11	5/5	-	301
Stig Engström	1963	2003	Dependent	11/11	-	-	274
Monica Engström	1958	2004	Independent	11/11	-	5/5	329

## Work of the Board during the year



The Board follows a written formal work plan that is reviewed annually and adopted by the statutory Board meeting every year. The formal work plan regulates, among other things, the Board's functions and the division of work between Board members and the CEO. During the first Board meeting, the Board also established instructions for financial reporting and instructions for the CEO. The Board meets in accordance with an annual schedule that is determined in advance. In addition to these meetings, additional meetings may be held to address issues that cannot be referred to an ordinary meeting. In addition to the Board, the Chair of the Board and CEO maintain regular dialogue concerning the management of the company. Examples of ordinary matters addressed by the Board during the year include strategy plans, budget, company-wide policies, formal work plan for the Board, capital structure, financing requirements, sustainability work, operating model and organisational matters as well as the process for related party transactions. In addition to ordinary matters, future-oriented issues such as market assessments, focus of business operations, sustainability matters and organisational matters were also addressed. During the year, the Board also focused considerably on the current market situation with high interest rates, global currency fluctuations and increased tariffs and therefore the impact on demand in various markets and the impact of this on the company's strategies and operating activities. During the year, the Board of Directors adapted operations based on prevailing circumstances, including its strategies for purchasing and inventory management, financing and credit provisions.

### Evaluation of the Board's work

In accordance with the company's formal work plan, the Chair ensured that the Board's work was evaluated, and that the Nomination Committee's Chair was informed of the result of this evaluation ahead of the Committee's nomination work.

The evaluation comprises a number of predefined and open questions that each Board member answers individually.

## Audit Committee

The Audit Committee is appointed each year and consists of three members from the Board. During the year, the Audit Committee comprised Anna Stålenbring (Chair), Annika Bäremsö and Monica Engström. The Committee's work is established in the Board's formal work plan. The Audit Committee is responsible for the quality assurance of the company's financial statements and sustainability report and for ensuring the efficiency of the company's internal control and risk management. Part of the assignment is also to remain informed about the audit of the annual accounts, consolidated financial statements and sustainability report. The Audit Committee ensures the auditor's impartiality and independence, evaluates the work performed by the auditors and informs the company's Nomination Committee of the result of this evaluation. The company's auditor attended all meetings during the year to report their observations when reviewing and assessing the company's internal control of the financial reporting. In addition, the Audit Committee assists the Nomination Committee in preparing proposals for auditors and remuneration of these. As part of this, the Committee is to monitor that the auditor's term does not exceed applicable rules, procure the audit and submit an explanatory recommendation pursuant to the procedure stated in Article 16 of the Audit Regulation.

## Remuneration Committee

The Remuneration Committee is appointed each year and consists of two representatives from the Board. Until the Annual General Meeting, the Remuneration Committee comprised Annika Bäremsö (Chair) and Peter Hofvenstam. The

assignment involves, within the framework of the Remuneration Committee's guidelines, such matters as developing proposals concerning remuneration to the CEO. In 2025, the Remuneration Committee held five meetings, which included a discussion around the issue of a long-term incentive programme for senior executives and a review of the guidelines for remuneration to senior executives. For more information, see the Principles for remuneration and Note 7.

## Auditors

The Annual General Meeting appoints one or two auditors with a maximum of two deputies for the audit of the company's Annual and Sustainability Report, continuous reporting as well as its administration by the Board and the CEO. Company management, the Audit Committee and the company's Board of Directors receive regular audit debriefs over the course of the year. On at least one occasion per year, the auditor meets the Board without the presence of the CEO or any other member of Group management. At the 2025 Annual General Meeting, Deloitte AB was elected with Jonas Ståhlberg as auditor-in-charge for the period until the 2026 Annual General Meeting. The auditor's fees are specified in Note 6.

## Group management and the CEO

At the end of 2025, Group management comprised CEO Kristler Blomgren, CFO Marcus Asplund, Head of Development Fredrik Jonsson, Chief Operating Officer Anders Smith, Chief People Officer and Head of Investor Relations Anne Vågström, Chief Communication & Marketing Officer Viktoria Winberg, Regional Nordic Director and e-commerce Manager Patrik Kutto, Regional Director Europe Mark Lisman, Regional Director Asia-Oceania and UK and Global OEM Manager Sam Ryan, and Chief Production and Procurement Officer Jonas Hasselstam. This work is led by the CEO in accordance with applicable instructions that are established annually at the statutory meeting.

The CEO's assignment includes regular presentations of relevant information and decision data at Board meetings and motivating proposals for decision. Each year, the Board evaluates the CEO's work in accordance with instructions and applicable requirement specifications. Group management holds meetings about once per month, when strategic and operative matters are addressed. Moreover, every year Group management draws up a business plan and budget. This is followed up in monthly reports when the review focuses on the earnings trend, sustainability, order intake and growth.

### engcon's business strategy, long-term interests and sustainability

engcon's business concept is to directly or indirectly through other wholly or partly owned companies, conduct development, production and sale of equipment and services to the construction industry. As a global supplier of tiltrotator solutions, engcon strives to create long-term value for end customers, shareholders and society at large. The company wants to contribute to and drive the industry's transition to more sustainable and resource-efficient digging. A prerequisite for the successful implementation of the business strategy and safeguarding of its long-term interests is that the company is able to recruit and retain qualified personnel. The

remuneration of employees must be market-based and competitive and stand in relation to responsibilities and authorities. For more information about the business strategy, see page 10.

### Guidelines for remuneration to senior executives

The guidelines for remuneration to senior executives are applicable to remuneration agreed, and amendments to remuneration already agreed. The guidelines are unchanged for 2025 and were adopted by the 2022 Annual General Meeting. The guidelines for remuneration to senior executives are updated every four years. The Board of Directors will propose for the guidelines to remain unchanged at the 2026 Annual General Meeting. The General Meeting may also resolve on other remuneration, such as share-based remuneration, regardless of the provisions in these guidelines, if particular reasons exist and it is considered necessary to satisfy the company's long-term interests and sustainability or to ensure the company's economic viability. Remuneration and benefits to the CEO must be decided by the company's Board. Variable remuneration to other senior executives is determined by the CEO with the support of the company's Remuneration Committee.

### Decision-making process for establishing, evaluating and applying the guidelines for remuneration for senior executives

The Annual General Meeting's decision on the proposal for guidelines for remuneration to senior executives is prepared by the Remuneration Committee. In accordance with the Companies Act, proposals for guidelines are to be prepared by the Board of Directors at least every fourth year. The proposal is presented for a decision at the Annual General Meeting. Guidelines adopted by the Annual General Meeting apply until new guidelines have been approved by the Meeting. Following preparation on the matter by the Remuneration Committee, the Board is to prepare a proposal for new guidelines when the need arises for substantial changes in the guidelines.

The Remuneration Committee is also tasked with monitoring and evaluating ongoing and concluded programs during the year for variable remuneration for the executive management and applicable remuneration levels and remuneration structures at the company. The Remuneration Committee shall also prepare, within the framework of guidelines adopted by the Annual General Meeting, proposals for remuneration of the CEO. Senior executives do not participate in the Board's processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

### Fixed salary and incentive programmes

In addition to a fixed cash salary, incentive programmes with an option of variable cash remuneration may be offered to the company's senior executives. Fixed cash salary and variable remuneration from the incentive programme must be adopted for each financial year.

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They can also consist of individually adapted quantitative or qualitative targets. The criteria shall be designed to

contribute to engcon's business strategy and long-term interests, including its sustainability. The Board, with support from the Remuneration Committee, is responsible for the evaluation of variable cash remuneration to the CEO. For variable cash remuneration to other senior executives, the CEO is responsible for the evaluation, supported by the Remuneration Committee. The variable remuneration of a senior executive may not exceed 50 per cent of the total annual cash salary.

engcon has an incentive programme introduced in 2021 in the form of a warrant programme for all employees. The purpose of the programme is to encourage broad-based share ownership amongst the company's employees, facilitate recruitment, retain competent employees and increase motivation to reach or exceed the company's financial targets. As of 31 December 2025, 189 employees were participating in the warrant programme. A total of 1,517,880 warrants were issued, of which 1,081,196 were subscribed for as of 31 December. The 2025 Annual General Meeting also resolved to implement a long-term incentive programme (LTIP 2025) for the CEO of the company, the other members of the Group management and certain other key persons in the engcon Group. The aim of the programme is to link the interest of participants with the interests of shareholders to promote long-term value creation. A total of 119,000 share rights can be granted within the framework of LTIP 2025, and as of 31 December, 22 employees were enrolled in the programme. For more information, refer to Note 37.

#### **Non-monetary benefits**

Senior executives, including the CEO, have the right to a company car. In addition to company cars, senior executives receive, as is the case with other employees at the company, benefits of lesser value.

#### **Notice of termination and retirement age**

The notice period between the company and the CEO is 12 months when notice is given by the company and a notice period of six months when notice is given by the CEO. For other senior executives, employment is subject to a mutual notice of termination of three to six months between the employee and the company.

The CEO has the right to insurance and pension benefits. In accordance with the guidelines, the pension shall amount to a maximum of 35 per cent of the fixed annual cash salary. The CEO's variable cash remuneration shall not qualify for pension benefits. The retirement age for the CEO is 67.

During employment at the company, other executives have to the right to pension benefits under collective bargaining agreements or the equivalent applicable at any time. The pension shall amount to a maximum of 35 per cent of the fixed annual cash salary. Variable cash remuneration can qualify for pension benefits to the extent provided for in mandatory collective agreement rules or individual employment agreements. The retirement age for other senior executives is in accordance with current regulations.

#### **Consideration of salaries and employment terms and conditions among the company's employees**

The Board considers the salary and employment terms and conditions of the company's employees when preparing proposals for remuneration guidelines by including information amount total employee remuneration, remuneration components and the increase – and rate of increase – in remuneration over time in the decision-making data used by the Remuneration Committee and Board to evaluate the reasonableness of the guidelines and their limitations.

#### **Remuneration in 2025**

The CEO received a fixed remuneration of SEK 3,186 thousand, variable remuneration of SEK 0 thousand, other benefits of SEK 215 thousand and pension provisions of SEK 842 thousand. Other senior executives received total fixed remuneration of SEK 11,725 thousand, variable remuneration of SEK 176 thousand, other benefits of SEK 809 thousand and pension provisions of SEK 3,439 thousand. The other senior executives group, which pertains to Group management, including the CEO, comprised 10 people. For more information, refer to Note 7.

#### **Ahead of the 2026 Annual General Meeting**

Ahead of the 2026 Annual General Meeting, the Board of Directors proposed new guidelines for remuneration to senior executives with unchanged content.

#### **The Board on internal control**

The Board is responsible for ensuring that engcon has effective internal control. Quality assurance is carried out by the Board addressing critical accounting matters, as well as financial statements submitted by the company. Matters addressed include compliance with applicable laws and regulations, material uncertainties in carrying amounts, any misstatements that are not corrected, events after the balance sheet date, changes in estimates and assessments, any confirmed irregularities, and other circumstances that affect the quality of the financial statements. The internal control follows the established Internal Control – Integrated Framework, COSO. The components of the framework are: control environment, risk assessment, control activities, information, and communication and monitoring activities. Matters relating to internal control are prepared by the Audit Committee for onward reporting to the Board.

#### **Control environment**

Efficient Board work is fundamental for good internal control. The Board has therefore adopted a formal work plan with associated work processes to create clear guidelines for the Board's work. The Board is responsible for preparing and approving a number of basic guidelines and frameworks related to the company's financial statements. The company's governing documents include the corporate governance policy, CEO instructions, financial policy and the financial manual. The instructions are followed up and revised on an ongoing basis and communicated to all employees who are involved in financial reporting. All of this aims to create a basis for good internal control. The Board continuously evaluates the performance and result of operating activities through an adapted

reporting package containing the income statement report and developed key performance indicators as well as other material operational and financial information. In its Audit Committee role, it monitors the systems for risk management and internal control during the year. This ensures that operations are effective and conducted in accordance with relevant laws and regulations, and that the financial reporting is reliable. The Audit Committee and Board have studied and evaluated the procedures for accounting and financial reporting and followed up and evaluated the work, qualifications and independence of the external auditors. In 2025, the Audit Committee participated in a review with and received written reports from the company's external auditors.

### **Risk assessment**

engcon continuously and actively works with risk assessment and risk management. This is to ensure that identified risks are managed in an appropriate manner within established frameworks at an early stage. engcon's Group management performs an annual analysis of risks that are assessed on the basis of a given classification. The risk assessment for the financial statements considers procedures relating to, for example, the company's administrative procedures, invoicing and intra-Group profits and cut-off dates related to inventory. Balance sheet and profit/loss items, where there is a risk of material error, are reviewed regularly.

### **Control activities**

In all parts of the accounting and reporting process, control activities are continuous carried out to manage the risks the Board considers material for the internal control of the financial statements. Control activities include reporting decision processes and decision-making procedures for important decisions on, for example, major investments, inventory levels, measurement of receivables, financing agreements and ongoing contracts. Another control activity is the review of financial statements presented. An annual follow up of internal controls is also conducted, which is evaluated by the company's auditors and Audit Committee. An organisation with a clear allocation of responsibilities and clear procedures and work roles forms the basis of the company's control structure.

### **Information and communication**

The company's overriding governing documents, such as guidelines and manuals, are continuously updated and available on the company's intranet. The company has developed its intranet to increase transparency and inclusion through a better structure, search functionality and communication functions. The company's external communication is carried out in accordance with engcon's communication policy, which specifies guidelines to ensure that engcon complies with prevailing information obligations.

### **Follow-up**

The internal control is continuously followed up at subsidiary, regional and Group level. The Board receives an update from the company's auditor of the current situation at least once each year. This takes place without the presence of the CEO or other member of Group management. The Board also ensures the company's auditors conduct a review of the financial statements for the third quarter. An annual evaluation is performed of the need to appoint a separate function for the internal audit. To date, there has been little need for this. engcon's finance operations and its financial administration are centrally managed, which means that procedures and processes are uniform. This also enables different parts of the functions to review each other's processes, all of which increases and improves internal control. The follow-up of earnings and balance sheet items is conducted on a monthly basis, by white-collar personnel, Group management, the Audit Committee and the Board. The Audit Committee and the Board review interim reports and the annual report before publication. The Audit Committee is also kept informed of risk management, internal control and financial statements by the auditors. In addition, a whistleblower service is also available on the company's intranet and external websites. The service is managed by an external party where anonymous reports can be submitted regarding irregular events in operations. The matters are investigated externally by an independent party who subsequently reports to Group management or the Head of HR.

### **Long-term value creation**

The creation of long-term value can only be achieved if operations are run with a sustainability focus. Sustainability work involves environmental consideration, such as reducing resource use and good control of activities, and also social responsibility, by contributing to the development of the markets in which engcon operates. This work also entails ensuring a good work environment for employees. Sustainability initiatives are conducted in cooperation with customers, suppliers and other stakeholders, which is a prerequisite for success. The sustainability report can be found on pages 34-37 and sustainability notes can be found on pages 109-124. Guidelines for how value-creating sustainability work is conducted are presented in the company's sustainability policy and Code of Conduct. The engcon Board is regularly briefed on the progress of this work.

# Board of Directors



## **Annika Bärems**

Born 1964. Chair of the Board and Board member since 2022. Chair of the Remuneration Committee and member of the Audit Committee.

**Education:** Law degree from Uppsala University.

**Other ongoing assignments:** Senior Vice President and General Counsel at Saab AB. Chair of the Board of Teknikforetagens juridikstyrelse. Board member of Saab Dynamics AB.

**Holdings in the Company:** 5,650 shares

Independent in relation to the company and Group management, and independent in relation to major shareholders.



## **Stig Engström**

Born 1963. Board member since 2003.

**Education:** Four-year technical education at Hjalmar Strömerskolan in Strömsund.

**Other ongoing assignments:** Owner and Board member of Ommapo förvaltning AB, Board member of Aktiebolaget Mähler & Söner, Mähler International AB and Drivex AB.

**Holdings in the Company:** 29,037,204 Class A shares and 24,735,396 Class B shares (through a company).

Not independent in relation to the company and Group management, not independent in relation to major shareholders.

## **Chair's comments: "Building for the future together"**

The Board's mission is clear and takes a long-term perspective: to create the best possible conditions for engcon's continued growth, competitiveness and value creation. I reflect on 2025 with both pride and confidence. During the year, we were active in a business environment dominated by uncertainty and – at times – challenging conditions, but also one with significant opportunities. Through clear strategic priorities, strong implementation and a consistent focus on end-customer value, engcon has continued to perform well.

Clear evidence of this is that we increased our global market share to 49 per cent according to the latest market study carried out by Strategy&. This confirms the strength of our business model, our offering and our ability to combine innovation with a local presence in a growing global market. At the same time, we are continuing to invest in the future in terms of product development, capacity, partnerships and organisation in order to consolidate our position as a market leader in an industry undergoing transition.

Our employees are the heart of engcon, and it is their expertise, commitment and responsibility that is ultimately underpins our success. By investing in their development,

leadership and well-being, we build a strong and sustainable organisation that is ready to meet the challenges of the future. In 2026, we will take the next important steps in our efforts to further develop and strengthen our shared values globally. These are the foundation for how we lead, collaborate and make decisions as we continue our international expansion.

I am optimistic about the future. With a clear strategy, a robust financial position, solid relationships with customers and a strong culture, engcon has significant potential to continue to create long-term value while changing the world of digging.

I would like to extend my sincere thanks to the Board, Group management and, in particular, our employees across the world for your commitment and hard work. In conclusion, I would also like to thank our shareholders for your continued confidence, which is crucial for the journey we share ahead of us.

**Annika Bärems**  
**Chair of the Board**



**Monica Engström**

Born 1958. Board member since 2004. Member of the Audit Committee.

**Education:** Secondary school studies in economics and certified board training from StyrelseAkademien.

**Other ongoing assignments:** Chair of the Board of Hotel Nordica i Strömsund AB. Owner and Board member of Monen Group AB and CEO, Chair of the Board and Board member of several of the Group's subsidiaries.

**Holdings in the Company:** 6,307,574 Class A shares and 42,212,226 Class B shares (through a company).

Independent in relation to the company and Group management, not independent in relation to major shareholders.



**Peter Hofvenstam**

Born 1965. Board member since 2024. Member of the Remuneration Committee.

**Education:** M.Sc. in Economics from Stockholm School of Economics.

**Other ongoing assignments:** Senior Advisor in several privately owned companies (unlisted).

**Holdings in the Company: –**

Independent in relation to the company and Group management, and independent in relation to major shareholders.



**Anna Stålenbring**

Born 1961. Board member since 2022. Chair of the Audit Committee.

**Education:** Bachelor of Business Administration from Växjö University, Strategic Finance from IMD Lausanne, Switzerland, and Advanced Management Programme from INSEAD, France.

**Other ongoing assignments:** Owner and Board member of A Advisory AB. Board member of VBG Group AB (publ), Troax Group AB (publ), Lammhults Design Group AB (publ) and Investment Aktiebolaget Chiffonjén. Chair of the Board of Bostadsrättsföreningen Aspholmsparken.

**Holdings in the Company:** 5,650 shares

Independent in relation to the company and Group management, and independent in relation to major shareholders.

# Group management



**Krister Blomgren**  
Born 1967. President and CEO since 2011.

**Education:** Master's degree in Economics from Mid Sweden University in Östersund.

**Other ongoing assignments:**  
Assignments as Chair of the Board and Board member of several companies within the engcon Group. Owner and Board member of KB24 Consulting i Östersund AB.

**Holdings in the Company:** 970,718 Class B shares (through a company) and 91,000 warrants.



**Marcus Asplund**  
Born 1972. CFO since 2024.

**Education:** M.Sc. in Business and Economics from Mid Sweden University in Sundsvall and Östersund.

**Holdings in the Company:** 6,000 Class B shares.



**Anne Vågström**  
Born 1974. Chief People Officer and Head of Investor Relations since 2021.

**Education:** Master's degree in Sociology from Umeå University.

**Holdings in the Company:** 800 Class B shares and 47,500 warrants.



**Fredrik Jonsson**  
Born 1971. Head of Development since 2007

**Education:** Four-year technical education at Hjalmar Strömerskolan in Strömsund. Officers' College at the Army Technical School and studies at the Military Academy at Karlberg, as well as the Tactical Programme at the Army Technical School.

**Holdings in the Company:** 37,500 warrants.



**Jonas Hasselstam**  
Born 1982. Head of Production and Purchasing since 2025. Formerly Head of Production Sweden since 2023.

**Education:** Bachelor of Science in Energy Engineering from Umeå University.

**Holdings in the Company:** 22,768 warrants.



**Anders Smith**  
Born 1985. Chief Operating Officer since 2025.

**Education:** Bachelor's degree in Financial Management, Master's degree in Industrial Financial Management and Master's degree in Management from the Gothenburg School of Economics.

**Holdings in the Company:** –



**Viktoria Winberg**

Born 1970. Chief Communication & Marketing Officer since 2023.

**Education:** Bachelor's degree in international relations at the University of Gothenburg and bachelor's degree from the Gothenburg School of Journalism.

**Holdings in the Company:** 986 Class B shares.



**Patrik Kutto**

Born 1984. Region Director Nordic region since 2022.

**Education:** Master of Science in Economics and Business at Stockholm School of Economics.

**Holdings in the Company:** 13,880 Class B shares.



**Mark Lisman**

Born 1987. Regional Director Europe since 2023.

**Education:** Bachelor of Economics at University of Utrecht.

**Holdings in the Company:** 15,000 warrants.



**Sam Ryan**

Born 1992. Regional Director Asia-Oceania since 2023. OEM Manager since 2024.

**Education:** Bachelor of Science in Sport and Exercise from the University of Gloucestershire.

**Holdings in the Company:** 6,000 warrants.

# Financial overview



# Consolidated financial statements

## Consolidated income statement

SEK million	Note	2025	2024
Net sales	4, 5	1,889	1,649
Cost of goods sold		-1,090	-923
<b>Gross profit</b>		<b>798</b>	<b>726</b>
Selling costs		-272	-262
Administrative costs	6	-132	-121
Research and development costs		-55	-47
Other operating income and operating expenses	9	-19	0
<b>Operating profit</b>	4, 5, 6, 7, 8, 9, 10, 14	<b>321</b>	<b>295</b>
<b>Profit/loss from financial items</b>			
Financial income	11	7	18
Financial expenses	12	-38	-18
<b>Profit/loss before tax</b>		<b>290</b>	<b>295</b>
Income tax	13	-67	-66
<b>Profit/loss for the year</b>		<b>223</b>	<b>229</b>
<b>Total profit/loss for the year</b>		<b>223</b>	<b>229</b>
<b>Periodens resultat totalt</b>			
Attributable to:			
Parent company shareholders		218	216
Non-controlling interest		5	13
<b>Earnings per share (SEK)</b>			
Basic		1.44	1.42
Diluted		1.43	1.42

# Consolidated statement of comprehensive income

SEK million	Note	2025	2024
<b>Profit/loss for the year</b>		<b>223</b>	<b>229</b>
<b>Other comprehensive income</b>			
<b>Items that may be reversed to profit or loss:</b>			
Exchange-rate differences upon translation of foreign operations	26	-22	9
<b>Total comprehensive income for the year</b>		<b>201</b>	<b>238</b>
Attributable to:			
Parent company shareholders		196	225
Non-controlling interest		5	14

# Consolidated balance sheet

SEK million	Note	31/12/2025	31/12/2024
<b>Assets</b>			
<b>Fixed assets</b>			
Goodwill	15	22	22
Other intangible assets	16	98	87
Right-of-use assets	17	81	79
Property plant and equipment	18	145	146
Other non-current receivables		5	5
Derivates		0	-
Deferred tax receivables	19	11	8
<b>Total non-current assets</b>		<b>363</b>	<b>348</b>
<b>Current assets</b>			
Inventories	20	477	339
Accounts receivable	21	257	227
Current tax assets		15	14
Other receivables	22	33	20
Prepaid expenses and accrued income	23	22	33
Cash and cash equivalents	34	42	132
<b>Total current assets</b>		<b>847</b>	<b>765</b>
<b>Total assets</b>		<b>1,210</b>	<b>1,112</b>
<b>Equity and liabilities</b>			
Share capital	24,37	21	21
Other contributed capital	25	8	6
Translation reserve	26	2	23
Retained earnings including profit for the year	27	654	643
<b>Equity attributable to Parent company shareholders</b>		<b>685</b>	<b>693</b>
Non-controlling interest		23	39
<b>Total equity</b>		<b>708</b>	<b>732</b>
<b>Non-current liabilities</b>			
Borrowings	28	0	0
Deferred tax asset	19	35	25
Lease liabilities	29	61	65
Provisions product warranty	30	8	7
Other provisions	37	1	-
<b>Total non-current liabilities</b>		<b>104</b>	<b>97</b>
<b>Current liabilities</b>			
Trade payables	31	58	83
Current tax liabilities		8	8
Lease liabilities	29	24	23
Borrowings	28	25	33
Overdraft facility	28	151	-
Provisions product warranty	30	27	24
Derivates		0	0
Other liabilities	32	43	37
Accrued expenses and deferred income	33	62	74
<b>Total current liabilities</b>		<b>398</b>	<b>283</b>
<b>Total liabilities</b>		<b>502</b>	<b>380</b>
<b>Total equity and liabilities</b>		<b>1,210</b>	<b>1,112</b>

# Consolidated statement of changes in equity

SEK million	Share capital	Other contributed capital	Translation reserve	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interest	Total equity
<b>Opening balance 1 January 2024</b>	<b>21</b>	<b>6</b>	<b>14</b>	<b>571</b>	<b>612</b>	<b>32</b>	<b>643</b>
Profit/loss for the year	-	-	-	216	216	13	229
Other comprehensive income	-	-	9	-	9	1	9
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>216</b>	<b>225</b>	<b>14</b>	<b>238</b>
<b>Transactions with shareholders:</b>							
Dividends to shareholders	-	-	-	-143	-143	-7	-149
<b>Total transactions with shareholders</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-143</b>	<b>-143</b>	<b>-7</b>	<b>-149</b>
<b>Closing balance 31 December 2024</b>	<b>21</b>	<b>6</b>	<b>23</b>	<b>643</b>	<b>693</b>	<b>39</b>	<b>732</b>

SEK million	Share capital	Other contributed capital	Translation reserve	Retained earnings	Equity attributable to owners of the parent company	Non-controlling interest	Total equity
<b>Opening balance 1 January 2025</b>	<b>21</b>	<b>6</b>	<b>23</b>	<b>643</b>	<b>693</b>	<b>39</b>	<b>732</b>
Profit/loss for the period	-	-	-	219	219	4	223
Other comprehensive income	-	-	-22	-	-22	-	-22
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-22</b>	<b>219</b>	<b>197</b>	<b>4</b>	<b>201</b>
<b>Transactions with shareholders:</b>							
Dividends to shareholders	-	-	-	-152	-152	-1	-153
Transactions with shareholders	-	-	-	-106	-106	-20	-125
Rights issue*	0	-	-	63	63	-	63
Acquisition of own shares*	-	-	-	-12	-12	-	-12
Incentive program	-	2	-	-	2	-	2
<b>Total transactions with shareholders</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>-209</b>	<b>-204</b>	<b>-20</b>	<b>-225</b>
<b>Closing balance 31 December 2025</b>	<b>21</b>	<b>8</b>	<b>2</b>	<b>654</b>	<b>685</b>	<b>23</b>	<b>708</b>

\*For more information concerning changes in non-controlling interests and the new share issue, refer to the "Significant events during the year" section on page 39 and Notes 24-27.

# Consolidated statement of cash flows

SEK million	Note	2025	2024
<b>Operating profit</b>		<b>321</b>	<b>295</b>
Adjustments for non-cash items:			
Amortisation and depreciation		55	48
Provision		5	-1
Translation difference		-22	9
Other adjustments		2	10
Interest received		7	18
Interest paid		-9	-30
Income tax paid		-63	-72
<b>Cash flow from operating activities before changes in working capital</b>		<b>296</b>	<b>277</b>
<b>Changes in working capital</b>			
Decrease/Increase in inventories		-138	-36
Decrease/Increase in trade receivables		-30	-34
Decrease/Increase in other receivables		-2	6
Increase/Decrease in trade payables		-25	1
Increase/Decrease in other liabilities		-6	26
<b>Cash flow from (-used in) operating activities</b>		<b>95</b>	<b>239</b>
<b>Investing activities</b>			
Acquisition of intangible assets		-16	-25
Acquisition of tangible assets		-21	-19
Acquisition of financial assets		-	-2
Sale of financial assets		-	2
<b>Cash flow from (-used in) investing activities</b>		<b>-37</b>	<b>-44</b>
<b>Financing activities</b>			
New borrowing		151	-
Loan repayments		-8	-8
Amortisation of lease liabilities		-35	-19
Dividends to shareholders		-153	-149
Acquisition of own shares		-12	-
Acquisition of non-controlling interests		-63	-
<b>Cash flow from financing activities</b>		<b>-120</b>	<b>-176</b>
<b>Cash flow for (-used in) the year</b>		<b>-62</b>	<b>19</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>132</b>	<b>101</b>
Exchange rate fluctuations in cash and cash equivalents		-28	12
<b>Cash and cash equivalents at the end of year</b>	34	<b>42</b>	<b>132</b>

# Consolidated notes

## Note 1. Other information

engcon AB (publ), Corp. Reg. No. 556647-1727, is a limited company registered in Sweden with its registered office in Strömsund. The address of the head office is Godsgatan 6, SE-833 36 Strömsund.

The primary operations of the company and its subsidiaries (the “Group”) is the design, production and sale of excavator tools. The composition of the Group is presented in the Parent Company’s Note 9.

The financial statements are presented in millions of Swedish kronor (SEK million).

The totals presented in tables and calculations are not always the exact sum of the different parts due to rounding differences. The goal is for each figure to correspond to the source, and therefore rounding differences may occur.

## Note 2. Key accounting policies

### Basis of preparation

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the EU and the interpretations of the IFRS Interpretations Committee (IFRIC). Furthermore, the Group applies the Swedish Annual Accounts Act and the Swedish Financial Reporting Board’s recommendation RFR 1 Supplementary Accounting Rules for Corporate Groups.

The financial statements have been prepared based on cost, except for financial instruments measured at fair value at the end of each reporting period, which is described in more detail in the accounting policies below.

### New and amended standards

No new or amended standards that came into force in 2025 had any material impact on the Group’s financial statements.

### New and amended standards that have not yet come into force

IFRS 18 will replace IAS 1 and will include new requirements for presentation in the statement of financial position and requirements for disclosures on Management-defined performance measures (MPMs). The requirements will also result in a new structure to profit or loss with a different division and grouping of financial information. This will impact the presentation of the statement of financial position as well as notes and disclosure requirements. A project is ongoing to investigate the impact on the presentation of the financial statements. IFRS 18 will be applied from the 2027 financial year and has yet to be adopted by the EU.

Other amendments to standards and interpretations that have not yet come into force have not been applied in advance and are not deemed to have any material impact on engcon’s financial statements.

### Revenue recognition

The Group mainly recognises revenue from the following revenue streams:

Sales of goods are recognised when the control of the goods is passed to the customer, which coincides with the goods being delivered to the customer and engcon has objective proof that the customer has accepted the goods. Revenue is recognised at the amount specified in the contract, minus discounts. There is no financing component in the contracts as the credit period is not expected to exceed one year.

The Group’s obligation to offer a refund for faulty products under the standard warranty terms is recognised as a provision, see Note 33. The parts of a customer contract that do not relate to the sale of goods are made up of installations and services. Revenue from the sale of services such as installations and servicing is recognised during the period in which the services are performed.

Rental income from the leasing of premises is recognised straight-line over the term. All rental income is recognised as other operating income.

Capital gains and losses from the sale of non-current assets are recognised under other operating income or other operating expenses.

### Leases

#### The Group as lessee

The Group assesses whether the agreement is, or contains, a lease when the agreement is concluded. The Group recognises a right-of-use asset with associated lease liabilities for all leases in which the Group is a lessee, except for short-term leases (agreements classified as leases with a lease term of less than 12 months) and low-value leases (such as computers and office equipment). For these leases, the Group recognises the lease payments as a cost straight-line over the lease.

The lease liability is initially valued at the present value of the lease payments that were not paid at the commencement date, discounted using the interest rate implicit in the lease if this interest rate can be readily determined. If this interest rate cannot be readily determined, the Group is to use the lessee’s incremental borrowing rate.

After the commencement date, the lease liability is measured by increasing the carrying amount to reflect the interest on the lease liability using the effective interest method, and by reducing the carrying amount to reflect lease payments paid.

The Group remeasures the lease liability and makes a corresponding adjustment to the right-of-use asset if either:

- The lease term changes or if the assessment of an option to buy the underlying asset changes. In these cases, the lease liability is remeasured using a changed discount rate.

- The lease payments are changed as a result of changes in an index or a rate or if there is a change in the amounts expected to be paid under a residual value guarantee. The lease liability is remeasured using the initial discount rate, unless the lease payments change due to a change in the variable interest rate, in which case a changed discount rate shall be used.
- A change to the lease that is not recognised as a separate lease, in which case the lease liability is remeasured by discounting the changed lease payments with a changed discount rate.

Right-of-use assets include the sum of the initial amount of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct expenses. They are then measured at cost less accumulated depreciation and impairment.

Right-of-use assets are depreciated over the shorter of the lease term and the useful life of the underlying asset. If the lease transfers ownership of the underlying asset to the Group or if the cost of the right-of-use asset reflects that the Group will exercise an option to buy, the attributable right-of-use asset is to be depreciated over the useful life of the underlying asset. Depreciation starts at the commencement date of the lease.

The Group applies IAS 36 to determine whether the right-of-use asset requires impairment and recognises any identified impairment as described in principle for “Property, plant and equipment.”

### Foreign currencies

When preparing the financial statements for the individual companies, transactions in currencies other than the company’s functional currency (foreign currencies) are recognised at the exchange rate at the date of the transaction. Currency effects regarding business-related items are recognised under other operating income and expenses while currency effects regarding financial items are recognised under financial income and expenses. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate on the balance sheet date. Non-monetary items measured at fair value in foreign currencies are translated at the exchange rate on the date when the fair value was calculated. Non-monetary items measured at cost are not translated.

When preparing the consolidated financial statements, the Group’s assets and liabilities in foreign currency are translated at the closing rate on the balance sheet date. Revenue and expenses are translated at the exchange rate on the transaction date, unless the exchange rate varies significantly during the period in which case the average exchange rate for the period is used. If any exchange rate differences arise, they are recognised in other comprehensive income and accumulated in the translation reserve (attributed to non-controlling interests if applicable).

### Pension costs and benefits upon termination of employment

The Group has defined contribution pension plans. Payments to a defined contribution plan are recognised as an expense when the employees have performed the services that entitle them to the contributions.

### Short-term and long-term employee remuneration

A liability is recognised for employee remuneration in respect of salaries, paid annual leave and paid sick leave arising from the employee’s service in the current period at the undiscounted amount of the remuneration expected to be paid in exchange for these services.

Liabilities recognised for short-term remuneration are measured at the undiscounted amount of short-term employee remuneration that the company expects to pay in exchange for these services.

Liabilities recognised for other long-term employee remuneration are measured at present value by estimating the future cash flows expected to be paid by the Group based on the services provided by the employees at the end of the reporting period.

### Tax

The cost of income tax consists of the sum of current tax and deferred tax.

#### Current tax

Current tax is calculated on the taxable profit for the period. Taxable profit differs from recognised profit because it has been adjusted for revenue and expenses that are taxable or deductible in other periods and further excludes items that will never be taxable or deductible. The Group’s current tax liability is calculated at the tax rates enacted or substantively enacted at the end of the reporting period.

#### Deferred tax

Deferred tax is calculated according to the balance sheet method, which means that deferred tax is calculated on differences between carrying amounts of assets and liabilities and corresponding taxable values. Deferred tax liabilities are recognised for substantially all taxable temporary differences, and deferred tax assets are recognised for substantially all deductible temporary differences to the extent that it is probable that the amounts can be utilised against future taxable surpluses. Deferred tax liabilities and tax receivables are not recognised if the temporary differences are attributable to the initial recognition of goodwill or the initial recognition of an asset or liability (which is not a business combination) and at the time of the transaction, neither affects recognised nor taxable profit.

The carrying amount of deferred tax assets is assessed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable surpluses will be available to allow the deferred tax asset to be realised, in whole or in part.

Deferred tax assets and liabilities are reported net when there is a legal right to offset current tax assets against current tax liabilities and they are attributable to income tax charged by the same tax authority and when the Group intends to settle current tax assets and liabilities by a net amount.

### Property, plant and equipment

Land and buildings held for use in the production or delivery of goods or services for renting to others, or for administrative reasons, are reported in the statement of financial position at cost less accumulated depreciation and accumulated impairment.

Land is not depreciated.

Equipment is recognised at cost less accumulated depreciation and accumulated impairment.

#### Depreciation is performed as follows:

Land and buildings	4,0% per year
Machinery	4,0% - 12,5% per year
Equipment	10,0% - 33,0% per year

The estimated useful lives, residual values and depreciation method are evaluated at each end of the reporting period and changes in estimates are recognised prospectively.

A tangible asset is derecognised from the balance sheet upon retirement or disposal or when no future economic benefits are expected to arise from its use. The profit or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in profit or loss.

### Intangible assets acquired separately

Intangible assets with finite useful lives are recognised at cost less accumulated amortisation and accumulated impairment. Amortisation is recognised straight-line over the estimated useful life, which is shown in Note 16. The estimated useful life and the amortisation method are reviewed at the end of each reporting period, and the effect of any changes in estimates and assessments is reported prospectively. Separately identifiable intangible assets with indefinite useful lives are reported at cost less accumulated impairment.

### Internally generated intangible assets – research and development costs

Costs for research are carried as an expense in the period in which they arise. Development costs are recognised in the balance sheet when the criteria are met.

An internally generated intangible asset that arises through development, or in the development phase of an internal project, is included as an asset in the statement of financial position only if a company can demonstrate that all of the following conditions have been met:

- It is technically feasible for the company to complete the intangible asset so that it can be used or sold.
- The company's intention is to complete the intangible asset and use or sell it.
- The company has the conditions to use or sell the intangible asset.

- The company can demonstrate how the intangible asset will generate probable future economic benefits.
- There are adequate technical, economic and other resources to complete the development and to use or sell the intangible asset.
- The company can reliably calculate the costs that are attributable to the intangible asset during its development.

The acquisition value for internally generated intangible assets is the sum of the costs incurred as of the date when the intangible asset first meets the criteria in the points above. If it is not possible to recognise any intangible asset generated internally, then the expenses for development are recognised as an expense in the period in which they arise.

After initial recognition, internally generated intangible assets are stated at cost less accumulated amortisation and accumulated impairment, in the same way as other intangible assets that are acquired separately.

### Derecognition of an intangible asset

An intangible asset is derecognised from the statement of financial position upon retirement or disposal, or when no future economic benefits are expected from the use or retirement/disposal of the asset. The profit or loss that arises when an intangible asset is derecognised from the statement of financial position is calculated as the difference between the net revenue and the carrying amount of the asset, reported in profit or loss when the asset is derecognised.

### Impairment of tangible and intangible assets excluding goodwill

At the end of each reporting period, the Group evaluates the carrying amounts of its tangible and intangible assets to determine whether there is any need for impairment of these assets. If there are indications of a need for impairment, the recoverable amount of the asset is calculated to determine any impairment. If the asset does not give rise to cash flows which are largely independent of cash flows from other assets or groups of assets, the recoverable amount is calculated for the cash-generating unit to which the asset belongs. When a reasonable and consistent basis for allocation can be identified, joint assets are allocated to each cash-generating unit, or to the smallest group of cash-generating units for which a reasonable and consistent manner can be identified.

If the recoverable amount of an asset (or cash-generating unit) is lower than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment is expensed immediately in profit or loss.

If an impairment is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased but the increase in the carrying amount is not to exceed the carrying amount that would have been recognised had no impairment been recognised for the asset (or cash-generating unit) in prior years. The reversal of an impairment is recognised directly in profit or loss. Previously recognised impairments of goodwill are not reversed.

### Inventories

Inventories are measured at the lower of acquisition cost and net realisable value. The acquisition cost of inventories shall include all costs of purchase, costs of manufacture and other costs incurred in bringing the goods to their present location and condition. The net realisable value represents the estimated sales price less the estimated costs of completion and costs necessary to make a sale. Follow ups take place continually in the Group to assess any impairment requirement.

### Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group becomes party to the instrument's contractual terms.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the carrying amount of the asset or liability on initial recognition.

### Financial assets

Subsequent to initial recognition, all recognised financial assets are measured at either amortised cost or fair value, depending on the classification of the financial assets and the cash flow characteristics.

### Classification of financial assets

Debt instruments meeting the following conditions are measured at amortised cost:

- the financial asset is held in a business model whose objective is to hold financial assets to collect contracted cash flows; and
- the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.

### Fair value through profit or loss

Financial assets not measured at amortised cost are measured at fair value through profit or loss. The Group uses derivative instruments in the form of currency futures to manage its exposure to foreign currency exchange risk. Further information on financial derivative instruments can be found in Note 36 – Financial instruments.

### Amortised cost and effective interest method

For financial instruments, the effective interest method is used; the effective interest rate is the rate that accurately discounts estimated future cash flows (including fees, transaction costs and other premiums or discounts but excluding expected credit losses) over the expected maturity of the debt instrument (or in some cases a shorter period) to the debt instrument's carrying amount at the time of booking.

Amortised cost for a financial asset is the amount at which the financial asset is measured at initial recognition minus repayments, plus the cumulative amortisation on the use of the effective interest method on any difference between the original amount and the amount on the due date, adjusted for the loss

allowance. The gross value of the financial asset is the amortised cost of a financial asset before adjustment for loss allowance.

### Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on all assets measured at amortised cost. The amount of expected credit losses is updated at each end of the reporting period to reflect changes in credit risk since the initial recognition of the respective financial asset. The loss allowance is calculated when the asset is booked and is based on the probability of default over the next twelve months. If the asset shows a significant increase in credit risk, the loss allowance is calculated on the probability of default during the full lifetime of the asset.

The Group applies the simplified model for accounts receivable. The simplified model involves always calculating expected credit losses for the entire remaining maturity of these receivables. The expected credit losses on these financial assets are calculated using a provision matrix based on the Group's historical credit losses adjusted for general economic conditions and an assessment of both current and forecasted factors at the end of the reporting period, including the time value of money where appropriate.

### Definition of default

The Group considers a default to exist when there is clear evidence of significant financial difficulties or when a receivable is more than 90 days past due, whichever is earlier.

### Write-offs

The Group writes off a financial asset when there is information indicating that the debtor is in serious financial difficulty and there is no realistic prospect of recovery, for example, when the debtor has been put into liquidation or has commenced bankruptcy proceedings, or, in the case of accounts receivable, when the amounts are past due by more than two years, whichever is earlier. Written-off financial assets may still be subject to repayment actions. Any repayments are recognised in profit or loss.

### Derecognition of financial assets from the statement of financial position

The Group derecognises a financial asset from the statement of financial position only when the contractual rights expire, or all the risks and rewards of the financial asset are transferred to another party.

When a financial asset measured at amortised cost is derecognised, the difference between the carrying amount of the asset and the sum of the consideration received and the receivable is recognised in profit or loss.

### Financial liabilities and equity

#### Classification of debt or equity instruments

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### **Financial liabilities**

All financial liabilities are measured at amortised cost using the effective interest method or at fair value through profit or loss.

Financial liabilities arising when a transfer of a financial asset does not qualify for derecognition from the statement of financial position or when continuing commitment is applicable, and financial guarantee agreements issued by the Group are measured in accordance with the specific accounting policies described below.

### **Derecognition of financial liabilities from the statement of financial position**

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liabilities derecognised and the amount of the consideration paid is recognised in profit or loss.

### **Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

A provision shall be made for the amount that is the best estimate of the amount required to settle the existing obligation at the end of the reporting period, taking into account the risks and uncertainties associated with the obligation. When a provision is measured using estimated cash flows to settle the existing obligation, its stated present value is the future cash flows (if the time value of the money is significant).

When part or all of the amount required to settle a provision is expected to be reimbursed to a third party, the expected reimbursement is recognised as an asset if it is virtually certain that the reimbursement will be received and the amount can be estimated reliably.

### **Product warranties**

The provision for product warranties is recognised as an expense of goods sold at the time the products are sold, based on an estimated cost using historical data for the level of repairs and replacement products.

### Note 3. Key estimates and assessments

The preparation of financial statements in accordance with the Group's accounting policies, which are described in Note 2, requires management to make assessments that have a significant effect on the amounts reported and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. Estimates and assumptions are based on historical experience and other factors that are believed to be relevant. Actual results could differ from those estimates.

The estimates and underlying assumptions are evaluated on an ongoing basis. Changes in these estimates are reported in the period in which the estimate is changed if the change only affects that period, or in the period the change takes place and future periods if the change affects both the period in question and future periods.

#### Key assessments when applying the consolidated accounting policies

##### Revenue – Assessments in determining the timing of satisfying performance obligations

The critical assessments that are made regarding a customer contract are when to recognise revenue and in what amount. Management's assessments comprise, for example, that revenue is recognised when control of the goods has passed to the customer in accordance with the delivery time and agreed conditions of carriage.

##### Intangible assets

Internally generated intangible assets are recognised as an asset when the criteria in the Internally generated intangible assets – research and development costs section are met. The assessment when these criteria are met is made in accordance with engcon's process for intangible assets. For more information, refer to Notes 15 and 16. For more information, see the section on Internally generated intangible assets.

##### Key sources of uncertainty in estimates

The following are the critical assessments, other than those involving estimates (presented above), that management made in the process of applying the company's accounting policies that have a significant risk of causing a material adjustment to the carrying amounts in the financial statements.

##### Inventories

The Group measures inventories at the lower of the acquisition cost, through application of the first in first out principle, and net realisable value. Based on an ongoing management assessment, a valuation reserve is determined based on a process including factors such as redundancy, discontinued articles and estimated net realisable value. Factors taken into account include sales statistics, which impact the turnover rate of individual products, and the assessment of estimated net realisable value. These are then managed in accordance with the company's inventory process.

##### Impairment testing of goodwill, other intangible assets and property, plant and equipment

Goodwill and intangible assets that are yet to become operational are tested for impairment annually. Other intangible assets and property, plant and equipment are tested annually to assess if there is any impairment indication. Testing for impairment is based on a review of the recoverable amount. The value is estimated using the management's estimates of future cash flows based on internal business plans and forecasts.

##### Climate-related risks

The Group takes account of climate-related risks in its assumptions and assessments when they are deemed appropriate and material. This assessment includes various areas of influencing factors on the Group taking into account both physical climate risks and other transition risks. Climate-related issues increase the uncertainty of valuations and assessments that form the basis of several items in the balance sheet such as valuations of intangible assets and property, plant and equipment. Even if these climate-related risks do not currently have a material impact on our values and assessments, we are carefully monitoring their development and any changes by continually keeping up to date with, for example, new regulations in climate-related areas, and we are gradually adapting operations to reach our targets of reducing absolute carbon dioxide emissions in Scope 1 and 2 by 42 per cent by 2030. We are doing this in part by continuing with the innovation and development of our net climate positive products and thereby reducing their environmental and climate impact. Climate-saving activities such as the conversion to district heating, electricity savings measures and the electrification of our internal vehicle fleet are activities we are working steadily with at our production facilities. We believe that the balance sheet items and assumptions and assessments that could be more directly impacted by climate-related issues and risks are:

##### The useful lives of intangible assets and property, plant and equipment

When we follow up on residual values and the remaining useful lives of assets, we take account of climate-related risks and the areas in which, for example, new legislation and new regulations could impact useful lives and our use of the asset or that would require material capital expenditure.

##### Impairment testing of intangible assets and property, plant and equipment.

Our production facilities could be exposed to increased risk from extreme weather depending on climate change. However, the current assessment is that there is no material risk of this based on the locations of our production facilities.

A material part of our investments in intangible assets and property, plant and equipment is targeted toward the production of products and services that are based on low-carbon technology, which is expected to increase over time. Existing non-current assets are expected to generate financial benefit throughout the transition period and be able to be used for the remainder of their useful lives.

Climate-related issues could impact access to and price of raw materials and increase the cost of energy and water and thus impact the production and logistics costs of suppliers, which could increase the Group's cost of goods sold. Climate change could also result in disruptions to production and distribution, which could also impact the Group's purchasing costs. Natural disasters, the recoverable amounts of assets and useful lives could be impacted by climate-related issues and lead to impairment costs and changes to depreciation/amortisation amounts. Taking rising energy costs into account, the Group has invested in a district heating facility and solar power cells at our production facilities. This is taken into consideration in cash flow analyses that form the basis for impairment tests. The long-term consequences of climate risks are difficult to predict. However, these are carefully monitored by management in our risk analyses and when we prepare our sensitivity analyses, including goodwill and interest-rate sensitivity. Based on completed analyses, we have not identified any material impact from climate-related risks that affects the Group's financial statements.

For the financial year that concluded on 31 December 2025, no material impact on the financial statements was identified in relation to climate change or climate risks. For more information, refer to notes 15 and 16 Intangible assets and Note 18 Property, plant and equipment. For more information about climate risks, targets and activities, see the risks and uncertainties section of the Administration Report on pages 45-50 and the sustainability report on pages 25-37.

### Lawsuit

In May 2023, the Swedish Patent and Market Court announced its verdict regarding Rototilt's lawsuit against engcon alleging infringements by engcon of Rototilt patented technology. The damages claimed amount to approximately SEK 200 million. The alleged infringement relates to sensor technology in the Q-safe locking system. The court determined that no infringement had taken place and therefore dismissed Rototilt's action. At the same hearing, engcon claimed that Rototilt's patent should be declared invalid. However, the court determined that the patent was valid. Following appeals, both parties were granted leave to appeal by the Swedish Patent and Market Court of Appeal. On 27 March 2025, the judgement in the case was announced with the Patent and Market Court of Appeal, similar to the Patent and Market Court, determining that there was no patent infringement by engcon. Rototilt Group's lawsuit was therefore dismissed at the same time as the court determined that the patent was valid. Pursuant to the judgement, it may not be appealed.

On 15 September 2025, engcon AB received lawsuits against engcon and its subsidiaries regarding alleged infringement of

Rototilt's patent. Rototilt has previously initiated legal proceedings against the same engcon companies for alleged infringement of the same patent. In March 2025, the Swedish Patent and Market Court of Appeal announced that there was no patent infringement by engcon or its subsidiaries and dismissed Rototilt's action. In consultation with experts in the field of patent law engaged by engcon as well as with the company's legal advisors, engcon has assessed that no patent infringement has taken place and in the claim sought that Rototilt's lawsuit be dismissed since the issue has already been subject for examination in the Swedish Patent and Market Court of Appeal. engcon has not made any provision for the dispute in its accounts. The Swedish Patent and Market Court is expected to make a decision on whether the merits of the claim be examined or dismissed in the first quarter of 2026.

#### Note 4. Revenue from contracts with customers

The Group derives its revenue from contracts with customers through the transfer of goods at a point in time. Revenue from services is recognised in the period in which they are rendered, which is normally upon delivery, and which normally occurs within a reporting period. Revenue is mainly allocated to goods, whereby tiltrotators form the main part and attachments and spare parts form the secondary part. An insignificant part is installation services, but these are not reported separately as they are not material.

#### Note 5. Operating segments and allocation of revenue

Operating segments are accounted for in a way that is consistent with the internal reports submitted to the chief operating decision maker. Group management and the CEO have been identified as the chief operating decision makers for assessment of the Group's earnings and position, as well as making strategic decisions. Group management and the CEO monitor the financial development in the Group as a unit. Accordingly, only one segment is recognised, which corresponds with the consolidated income statement. The reason that the Group is monitored as a segment is that earnings measures are only monitored at total level, since production and other overall costs are central for the Group and not distributed among the geographic market regions. Only the regions' sales and order intake in volume are monitored at a level lower than the operating segment.

#### Geographic market regions:

The Group's sales are divided into four geographic market regions:

- Nordic region - Sweden, Denmark, Norway and Finland
- Europe - Europe excluding the Nordic region
- Americas - North America and South America
- Asia-Oceania - Japan, South Korea, Australia, New Zealand and rest of the world

Internal sales are conducted between the production companies and the local sales companies, as well as between the local sales companies. Sales and installations are mainly conducted through dealers and our own local sales companies.

#### Net sales

SEK million	2025	2024
Nordic region	774	623
Europe	771	689
Americas	202	211
Asia-Oceania	140	126
<b>Total excl. foreign exchange</b>	<b>1,889</b>	<b>1,649</b>
Foreign exchange effect	64	6
<b>Total</b>	<b>1,953</b>	<b>1,655</b>

None of the Group's customers individually account for 10 per cent or more of net sales. Of net sales, Sweden, where the company is domiciled, accounted for SEK 269 million (189) and the US accounted for SEK 166 million (164) in the Americas. The net sales above are based on where the customer is domiciled. The Group does not disclose the total amount of the transaction price allocated to the performance obligations outstanding at the end of the reporting period since the contracts have a duration of less than one year.

#### Property, plant and equipment and right-of-use assets

SEK million	31/12/2025		31/12/2024			
	Total	Property, plant and equipment	Right-of-use assets	Total	Property, plant and equipment	Right-of-use assets
Nordic region	17	1	16	9	1	8
Europe	16	3	13	19	4	15
Americas	28	7	21	34	7	27
Asia-Oceania	14	2	12	6	6	-
Group-wide functions	152	133	19	159	129	30
<b>Total</b>	<b>226</b>	<b>145</b>	<b>81</b>	<b>225</b>	<b>146</b>	<b>79</b>

Sweden, where the company is domiciled, accounted for SEK 129 million (129) of Group-wide property plant and equipment. Of right-of-use assets, Sweden accounted for SEK 25 million (25) and the US for SEK 19 million (29).

**Note 6. Remuneration of auditors**

SEK thousand	2025	2024
<i>Deloitte AB:</i>		
Audit services	2,634	2,456
Fiscal advice	591	435
<i>Other audit firms</i>		
Audit services	632	640
<b>Total</b>	<b>3,857</b>	<b>3,531</b>

Audit assignment refers to the auditor's remuneration for the statutory audit. The work includes the review of the annual report, the consolidated financial statements and accounts, the

management of the Board and the CEO, as well as fees for audit advice submitted as part of the audit assignment.

Audit activities in addition to the audit assignment refer to other tasks that the company's auditor performs as well as advice or other assistance as a result of observations made during such review.

Tax advice refers to all tax-related services such as assistance with tax calculation, the preparation of tax returns and consultation regarding VAT, excise taxes and staff matters.

All other work performed by the auditor is defined as other services. This also includes consultancy services.

**Note 7. Remuneration of employees**

Average number of employees	2025		2024	
	Total	of whom men	Total	of whom men
<b>Parent company</b>				
Sweden	7	7	7	7
<b>Total parent company</b>	<b>7</b>	<b>7</b>	<b>7</b>	<b>7</b>
<b>Subsidiaries</b>				
Sweden	279	196	227	156
Nordic region excl Sweden	20	19	19	18
Europe excl Nordic region	86	76	87	76
Americas incl Canada	21	19	25	21
Asia-Oceania	16	14	14	12
<b>Total subsidiaries</b>	<b>422</b>	<b>324</b>	<b>372</b>	<b>283</b>
<b>Group total</b>	<b>429</b>	<b>331</b>	<b>379</b>	<b>290</b>

Gender breakdown, board members and senior executives	31/12/2025		31/12/2024	
	Total	of whom men	Total	of whom men
<b>Parent company</b>				
Board members	5	2	5	2
Chief Executive Officer and other senior executives	1	1	2	2
<b>Total parent company</b>	<b>6</b>	<b>3</b>	<b>7</b>	<b>4</b>
<b>Group</b>				
Board members	6	3	6	3
Chief Executive Officer and other senior executives	10	8	11	8
<b>Total group</b>	<b>16</b>	<b>11</b>	<b>17</b>	<b>11</b>

SEK thousand	2025	2024
Salaries and other benefits	225,099	210,203
Social security costs	55,664	50,419
Contractual pension benefits	19,294	14,363
<b>Total</b>	<b>300,057</b>	<b>274,985</b>

	2025		2024	
	Salaries and other remuneration (of which tantiem)	Social cost (of which pension costs)	Salaries and other remuneration (of which tantiem)	Social cost (of which pension costs)
<b>Renumeration to employees, SEK thousand</b>				
<b>Parent company</b>				
Board members, Chief Executive Officer and other senior executives	5 334 (-)	2 412 (842)	5 759 (-)	2 823 (945)
Other employees	4 542 (-)	2 146 (719)	4 583 (-)	1 789 (419)
<b>Total</b>	<b>9 876 (-)</b>	<b>4 558 (1 561)</b>	<b>10 341 (-)</b>	<b>4 613 (1 363)</b>
<b>Group</b>				
Board members, Chief Executive Officer and other senior executives	17 944 (-)	9 185 (4 281)	18 756 (-)	7 869 (3 098)
Other employees	207 155 (-)	65 774 (15 014)	191 448 (-)	56 913 (11 265)
<b>Group total</b>	<b>225 099 (-)</b>	<b>74 959 (19 295)</b>	<b>210 203 (-)</b>	<b>64 782 (14 363)</b>

Renumeration and other benefits to the board, CEO and senior executives 2025	Basic salary <sup>1</sup> /Directors' fee	Variable remuneration	Other benefits <sup>2</sup>	Pension costs <sup>3</sup>	Total	Social sec. costs and payroll tax
<b>SEK thousand</b>						
Chair of the Board (Annika Bärems)	645	-	-	-	645	203
Other board members	1,364	-	-	-	1,364	335
Chief Executive Officer (Kristen Blomgren)	3,186	-	215	842	4,243	1,031
Other senior executives (9)	11,725	176	809	3,439	16,149	3,334
<b>Total</b>	<b>16,920</b>	<b>176</b>	<b>1,024</b>	<b>4,281</b>	<b>22,401</b>	<b>4,903</b>

<sup>1</sup> Refers to cash remuneration after salary sacrifice and holiday pay.

<sup>2</sup> Refers to company car, health insurance and other taxable benefits.

<sup>3</sup> Pension contributions for the CEO are calculated based on the base salary before salary sacrifice. The CEO's pension costs include premium waiver insurance of TSEK 15.

As of 31 December 2025, Group management comprised a total of 10 people (11).

Renumeration and other benefits to the board, CEO and senior executives 2024	Basic salary <sup>1</sup> /Directors' fee	Variable remuneration	Other benefits <sup>2</sup>	Pension costs <sup>3</sup>	Total	Social sec. costs and payroll tax
<b>SEK thousand</b>						
Chair of the Board (Annika Bärems)	620	-	-	-	620	195
Other board members	1,317	-	-	-	1,317	388
Chief Executive Officer (Kristen Blomgren)	3,106	-	264	786	4,156	1,059
Other senior executives (10)	12,731	108	718	2,233	15,790	3,130
<b>Total</b>	<b>17,774</b>	<b>108</b>	<b>982</b>	<b>3,019</b>	<b>21,883</b>	<b>4,772</b>

<sup>1</sup> Refers to cash remuneration after salary sacrifice and holiday pay.

<sup>2</sup> Refers to company car, health insurance and other taxable benefits.

<sup>3</sup> Pension contributions for the CEO are calculated based on the base salary before salary sacrifice. The CEO's pension costs include premium waiver insurance of TSEK 13.

### Remuneration of Group management, CEO and Board of Directors

Other senior executives refers to the CEO and other members of Group management. As of 31 December 2025, other senior executives consisted of 10 individuals (11). Remuneration and benefits to the CEO and remuneration to other senior executives is determined by the company's Board of Directors. The incentive programme, with an option of variable cash remuneration, may be offered to the company's CEO and other senior executives. The Board, with support from the Remuneration Committee, is responsible for the evaluation of variable cash remuneration to the CEO. For other senior executives, the CEO is responsible for the evaluation, supported by the Remuneration Committee. For 2025, variable remuneration to other senior executives excluding the CEO amounted to SEK 176 thousand (108). For 2025, variable remuneration to the company's CEO amounted to SEK 0 thousand (0).

engcon has two incentive programmes encompassing the Group's employees. In 2021, the Board resolved to introduce a long-term incentive programme in the form of a warrant programme for all employees in the engcon Group (Warrant programme 2021-2026). The CEO holds 91,000 warrants and other senior executives hold 219,768 warrants within the framework of the programme. On 15 May 2025, the Annual General Meeting resolved in accordance with the Board of Director's proposal to implement a new long-term incentive programme (LTIP 2025) for the CEO of the company, the other members of the Group management and certain other key persons in the engcon Group. For more information, refer to Note 37 Share-based remuneration. No other share-based remuneration was paid.

The CEO has the right to a company car and to insurance and defined contribution pension benefits. The defined contribution pension amounts to 25 per cent of the annual basic salary in accordance with the employment agreement. The CEO's variable cash remuneration shall not qualify for pension benefits. The retirement age for the CEO is 67. Other senior executives have the right to a company car. During employment at the company, other executives have to the right to defined contribution pension benefits under collective bargaining agreements or employment agreements applicable at any time. The defined contribution pension shall amount to a maximum of 35 per cent of the fixed annual cash salary. Variable cash remuneration can qualify for pension benefits unless otherwise stated by collective bargaining agreements. The retirement age for other senior executives is in accordance with current regulations. The notice period between the company and the CEO is 12 months when notice is given by the company and a notice period of six months if notice is given by the CEO. For other senior executives, employment is subject to a mutual notice of termination of three to six months between the employee and the company.

Remuneration to the Board of Directors for 2025 amounted, per member, to: Annika Bärems (Chair) SEK 645 thousand (620), Stig Engström SEK 274 thousand (263), Monica Engström SEK 329 thousand (315), Anna Stålenbring SEK 385 thousand (368), Peter Hofvenstam SEK 301 thousand (289). Stig Engström has, through his wholly owned company Ommapo förvaltning AB, received SEK 669 thousand (708 thousand) for

consulting services, which is not included in the amounts in this Note linked to the Board. For more information, refer to Note 39 Related-party transactions.

### Note 8. Contractual pension benefits

#### Defined contribution pension plans

The Group provides pension plans for all employees. The total cost reported in profit or loss was SEK 18 million (14).

For office workers in Sweden, the ITP 2 plan's defined benefit pension commitments for retirement and family pensions (or family pensions) are secured through insurance with Alecta. According to a statement by the Swedish Financial Reporting Board, UFR 10 Accounting for the ITP 2 pension plan funded by insurance with Alecta, this is a multi-employer defined benefit plan. For the 2025 financial year, the company did not have access to information to account for its proportionate share of the plan's obligations, plan assets and expenses, which meant that the plan could not be accounted for as a defined benefit plan. The ITP 2 pension plan, which is secured by insurance with Alecta, is therefore reported as a defined contribution plan. The premium for the defined benefit retirement and family pension is calculated on an individual basis and depends, among other things, on salary, previous pension earned and expected remaining service time. The company's share of total saving premiums for ITP 2 in Alecta amounted to 0.00561 per cent (0.00417). The company's share of total amount of active insured premiums in ITP 2 amounted to 0.003555 per cent (0.0033625). Expected contributions for the next reporting period for ITP 2 insurance taken out with Alecta will amount to SEK 4.2 million (3.5).

The collective funding ratio consists of the market value of Alecta's assets as a percentage of the insurance commitments calculated according to Alecta's insurance methods and assumptions, which are not consistent with IAS 19. The collective funding ratio should normally be allowed to vary between 125 and 175 per cent. If Alecta's collective funding ratio is less than 125 per cent or exceeds 175 per cent, measures must be taken in order to create conditions for the collective funding ratio to return to the normal range. In the event of low collective funding, a measure may be to increase the agreed price for new policies and increase of existing benefits. In the event of high collective funding, a measure may be to introduce premium reductions. At the end of 2025, Alecta's surplus in the form of the collective funding ratio amounted to 167 per cent (162).

## Note 9. Other operating income and operating expenses

SEK million	2025	2024
<b>Other operating income</b>		
Foreign exchange gains	16	18
Derivat	2	-
Other	8	6
<b>Total</b>	<b>27</b>	<b>24</b>
<b>Other operating expenses</b>		
Foreign exchange losses	45	20
Derivat	-	2
Other	0	2
<b>Total</b>	<b>45</b>	<b>24</b>
<b>Totala operating income and expenses</b>	<b>-19</b>	<b>0</b>

## Note 10. Operating leases

Operating leases, for which the Group is the lessor, relate to investment properties owned by the Group with lease terms of between one and four years, with a one-year extension option. All operating leases contain a renegotiation clause. If the extension clause is exercised, the lessee does not have the option to purchase the property at the end of the term.

The non-guaranteed residual value does not represent a significant risk for the Group, as it is related to properties located in places with consistent growth in value over the recent years. The Group has not identified any indication that this situation will change. Future lease payments:

SEK million	31/12/2025	31/12/2024
Year 1	3	3
Year 2-5	-	-
<b>Total</b>	<b>3</b>	<b>3</b>

## Note 11. Financial income

SEK million	2025	2024
Interest income	7	8
Foreign exchange gains	-	10
<b>Total</b>	<b>7</b>	<b>18</b>

## Note 12. Financial expenses

SEK million	2025	2024
Interest expenses	-11	-12
Interest expenses lease liabilities	-4	-4
Total interest expense on financial liabilities not classified at fair value in profit/loss	-15	-16
Other financial expenses	-	-2
Foreign exchange losses	-23	-
<b>Total</b>	<b>-38</b>	<b>-18</b>

## Note 13. Income tax

SEK million	2025	2024
Current tax		
Present year	-60	-64
Adjustments last year	0	0
	<b>-60</b>	<b>-64</b>
Other tax adjustments	-7	-2
	<b>-7</b>	<b>-2</b>

The current tax rate in Sweden is 20.6 per cent (20.6).

Tax for other jurisdictions is calculated at the applicable tax rate in each jurisdiction.

The reported tax expense for the year can be deducted against the pre-tax profit/loss of the year as follows:

SEK million	2025	2024
Profit (-loss) before tax	290	295
Swedish taxrate 20.6%	-60	-61
Tax effect of profit/loss associated companies	-	-
Tax effect of non-deductable costs	-8	-5
Tax effect of non-taxable income	-	-
Tax effect of change in unrecognised deferred tax assets	3	4
Effect of various tax rates for subsidiaries in other jurisdictions	-3	-4
<b>Tax for the year</b>	<b>-67</b>	<b>-66</b>

## Note 14. Operating expenses

Expenses divided by type of expense are specified below:

SEK million	2025	2024
Material costs	-773	-639
Remuneration to employees	-317	-283
Depreciation on tangible fixed assets	-21	-20
Depreciation on right-of-use assets	-29	-26
Amortisation on intangible fixed assets	-4	-1
Net of profit/loss exchange rates	-52	8
Other costs	-372	-391
<b>Total</b>	<b>-1,568</b>	<b>-1,353</b>

**Note 15. Goodwill****Cost**

As at 1 January 2024	22
As at 31 December 2024	22
<b>As at 31 December 2025</b>	<b>22</b>

**Amortisation and impairment losses**

As at 1 January 2024	-
As at 31 December 2024	-
<b>As at 31 December 2025</b>	<b>-</b>

**Carrying amounts**

<b>As at 31 December 2025</b>	<b>22</b>
As at 31 December 2024	22
As at 1 January 2024	22

The carrying amount of goodwill has been allocated to the cash-generating unit as follows:

SEK million	31/12/2025	31/12/2024
Production company:		
e-Component Sweden AB	19	19
Nordic region	3	3
<b>Total</b>	<b>22</b>	<b>22</b>

Impairment is tested once a year and when there are signs of impairment requirements. Goodwill is tested for impairment per cash-generating unit. The recoverable amount of the cash-generating unit was determined on the basis of the value in use in engcon's valuation model. This model is based on the future cash flow with a forecast period of five years. The forecast is based on the business plan, taking into account the characteristics and performance of these markets for the end users, on the basis of both internal and external sources, and consist of the management's best assessment and estimates. The parameters used to calculate the future cash flow are revenue growth and gross margin, cost efficiency and efficiency of capital utilisation including planning in investments and targets for working capital.

engcon's weighted average cost of capital (WACC) was 13.26 per cent (14.36). The risk-free interest rate that was used is 4.13 per cent (4.57); the same risk-free interest rate was used for all cash-generating units as they have the same organisation, structure and customer base. For the period after five years, growth is estimated at 2 per cent (2).

In 2025, the forecasted value exceeded the carrying amount and no impairment was recognised engcon also performed a sensitivity analysis for the key parameters that do not give rise to impairment requirements.

**Note 16. Other intangible assets**

SEK million	Capitalized development costs	Other	Total
<b>Cost</b>			
<b>Opening balance, 1 January 2024</b>	<b>72</b>	<b>6</b>	<b>78</b>
Reclassifications			-
Investments	25		25
Acquisition of business			-
Foreign exchange differences			-
Disposals	-	-	-
<b>Closing balance, 31 December 2024</b>	<b>97</b>	<b>6</b>	<b>103</b>
<b>Opening balance, 1 January 2025</b>	<b>97</b>	<b>6</b>	<b>103</b>
Investments	15	-	15
Acquisition of business	-	-	-
Foreign exchange differences	-	-	-
Disposals	-	-	-
<b>Closing balance, 31 December 2025</b>	<b>112</b>	<b>6</b>	<b>118</b>

**Depreciation and impairment losses**

<b>Opening balance, 1 January 2024</b>	<b>-9</b>	<b>-6</b>	<b>-15</b>
Depreciation	-1	-	-1
Impairment charge for the period	-	-	-
Foreign exchange differences	-	-	-
Disposals	-	-	-
<b>Closing balance, 31 December 2024</b>	<b>-10</b>	<b>-6</b>	<b>-16</b>

<b>Opening balance, 1 January 2025</b>	<b>-10</b>	<b>-6</b>	<b>-16</b>
Depreciation	-4	-	-4
Impairment charge for the period	-	-	-
Foreign exchange differences	-	-	-
Disposals	-	-	-
<b>Closing balance, 31 December 2025</b>	<b>-14</b>	<b>-6</b>	<b>-20</b>

**Carrying amounts**

As at 31 december 2025	98	-	98
As at 31 december 2024	87	-	87

Other consists of patents, trademarks and licenses and are amortised over their estimated useful lives, which are on average 5–10 years.

**Note 17. Leases (the Group as lessee)**

SEK million	Buildings	Machinery and equipment	Cars	Total
<b>Cost</b>				
<b>Opening balance 1</b>				
<b>January 2024</b>	<b>93</b>	<b>24</b>	<b>41</b>	<b>159</b>
Additions	-	-	10	10
Revaluations	2	-	0	2
Disposals	-2	-	-7	-9
Reclassifications	-	-	-	-
<b>Closing balance 31</b>				
<b>December 2024</b>	<b>93</b>	<b>24</b>	<b>44</b>	<b>162</b>
Additions	23	-	10	33
Revaluations	-1	-	-	-1
Acquisitions	-	-	-	-
Disposals	-	-	-9	-9
Reclassifications	-	-	-	-
Translation differences	-	-	-	-
<b>Closing balance 31</b>				
<b>December 2025</b>	<b>115</b>	<b>24</b>	<b>45</b>	<b>185</b>
<b>Depreciation</b>				
<b>Opening balance 1</b>				
<b>January 2024</b>	<b>-32</b>	<b>-9</b>	<b>-24</b>	<b>-65</b>
Depreciation for the year	-10	-5	-11	-26
Disposals	2	-	7	9
Reclassifications	-	-	-	-
<b>Closing balance 31</b>				
<b>December 2024</b>	<b>-40</b>	<b>-14</b>	<b>-28</b>	<b>-82</b>
Depreciation for the year	-14	-5	-11	-29
Disposals	-	-	9	9
Reclassifications	-	-	-	-
Translation differences	-	-	-	-
<b>Closing balance 31</b>				
<b>December 2025</b>	<b>-54</b>	<b>-19</b>	<b>-30</b>	<b>-102</b>
<b>Carrying amounts</b>				
As at 31 December 2025	61	5	15	81
As at 31 December 2024	53	10	16	79

The Group leases a number of assets such as buildings, machinery and cars. The average lease term is four years (four).

The Group's commitments are secured by the lessor's ownership of underlying assets held under leases.

Approximately, 30 per cent (24) of the leases expired during the current financial year. The expired leases were replaced with new leases for the identical underlying assets. This has resulted in an increase in right-of-use assets of SEK 3 million (3).

A maturity analysis of the lease liability is presented in Note 29.

SEK million	2025	2024
<b>Amounts recognised in the income statement</b>		
Depreciation of right-of-use assets	-29	-26
Interest expenses for lease liabilities	-4	-4
Costs related to short-term leases	-2	-3
Costs related to low-value leases	-2	-2
Costs related to variable lease payments	-6	-5

The total cash outflow for leases amounts to SEK -31 million (-28).

**Note 18. Property, plant and equipment**

SEK million	Buildings and land	Machinery	Equipment	Construction in progress	Total
<b>Cost</b>					
Opening balance 1 January 2024	109	129	52	16	306
Investments	11	-	12	-	23
Reclassifications	-	-	-	-4	-4
Foreign exchange differences	1	3	-3	-	1
Disposals	-	-	-	-	-
Closing balance 31 December 2024	120	132	61	12	325
Opening balance 1 January 2025	120	132	61	12	325
Investments	9	9	6	1	25
Acquisition of business	-	-	-	-	-
Reclassifications	-	-	-	-1	-1
Foreign exchange differences	0	-3	1	-	-1
Disposals	0	-	-	-	0
Closing balance 31 December 2025	130	137	67	13	346

**Depreciation and impairment losses**

Opening balance 1 January 2024	-34	-91	-33	-	-158
Depreciation	-4	-11	-6	-	-21
Foreign exchange differences	-	-	-	-	-
Disposals	-	-	-1	-	-1
Closing balance 31 December 2024	-38	-101	-39	-	-179
Opening balance 1 January 2025	-38	-101	-39	-	-179
Depreciation	-5	-10	-6	-	-21
Impairments	-	-	-	-	-
Reclassifications	-	-	-	-	-
Foreign exchange differences	-	-	-	-	-
Disposals	-	-	-1	-	-1
Closing balance 31 December 2025	-43	-111	-46	-	-201

**Carrying amounts**

As at 31 December 2025	86	26	20	13	145
As at 31 December 2024	82	31	21	12	146

**Assets provided as collateral**

Land and buildings with a carrying amount of SEK 86 million (83) and machines with a carrying amount of SEK 4 million (5) have been used as collateral in connection with the raising of

loans in the Group. The Group may not use these assets as collateral when raising new loans or sell these assets to another company.

## Note 19. Deferred tax

The following are the most significant deferred tax liabilities and deferred tax assets reported by the Group and changes

to these items during the current and previous reporting period:

SEK million	Property, plant and equipment	Inventories	Tax loss carry-forward	Other	Total
<b>Opening balance 1 January 2024</b>	<b>-32</b>	<b>11</b>	<b>4</b>	<b>-2</b>	<b>-19</b>
Reported in profit/loss	-9	3	3	4	1
Reported in other comprehensive income	-	-	-	-	-
Reported in equity	-	-	-	-	-
Translation differences	-	-	1	-	1
<b>Opening balance 1 January 2025</b>	<b>-41</b>	<b>14</b>	<b>8</b>	<b>2</b>	<b>-17</b>
Reported in profit/loss	-1	3	3	-12	-7
Reported in other comprehensive income	-	-	-	-	-
Reported in equity	-	-	-	-	-
Translation differences	-	-	-	-	-
<b>Closing balance 31 December 2025</b>	<b>-42</b>	<b>17</b>	<b>11</b>	<b>-10</b>	<b>-24</b>

Deferred tax assets and deferred tax liabilities are only to be reported net if there is a legal right to offset current tax assets against current tax liabilities, and the deferred tax assets and the deferred tax liabilities are charged by the same tax agency and are intended to offset current tax liabilities and tax assets through net payment. Deferred tax assets include SEK 11 million (8) that is recognised as a deferred tax asset in the balance sheet since it is attributable to another tax agency. Deferred tax liabilities include temporary differences attributable to right-of-use assets amounting to SEK 3.6 million (5.7), which are netted in deferred tax liabilities in the amount of SEK 0.7 million (1.3). The following table presents deferred tax assets and deferred tax liabilities recognised in the statement of financial position:

SEK million	31/12/2025	31/12/2024
Deferred tax liabilities	-35	-25
Deferred tax receivables	11	8
<b>Total</b>	<b>-24</b>	<b>-17</b>

## Note 20. Inventories

In accordance with the Group's process for assessing slow-moving goods, an impairment loss of SEK 7 million (9) was recognised during the year.

SEK million	31/12/2025	31/12/2024
Raw materials	212	163
Work in progress	3	3
Finished goods	262	174
<b>Closing balance</b>	<b>477</b>	<b>339</b>

## Note 21. Accounts receivable

SEK million	31/12/2025	31/12/2024
Accounts receivable not past due	179	178
Accounts receivable 1-30 days	70	36
Accounts receivable 31-60 days	11	11
Accounts receivable 61-90 days	3	5
Accounts receivable >91 days	3	5
<b>Total</b>	<b>266</b>	<b>235</b>
Reserved accounts receivable	-9	-8
<b>Total</b>	<b>257</b>	<b>227</b>

## Accounts receivable

The average credit period for sales is 49 days (50). No interest is applied on outstanding accounts receivable.

The Group writes off an account receivable when there is information indicating that the customer is in serious financial difficulty and there is no reasonable prospect of recovery, such as when the customer has been placed into liquidation or has commenced bankruptcy proceedings or when the accounts receivable are past due by more than two years, whichever occurs first. None of the accounts receivable that have been written off are subject to recovery activities.

The Group measures provisions at an amount corresponding to expected credit losses for the remaining lifetime. The loss allowance for accounts receivable are calculated from a matrix based on historical losses. The historical losses are calculated and adjusted for forward-looking and current factors.

The assessment on the balance sheet date led to the loss allowance for 2025 becoming completely insignificant and thus not being reported. The assessment is monitored continuously and if changes in history or other factors lead to an increased risk, the assessment is reviewed.

There have been no changes in calculation techniques or significant assumptions during the reporting period.

## Note 22. Other receivables

SEK million	31/12/2025	31/12/2024
VAT receivable	19	11
Tax account	13	7
Other current receivables	1	1
<b>Total</b>	<b>33</b>	<b>20</b>

## Note 24. Share capital

	A-aktien	B-aktien	Total
Number of outstanding shares	35,344,778	117,138,049	152,482,827
of which shares owned by engcon AB		119,000	119,000
Number of own shares 1 January 2025		-	-
Acquisition (+) of shares		119,000	119,000
Disposals (-) of shares		-	-
Number of own shares 31 December 2025		119,000	119,000
Value of acquired (+) / divested (-) shares		11,514,202	11,514,202

The company has a total of 35,344,778 (35,344,778) Class A shares, corresponding to 353,447,780 votes (353,447,780) and 117,138,049 (116,443,222) Class B shares, corresponding to 117,138,049 votes (116,443,222). The quote value of the share is SEK 0.14 (0.14). During the year, a directed share issue was completed that resulted in dilution impacting the average number of shares outstanding. Acquisitions of own shares have also taken place. As of 31 December, holdings of own shares amount to 119,000. The average number of shares corresponds to the number of shares outstanding at the beginning of the year, adjusted by the number of shares issued or repurchased during the period weighted by the number of days the shares were outstanding in relation to the total number of days in the period. The average number of shares outstanding amounted to 152,287,445 before dilution and 153,082,525 after dilution.

## Note 25. Other contributed capital

Other contributed capital consists of the employee share option programme. For more information, refer to Note 37.

SEK million	31/12/2025	31/12/2024
As at 1 January	6	6
Employee share option programme	2	-
Transactions costs related to new issue	-	-
<b>As at 31 December</b>	<b>8</b>	<b>6</b>

## Note 23. Prepaid expenses and accrued income

SEK million	31/12/2025	31/12/2024
Accrued revenues	5	18
Other prepaid expenses	17	14
<b>Total</b>	<b>22</b>	<b>33</b>

## Note 26. Translation reserve

SEK million	31/12/2025	31/12/2024
<b>As at 1 January</b>	<b>23</b>	<b>14</b>
Exchange-rate differences upon translation of net assets in foreign operations	-22	9
<b>As at 31 December</b>	<b>2</b>	<b>23</b>

## Note 27. Retained earnings

SEK million	
<b>Opening balance 1 January 2024</b>	<b>571</b>
Paid dividend	-143
Profit for the year	216
Total profit for the year	-
Bonus issue	-
<b>Opening balance 1 January 2025</b>	<b>643</b>
Paid dividend	-152
Profit for the year	219
Total profit for the year	-
Bonus issue	63
Contributions	-12
<b>Closing balance 31 December 2025</b>	<b>654</b>

**Note 28. Borrowing**

SEK million	31/12/2025	31/12/2024
<b>Borrowings with pledged assets at amortised cost</b>		
Bank overdraft	151	-
Bank loan	25	33
<b>Total borrowings</b>	<b>176</b>	<b>33</b>
<b>Borrowings without pledged assets at amortised cost</b>		
Bank overdraft	-	-
Bank loan	-	-
Long-term loans	-	-
Short-term loans	25	33
Bank overdraft	151	-
<b>Total</b>	<b>176</b>	<b>33</b>
<b>Bank overdraft</b>		
Granted credit	320	322
Unutilised part	155	322
Utilised part *	165	-

\*The utilised portion of the overdraft facility in Danske Bank (-14 (0) MSEK) is included in the line item cash and cash equivalents, as the Group has an overall positive balance with the bank as of 31 December 2025.

The company meets all covenants that the financiers have placed.

The weighted average interest rates paid during the year were as follows:

%	31/12/2025	31/12/2024
Bank loan	3.03	5.15

**Note 29. Lease liabilities**

SEK million	31/12/2025	31/12/2024
<b>Maturity analysis</b>		
Within 1 year	24	23
1-5 years	52	57
Later than 5 years	9	8
<b>Total</b>	<b>85</b>	<b>88</b>
<b>Classified as follows:</b>		
Non-current liabilities	61	65
Current liabilities	24	23
<b>Total</b>	<b>85</b>	<b>88</b>

**Note 30. Product warranty provision**

Of the total product warranties provided, the short-term portion that is expected to be utilised within one year amounts to SEK 27 million (24) and between 13-24 months to SEK 8 million (7).

	MSEK
<b>As at 1 January 2024</b>	<b>32</b>
Provisions made	19
Provisions used	-20
<b>As at 31 December 2024</b>	<b>31</b>
Provisions made	30
Provisions used	-26
<b>As at 31 December 2025</b>	<b>35</b>

**Note 31. Accounts payable**

Accounts payable mainly consist of outstanding amounts for purchases and ongoing expenses. The average credit period for purchases is 30 days. Most suppliers do not charge any interest on the accounts payable during the first 30 days from the invoice date. Thereafter, interest is charged on the outstanding amounts at different interest rates. The Group has policies for financial risk management to ensure that all debts are paid within the predetermined credit terms.

The management believes that the carrying amount of accounts payable corresponds to their fair value SEK 58 million (83).

**Note 32. Other liabilities**

SEK million	31/12/2025	31/12/2024
Tax deduction at source and social security costs	11	10
VAT liabilities	31	27
Other	1	0
<b>Total</b>	<b>43</b>	<b>37</b>

**Note 33. Accrued expenses and deferred income**

SEK million	31/12/2025	31/12/2024
Prepaid income	-	-
Accrued salaries	24	22
Accrued social security costs	8	7
Other accrued expenses	30	45
<b>Total</b>	<b>62</b>	<b>74</b>

**Note 34. Notes to statement of cash flows****Cash and cash equivalents**

SEK million	31/12/2025	31/12/2024
Cash and bank balances	42	132
<b>Total</b>	<b>42</b>	<b>132</b>

Cash and bank consist of cash and short-term bank deposits with a maturity of three months or less, after deduction of outstanding overdraft facilities. The carrying amount of these assets is essentially their fair value. Cash and cash equivalents at the end of the reporting period as shown in the consolidated cash flow can be reconciled with the items in the statement of financial position shown above. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period

as shown in the consolidated cash flow can be reconciled with the items in the statement of financial position shown above.

#### Transactions that do not involve payments

Acquisition of equipment and tools during the year amounted to SEK 32 million (11), financed through new leases.

#### Changes in liabilities attributable to financing activities

The table below shows the changes in the Group's liabilities attributable to financing activities, which include both changes attributable to cash flows and changes that do not affect cash flows. Liabilities attributable to financing activities are liabilities for which the cash flows have been, or for which future cash flows will be, classified as cash flows from financing activities in the statement of cash flows.

SEK million	1 January 2025	Cash flow from financing activities (i)	Acquisition of subsidiaries	Divestment of subsidiaries	New lease contracts	Other changes (ii)	31/12/2025
Bank loan (see note 29)	33	-8	-	-	-	-	25
Lease liabilities (see note 30)	88	-35	-	-	32	-	85
Overdraft facility (see note 28)	-	151	-	-	-	-	151
Total liabilities from financing activities	121	108	-	-	32	-	261

SEK million	1 January 2024	Cash flow from financing activities (i)	Acquisition of subsidiaries	Divestment of subsidiaries	New lease contracts	Other changes (ii)	31/12/2024
Bank loan (see note 29)	41	-8	-	-	-	-	33
Lease liabilities (see note 30)	96	-19	-	-	11	-	88
Total liabilities from financing activities	137	-27	-	-	11	-	121

(i) Cash flows from bank loans, loans from related parties and other loans are net of cash from borrowing and repayments of borrowing in the statement of cash flows.

(ii) Other changes include accrued interest.

#### Note 35. Pledged assets and contingent liabilities

SEK million	31/12/2025	31/12/2024
<b>Pledged assets</b>		
Property mortgages	19	19
Corporate mortgages	36	36
Pledged shares in subsidiary companies	-	-
<b>Total</b>	<b>55</b>	<b>55</b>
<b>Contingent liabilities</b>		
Guarantee	-	-
Other contingent liabilities	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

#### Note 36. Financial instruments

##### (a) Classes and categories of financial instruments and their fair value

Fair value hierarchy levels 1 to 3 are based on the degree to which fair value is observable:

- Level 1 involves quoted prices (unadjusted) in active markets for identical assets or liabilities that the company has access to at the time of valuation;
- Level 2 involves input data other than quoted prices that are included in level 1 and that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 valuations involve input data that are not based on observable market data (unobservable input data) or on own assumptions.

	Carrying amount				Fair value			
	Financial assets		Financial liabilities		Category			
	Fair value recognised in profit or loss	Amortised cost	Fair value recognised in profit or loss	Amortised cost	1	2	3	Total
<b>31/12/2025</b>								
Cash and cash equivalents (see note 34)	-	42	-	-	-	42	-	42
Non-current receivables	5	-	-	-	-	5	-	5
Current receivables	-	70	-	-	-	70	-	70
Trade receivables and other financial receivables	-	257	-	-	-	257	-	257
Accrued income	-	-	-	-	-	-	-	-
Derivates with positive market value	-	-	-	-	-	-	-	-
<b>Total</b>	<b>5</b>	<b>369</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>374</b>	<b>-</b>	<b>374</b>
Liabilities to credit institutions	-	-	-	176	-	176	-	176
Lease liabilities (note 29)	-	-	-	85	-	-	-	-
Trade payables and other financial liabilities	-	-	-	171	-	171	-	171
Derivates with negative market value	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>432</b>	<b>-</b>	<b>347</b>	<b>-</b>	<b>347</b>

	Carrying amount				Fair value			
	Financial assets		Financial liabilities		Category			
	Fair value recognised in profit or loss	Amortised cost	Fair value recognised in profit or loss	Amortised cost	1	2	3	Total
<b>2024-12-31</b>								
Cash and cash equivalents (note 34)	-	132	-	-	-	132	-	132
Non-current receivables	5	-	-	-	-	5	-	5
Current receivables	-	67	-	-	-	67	-	67
Trade receivables and other financial receivables	-	227	-	-	-	227	-	227
Accrued income	-	-	-	-	-	-	-	-
Derivat med positiva marknadsvärden	-	-	-	-	-	-	-	-
<b>Summa</b>	<b>5</b>	<b>426</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>431</b>	<b>-</b>	<b>431</b>
Liabilities to credit institutions	-	-	-	33	-	33	-	33
Lease liabilities (note 29)	-	-	-	88	-	-	-	-
Trade payables and other financial liabilities	-	-	-	202	-	202	-	202
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>323</b>	<b>-</b>	<b>235</b>	<b>-</b>	<b>235</b>

**(a)(i) Fair value of the Group's financial instruments measured at fair value on a recurring basis**

**Derivatives**

The company has currency futures that are measured at fair value at level 2 through profit or loss. The measurement method is discounting of contractual cash flows with interest and currency on the balance sheet date.

No transfers were made between level 1 and level 2 during the current or prior years.

**(a)(iii) Fair value of financial assets and financial liabilities not measured at fair value (but fair value disclosure is required)**

The company is of the opinion that the carrying amount is a reasonable approximation of the fair value of all financial instruments.

**(b) Risk management strategy**

As a result of its international operations, engcon is exposed to financial risks. The Group's CFO is responsible for risk management in accordance with the financial policy. These risks include market risk (including foreign currency exchange risk,

interest-rate risk and other price risks), credit risk and liquidity risk. The Group strives to manage the effects of these risks. For foreign currency exchange risk, currency futures are used to hedge transaction exposure in sales and purchases, see below. The CFO reports to the Board.

### (c) Market risk

The Group's operations are primarily exposed to financial risks and changes in exchange rates and interest rates.

There has been no change in the risks to which the Group is exposed or how these risks are managed and measured.

#### (c)(i) Foreign currency exchange risk management

The Group has sales companies in many countries and its products are sold in countries across the world while production only takes place in Sweden and Poland. This results in different types of foreign currency exchange risk.

Changes in exchange rates impact both when assets and liabilities are translated to SEK, known as translation risk, and when products are sold in countries outside of their country of manufacture, known as transaction exposure.

Translation risk is mainly related to EUR, USD and DKK. The difference between the foreign subsidiaries' assets and liabilities in foreign currency is impacted by changes in exchange rates and may result in a translation difference that impacts the Group's comprehensive income. If SEK were to change by 10 per cent against all currencies, other comprehensive income would be affected by SEK 26 million (29) before tax. Translation exposure is not hedged with financial instruments.

Transaction exposure arises as a result of 73 per cent (78) of the Group's sales taking place outside of the countries of manufacturing of Sweden and Poland. Exposure is limited through local costs in each market and through continual adjustments of prices in the customer base. If EUR alone were to increase 10 per cent, net sales would be affected by SEK 134 million (129). In accordance with its financial policy, engcon has the opportunity of hedging up to 70 per cent of its major currencies. The nominal amount of currency futures on the balance sheet date is EUR 0 million (5) and DKK 0 million (20) and their market value is SEK 0 million (0).

#### (c)(i) Interest-rate risk management

The Group is exposed to interest-rate risk in its borrowing which essentially has an interest-rate base on the three-month STIBOR.

The Group's total exposure to interest-rate risk amounts to SEK 369 million (431) on financial assets and SEK 432 (323) million on financial liabilities. The average interest rate is 3.03 per cent (5.15) and the duration on the balance sheet date is twelve months/year. For details, see Borrowing Note 28.

#### Interest-rate risk sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for financial liabilities on the reporting date. For liabilities with variable rate, the analysis is prepared on the assumption that the amount outstanding at the balance sheet date was outstanding for the whole year.

- If the interest rates had been 3 per cent higher/lower and all other variables were kept constant, the Group's net interest expenses would have been SEK 753 thousand (982) higher/lower (before tax). The impact on valuations is insignificant.

#### (a) Credit risk management

The accounting policies describe the Group's maximum exposure to credit risk and the valuation grounds used to determine expected credit losses.

For the operational credit risk, the issue is handled in the sales department. Before approving a new customer, an external credit assessment system is used to assess the credit worthiness of the potential customer and defines credit limits for the customer. The customers' limits and ratings are reviewed and approved twice a year by the risk management committee. 80 per cent of accounts receivable have the best credit ratings attributable to the external credit rating system used by the Group.

Credit approvals and other monitoring processes are also available to ensure that follow-up measures are taken to recover overdue debts. Furthermore, the Group reviews the recoverable amount of each account receivable and debt investment on an individual basis at the end of the reporting period to ensure that sufficient deficits are taken for any non-recoverable amounts. In this respect, the Group's Board members believe that the Group's credit risk is significantly reduced.

The credit risk of cash and cash equivalents is limited as the counterparties are banks with a high credit rating assigned by international credit rating agencies. An analysis of the probability of default and the amounts outstanding lead, due to strong counterparties and very short maturities, to the loss allowance being completely insignificant and therefore not reported.

The maximum credit-risk exposure amounted to SEK 299 million (359) as of 31 December 2025.

#### (e) Liquidity risk management

The responsibility for liquidity risk management has been delegated by the Board to the CFO. The Group manages short-term liquidity risk with a reserve that consists of unutilised facilities, cash and cash equivalents and short-term assets. The long-term liquidity risk is managed through continual forecasts and follow ups and by matching maturity profiles for financial assets and liabilities.

The Group currently has a reserve consisting of an overdraft facility of SEK 320 million (322), of which SEK 156 million (0) had been utilised as of 31 December. In addition, it has cash and cash equivalents of SEK 42 (132) million.

At the same time, the Group has a close cooperation with several major Nordic commercial banks, of which Svenska Handelsbanken is the principal bank. Financiers are regularly updated on future investment plans, both in terms of direct loans and lease arrangements.

#### e)(i) Liquidity table

The table below describes the Group's remaining contractual maturity for its financial liabilities and derivatives with agreed repayment periods. The table contains both interest and cash flows and the cash flows are undiscounted. To the extent that interest rates are variable, it is assumed that STIBOR on the balance sheet date remains unchanged for the entire maturity period.

The contractual maturity is based on the earliest date on which the Group may be liable to pay.

SEK million	0 to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	5 years +	Sum	Carrying amount
<b>31/12/2025</b>							
Trade payables and other financial liabilities	128	-	-	8	-	136	<b>136</b>
Lease liabilities	-	-	24	52	9	85	<b>85</b>
Financial instruments at variable interest (nominal)	-	-	175	1	-	176	<b>176</b>
Financial instruments at fixed interest (nominal)	-	-	-	-	-	-	-
Derivates	-	-	-	-	-	-	-
Interest on interest-bearing instruments	-	-	-	-	-	-	-
<b>Total</b>	<b>128</b>	<b>-</b>	<b>199</b>	<b>61</b>	<b>9</b>	<b>397</b>	<b>397</b>
<b>31/12/2024</b>							
Trade payables and other financial liabilities	194	-	-	8	-	202	<b>202</b>
Lease liabilities	-	-	23	57	8	88	<b>88</b>
Financial instruments at variable interest (nominal)	-	-	4	20	9	33	<b>33</b>
Financial instruments at fixed interest (nominal)	-	-	-	-	-	-	-
Derivates	-	-	-	-	-	-	-
Interest on interest-bearing instruments	-	-	-	-	-	-	-
Conditional earn-out	-	-	-	-	-	-	-
<b>Total</b>	<b>194</b>	<b>-</b>	<b>27</b>	<b>85</b>	<b>17</b>	<b>323</b>	<b>323</b>

#### (f) Capital risk management

The Group manages its capital to ensure that units within the Group will be able to continue the operations and that returns to shareholders are maximised through optimisation of the capital structure. The Group's overall strategy will remain unchanged from 2025.

The Group's capital structure consists of net debt (borrowings as disclosed in Note 28 less cash and cash equivalents) and the Group's equity (including issued capital, reserves, retained earnings and non-controlling interests).

The Group is not subject to any external capital requirements.

Liabilities are defined as equity.

Equity includes all capital and reserves in the Group that are treated as capital.

The year-end leverage ratio is calculated as follows:

SEK million	31/12/2025	31/12/2024
Liabilities	502	380
Cash and cash equivalents	42	132
Net liabilities minus cash and cash equivalents	460	248
Equity	708	732
Debt ratio	65.0%	33.9%

#### Note 37. Share-based remuneration

##### Warrant programme 2021-2026

In 2021, the Board resolved to introduce a warrant programme for all employees in the engcon Group. As of 31 December, 189 (196) engcon employees were participating in the warrant programme. A total of 1,517,880 warrants were issued, of which 1,081,196 (1,097,785) were subscribed for as of 31 December 2025. The change pertains to the return of warrants in conjunction with termination of employment. Each warrant entitles the holder to subscribe for one share in engcon at an agreed future price. Warrants are conditional on a vesting period of five years. To participate in this program, employees encompassed by the program pay a premium that is based on the fair value of allotted warrants that are measured in accordance with the Black & Scholes model. Therefore, for this program, no cost is recognised during the vesting period since employees have paid the fair value.

##### Incentive programmes 2025-2028

On 15 May 2025, the Annual General Meeting resolved in accordance with the Board of Director's proposal to implement a new long-term incentive programme (LTIP 2025) in the form of a share-based programme for the CEO of the company, the other members of the Group management and certain other key persons in the engcon Group. The aim of the programme is to link the interest of participants with the interests of shareholders to promote long-term value creation. The programme is also expected to make it easier for the company to recruit and retain key personnel. The programme means that the participants, up to a maximum of 25, are granted a certain number of performance-based share rights free of charge,

which, after three years, provided continued employment and that certain performance targets are met, may entitle the participants to receive a number of Class B shares in the company free of charge. To ensure the delivery of Class B shares under LTIP 2025, the Board of Directors resolved to acquire own Class B shares and transfer own shares with the support of the authorisation granted by the Annual General Meeting on 15 May to enable delivery of Class B shares to the participants of the programme, provided the outcome is positive.

There are two performance targets, each weighted at 50 per cent. Performance target 1 comprises annual net sales growth between the financial years 2024 and 2027 measured as Compounded Annual Growth Rate (CAGR) between the financial years 2024 and 2027. For allocation under performance target 1, the CAGR between the financial years 2024 and 2027 must be at least 15 per cent (threshold level). For full allocation, the CAGR must be at least 25 per cent. If the CAGR between the years is equal to or below the maximum level but exceeds the threshold level, allocation takes place on a straight line basis. Performance target 2 comprises a weighted average EBIT margin over the financial years 2025, 2026 and 2027, measured as the sum of operating profit divided by the sum of net sales for the years 2025, 2026 and 2027. For allocation under performance target 2, the weighted average EBIT margin must be at least 18 per cent (threshold level). For full allocation, the weighted average EBIT margin must be at least 23 per cent (maximum level). If the weighted EBIT margin is equal to or below the maximum level but exceeds the threshold level, allocation takes place on a straight line basis. An assessment is made of the outcome at the end of each financial year. The Board of Directors also maintains the right to make adjustments to decide on changes based on significant changes in the Group or its business environment that would entail that the agreed terms and conditions for share rights would no longer be appropriate or are unfair. The Board of Directors also maintains the right to withdraw the programme.

The maximum number of share rights that can be granted to participants within the framework of LTIP 2025 is 119,000 Class B shares, which were acquired on 10 June 2025 to secure the delivery of shares. As of 31 December 2025, 22 (0) engcon employees are participating in the programme. The company will recognise the costs based on the fair value of the share rights at the time of allocation, in accordance with IFRS 2. Costs attributable to LTIP 2025 are accounted for as personnel costs in the income statement over the vesting period. In addition, any outcome for participants will incur costs for social security contributions for engcon that are recognised in accordance with the statements from the Swedish Financial Reporting Board (UFR 7). The size of the social security contributions will be calculated based on the fair value of the underlying warrants. LTIP 2025 is valued based on the share price on the date of allocation, which totalled SEK 94.50 per share. The recognized cost is calculated

based on the number of allocated instruments, the fair value on the date of allocation and the assessment of the extent to which the performance conditions are expected to be met. As of 31 December 2025, Group management has made the assessment that both performance targets were met and that everyone encompassed by the programme is to receive a maximum allocation of share rights. The cost is recognised continually over the vesting period in accordance with IFRS 2. As of 31 December 2025, the cost for the incentive programme within the engcon Group amounted to SEK 1,712 thousand (0) excluding social security contributions that are regulated with equity instruments. Of this cost, SEK 1,336 thousand (0) pertains to the company's CEO and other senior executives. Social security contributions attributable to the programme amount to SEK 474 thousand (0) and are recognised as other provisions. Of the social security contributions, SEK 370 thousand (0) pertain to the company's CEO and other senior executives.

### **Note 38. Events after the reporting period**

engcon's new DC3 control system was made compatible with Caterpillar's wheeled excavators.

As of 1 January 2026, the bank overdraft facility has been expanded by SEK 50 million at unchanged terms.

No other material events have taken place after the balance sheet date.

### **Note 39. Related-party transactions**

The private individual who is the owner of the company Ommapo förvaltning AB, which comprises the principal owner of engcon AB, is the Board member of AB Mähler & Söner and Mähler International AB. engcon has had transactions with these companies. The transactions comprised the purchases of products from engcon totalling SEK 8.3 million (9.6) and sales of products to engcon of SEK 4.5 million (6.0). Ommapo förvaltning AB and Monen Group AB also have an indirect influence over Drivex AB, which has conducted transactions, mainly comprising purchases of products, with engcon amounting to SEK 6.1 million (5.1). In addition to these transactions, Ommapo förvaltning AB delivered services to engcon AB for SEK 1.2 million (1.2). Other related party transactions also took place involving lesser amounts. All transactions were conducted at market value and pertain to the year.

### **Remuneration of key management personnel**

The remuneration of company management, who are the Group's key management personnel, is presented in Note 7 Remuneration of employees.

### **Adoption of financial statements**

The financial statements were approved for issue by the Board on 26 March 2026.

# Parent Company financial statements

## Parent Company income statement

SEK million	Note	2025	2024
Net sales		34	59
Cost of goods sold		-4	-4
<b>Gross profit</b>		<b>30</b>	<b>55</b>
Selling costs.		-6	-23
Administrative costs	2	-60	-89
Research and development costs		-12	-14
Other operating income and operating expenses		-2	7
<b>Operating profit (-loss)</b>	3	<b>-50</b>	<b>-64</b>
<b>Profit/loss from financial items</b>			
Profit/loss from group companies	4	56	59
Interest income and similar profit/loss items	5	26	50
Interest expense and similar profit/loss items	6	-31	-33
<b>Profit/loss after financial items</b>		<b>1</b>	<b>12</b>
Appropriations	7	218	187
<b>Profit/loss before tax</b>		<b>219</b>	<b>199</b>
Income tax	8	-38	-29
<b>Profit/loss for the year</b>		<b>181</b>	<b>170</b>

## Parent Company statement of comprehensive income

SEK million	Note	2025	2024
<b>Profit for the year</b>		<b>181</b>	<b>170</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>181</b>	<b>170</b>

# Parent Company balance sheet

SEK million	Note	31/12/2025	31/12/2024
<b>Assets</b>			
<b>Fixed assets</b>			
Intangible assets		63	51
Property plant and equipment		5	3
Interests in group companies	9	262	110
<b>Total non-current assets</b>		<b>329</b>	<b>164</b>
<b>Current assets</b>			
Inventories		2	4
Receivables from group companies	10	602	404
Current tax		-	6
Other receivables		3	3
Prepaid expenses and accrued income	11	3	7
Cash and cash equivalents	12, 16	-	61
<b>Total current assets</b>		<b>610</b>	<b>485</b>
<b>Total assets</b>		<b>939</b>	<b>649</b>
<b>Equity and liabilities</b>			
<b>Restricted equity</b>			
Share capital	13	21	21
Fund for development expenditure		63	51
<b>Total restricted equity</b>		<b>84</b>	<b>72</b>
<b>Non-restricted equity</b>			
Share premium reserve		130	67
Retained earnings		1	5
Profit for the year		181	170
<b>Total non-restricted equity</b>		<b>312</b>	<b>242</b>
<b>Total equity</b>		<b>396</b>	<b>314</b>
<b>Untaxed reserves</b>	14	<b>221</b>	<b>160</b>
<b>Current liabilities</b>			
Overdraft facility	16	3	-
Trade payables		4	10
Current tax liabilities		3	-
Liabilities to group companies	18	303	150
Other liabilities		2	2
Accrued expenses and deferred income	15	7	13
<b>Total current liabilities</b>		<b>322</b>	<b>175</b>
<b>Total liabilities</b>		<b>543</b>	<b>335</b>
<b>Total equity and liabilities</b>		<b>939</b>	<b>649</b>

# Parent Company statement of changes in equity

SEK million	Share capital	Fund for development expenditure	Unrestricted equity	Total equity
<b>Opening balance 1 January 2024</b>	21	0	266	287
Profit/loss for the year			170	170
Total other comprehensive income			-	-
<b>Total comprehensive income</b>	-	-	170	170
<b>Transactions with shareholders:</b>				
Dividends to shareholders			-143	-143
<b>Total transactions with shareholders</b>	-	-	-143	-143
Transfer to fund for development expenditure		51	-51	-
<b>Closing balance 31 December 2024</b>	21	51	242	314

SEK million	Share capital	Fund for development expenditure	Unrestricted equity	Total equity
<b>Opening balance 1 January 2025</b>	21	51	242	314
Profit/loss for the year			181	181
Total other comprehensive income			-	-
<b>Total comprehensive income</b>	-	-	181	181
<b>Transactions with shareholders:</b>				
Dividends to shareholders			-152	-152
Rights issue	0		63	63
Acquisition of own shares			-12	-12
Incentive program			2	2
<b>Total transactions with shareholders</b>	-	-	-99	-99
Transfer to fund for development expenditure		12	-12	-
<b>Closing balance 31 December 2025</b>	21	63	312	396

# Parent Company cash-flow statement

SEK million	Note	2025	2024
Operating profit (-loss)		-50	-64
Adjustments for non-cash items:			
Depreciation		3	1
Other adjustments		-	-
Profit/loss from participations group companies		56	59
Dividend associated companies		-	-
Interest received	5	26	50
Interest paid	6	-31	-33
Income tax paid	8	-41	-38
<b>Cash flow from operating activities before changes in working capital</b>		<b>-37</b>	<b>-25</b>
<b>Changes in working capital</b>			
Decrease/increase in inventories		2	1
Decrease/increase in other receivables		182	300
Increase/decrease in trade payables		-6	-59
Increase/decrease in other liabilities		64	2
<b>Cash flow from operating activities</b>		<b>205</b>	<b>219</b>
<b>Investing activities</b>			
Acquisition of intangible assets		-14	-27
Acquisition of tangible assets		-3	-
Change of investments in group companies		-25	-11
Change of long-term receivables group companies		-	-
Change of long-term receivables		-	-
<b>Cash flow from (-used in) investing activities</b>		<b>-42</b>	<b>-38</b>
<b>Financing activities</b>			
New borrowing and change in overdraft facilities		3	-
Dividends to shareholders		-152	-143
Acquisition of own shares		-12	-
Acquisition of non-controlling interests		-63	-
<b>Cash flow from financing activities</b>		<b>-224</b>	<b>-143</b>
<b>Cash flow for (-used in) the year</b>		<b>-61</b>	<b>38</b>
<b>Cash and cash equivalents at beginning of the year</b>		<b>61</b>	<b>23</b>
Exchange rate fluctuations in cash and cash equivalents		-	-
<b>Cash and cash equivalents at end of the year</b>	16	<b>-</b>	<b>61</b>

# Parent Company notes

## Note 1. Accounting policies

The Annual Report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for Legal Entities. According to RFR 2, the Parent Company is to apply all International Financial Reporting Standards, as adopted by the EU, as far as is possible under the framework of the Swedish Annual Accounts Act.

### Amendments to RFR 2 that have come into force IFRS 16 Leases

Due to the connection between accounting and taxation, the regulations in IFRS 16 do not need to be applied to legal entities. Instead, leases are recognised in accordance with the rules stipulated in RFR 2. The amendments in RFR 2 regarding IFRS 16 are to be applied to financial years beginning on or after 1 January 2021. The Parent Company applies the exception from the application of IFRS 16, which entails that the Parent Company's leases are recognised straight-line over the term.

The other amendments in RFR 2 Accounting for Legal Entities that have come into force and that apply for the 2025 financial year did not have any material impact on the Parent Company's financial statements.

### Amendments to RFR 2 that did not come into force in 2025

The Parent Company has not yet started to apply the amendments to RFR 2 Accounting for Legal Entities that come into force on 1 January 2026 or later. These amendments are not deemed to have any material effect.

### Differences between the Parent Company's and Group's accounting policies (page 65) are described below:

#### Classification and presentation formats

The Parent Company's income statement and balance sheet are presented in accordance with the format stated in the Annual Accounts Act. The difference compared with IAS 1 Presentation of Financial Statements, which is applied in the presentation of the Group's financial statements, is primarily that presentation of financial income/expenses and equity.

#### Leases

As the lessee, the Parent Company recognises lease payments connected as an expense straight-line over the lease term, provided that another systematic approach does not better reflect the user's financial benefit over time.

#### Subsidiaries

Participations in subsidiaries are recognised at cost. Dividends from subsidiaries are recognised in profit or loss when the right to receive dividends is deemed to be certain and can be reliably calculated. Contingent consideration is recognised as part of the cost if it is possible that such consideration will

be paid. The cost is adjusted if in subsequent periods it is established that the initial assessment needs to be revised.

#### Financial instruments

The Parent Company does not apply IFRS 9. A method based on cost in accordance with the Annual Accounts Act is applied instead. This means that financial non-current assets are measured at cost less any impairment, and financial current assets in accordance at the lower of cost or market method. When calculating the net realisable value of receivables recognised as current assets, the policies for impairment testing and loss allowance under IFRS 9 are applied, see the policies for the Group. When assessing and calculating impairment requirements for financial assets recognised as non-current assets, the policies for impairment testing and loss allowance under IFRS 9 are applied where possible. Financial liabilities are measured at amortised cost by applying the effective interest method. Policies for recognising and derecognising financial instruments correspond to the policies for the Group as described above.

#### Group contributions and shareholders' contributions

Group contributions are recognised as appropriations in profit or loss. Shareholders' contributions are recognised by the donor as an increase in the item participations in Group companies.

## Note 2. Remuneration of auditors

TSEK	2025	2024
Deloitte AB:		
Audit services	2,272	2,210
Fiscal advice	591	435
<b>Total</b>	<b>2,863</b>	<b>2,645</b>

Audit assignment refers to the auditor's remuneration for the statutory audit. The work includes the audit of the annual accounts and the consolidated financial statements as well as accounting records, the management of the Board of Directors and the CEO as well as fees for audit advice provided in connection with the audit assignment.

Audit activities in addition to the audit assignment refer to other tasks that the company's auditor performs as well as advice or other assistance as a result of observations made during such review.

Tax advice refers to all tax-related services such as assistance with tax calculation, the preparation of tax returns and consultation regarding VAT, excise taxes and staff matters.

All other work performed by the auditor is defined as other services. This mainly includes consultancy services.

## Note 3. Remuneration of employees

See the Group's Note 7 Remuneration of employees.

**Note 4. Profit/loss from participations in Group companies**

SEK million	2025	2024
Dividends to shareholders	56	59
Impairments	-	-
<b>Total</b>	<b>56</b>	<b>59</b>

**Note 5. Interest income and similar profit/loss items**

SEK million	2025	2024
Interest income	7	7
Interest income group companies	16	18
Foreign exchange gains	3	25
<b>Total</b>	<b>26</b>	<b>50</b>

**Note 6. Interest expense and similar profit/loss items**

SEK million	2025	2024
Interest expense	-8	-11
Interest expense group companies	-5	-5
Foreign exchange losses	-18	-17
<b>Total</b>	<b>-31</b>	<b>-33</b>

**Note 7. Appropriations**

SEK million	2025	2024
Group contributions received	370	298
Group contributions paid	-91	-63
Transfer to tax allocation reserve	-61	-48
<b>Total</b>	<b>218</b>	<b>187</b>

**Note 8. Income tax**

SEK million	2025	2024
Current tax	-38	-29
Deferred tax	-	-
<b>Total</b>	<b>-38</b>	<b>-29</b>

**Reconciliation of tax expense for the year**

SEK million	2025	2024
Profit/loss before tax	219	199
Swedish tax 20.6%	-45	-41
Tax effect of non-deductable expenses	-4	-1
Tax-effect of tax-exempt income	12	12
Tax-effect of fair value derivatives	-	-
<b>Total income tax</b>	<b>-38</b>	<b>-29</b>

**Note 9. Participations in Group companies**

SEK million	31/12/2025	31/12/2024
<b>Cost</b>		
Opening balance, Jan 1	160	149
Additions	125	1
Contribution	25	10
Incentive programme	1	-
<b>Closing balance, Dec 31</b>	<b>311</b>	<b>160</b>
<b>Amortisation</b>		
Opening balance, Jan 1	-50	-50
Amortisation for the period	-	-
<b>Closing balance, Dec 31</b>	<b>-50</b>	<b>-50</b>
<b>Carrying amount</b>	<b>262</b>	<b>110</b>

Name of the company	Corporate Id.No	Location	Share of capital <sup>1</sup>	Number of shares	Carrying value, SEK million	31/12/2025	31/12/2024
engcon Nordic AB	556405-6835	Strömsund	100%	10,000	engcon Nordic AB	5	5
engcon Poland spzo	7772739915	Poznan	100%	200	engcon Poland spzo	14	14
engcon UK Ltd	4888209	Coventry	100%	1,000	engcon UK Ltd	4	4
engcon Germany GmbH	8028826669	Wertheim	100%	25,000	engcon Germany	4	4
engcon Finland OY	221647-7	Korsholm	100%	100	engcon Finland OY	58	1
engcon Sweden AB	556791-3289	Strömsund	100%	1,000	engcon Sweden AB	80	55
engcon Denmark A/S	34466823	Glamsbjerg	100%	500	engcon Denmark A/S	31	1
engcon France	798712634	Paris	100%	5,500	engcon France	39	1
engcon Real Estate	556687-5570	Strömsund	100%	12,000	engcon Real Estate	9	9
engcon SSC AB	556992-2650	Strömsund	100%	500	engcon SSC AB	2	1
engcon Netherlands	65694163	Amersfoort	100%	10,000	engcon Netherlands	-	-
engcon North America	81-5100081	New Haven	100%	1,000	engcon North America	1	1
engcon North America Prod	1545-0003	North Carolina	100%	1,000	engcon North America Prod	4	4
engcon Norway AS	928661644	Oslo	100%	30,000	engcon Norway AS	1	1
engcon Australia	636 463 075	Sydney	100%	8,000	engcon Australia	4	4
engcon Korea	110114024865	Cheong Nam Do	100%	10,000	engcon Korea	1	1
engcon Canada	117580-2900	Montreal	100%	100	engcon Canada	1	1
Microprop AB	556739-8853	Umeå	100%	1,000	Microprop AB	-	-
engcon component AB	559242-7685	Strömsund	51%	10,200	engcon component AB	1	1
Uttaracken AB	559277-7253	Strömsund	72%	7,197	Uttaracken AB	-	-
engcon Shares AB	559351-6783	Strömsund	100%	1,000	Engcon Shares AB	-	-
engcon Austria GmbH	569030	Graz	100%	1	engcon Austria GmbH	1	1
engcon Ireland Ltd	708790	Leixlip	100%	20,000	engcon Ireland Ltd	-	-
e-Component Sweden AB	556564-7293	Strömsund	100%	5,180	e-Component Sweden AB	-	-
engcon Japan	0104-01-186305	Tokyo	100%	2,000	engcon Japan K.K.	1	1
<b>Net carrying amount</b>						<b>262</b>	<b>110</b>

<sup>1</sup> The share of equity is the same as the share of voting power.

## Note 10. Receivables from Group companies

SEK million	31/12/2025	31/12/2024
<b>Long-term</b>		
<b>Cost</b>		
Opening balance, Jan 1	-	-
Regulated receivables	-	-
<b>Closing balance Dec 31</b>	<b>-</b>	<b>-</b>
<b>Amortisation</b>		
Closing balance Dec 31	-	-
Carrying amounts long-term receivables group companies	-	-
Carrying amounts current receivables group companies	602	404
<b>Total</b>	<b>602</b>	<b>404</b>

### Financial credit risk

Financial credit risk is the risk that the Parent Company does not receive payment from its counterparties for the Parent Company's investments and bank deposits. Cash and cash equivalents and receivables from Group companies are subject to impairment testing according to the company's model. The table above shows the actual risk exposure for the Parent Company.

### Note 11. Deferred income and accrued expenses

SEK million	31/12/2025	31/12/2024
Other items	3	7
<b>Carrying amount</b>	<b>3</b>	<b>7</b>

### Note 12. Cash at bank balances

SEK million	31/12/2025	31/12/2024
Cash and cash equivalents	-	61
<b>Carrying amount</b>	<b>-</b>	<b>61</b>

### Note 13. Share capital

Share capital and number of shares are presented in the Group's Note 24.

### Note 14. Untaxed reserves

SEK million	2025	2024
Excess depreciation	2	2
Tax allocation reserve 2022	67	67
Tax allocation reserve 2023	43	43
Tax allocation reserve 2024	48	48
Tax allocation reserve 2025	61	-
<b>Total</b>	<b>221</b>	<b>160</b>

### Note 15. Accrued expenses and deferred income

SEK million	31/12/2025	31/12/2024
Accrued salaries and social security cost	3	2
Other items	4	11
<b>Carrying amount</b>	<b>7</b>	<b>13</b>

### Note 16. Notes to statement of cash flows

#### Cash and cash equivalents

SEK million	31/12/2025	31/12/2024
Cash and bank balances	-	61
<b>Total</b>	<b>-</b>	<b>61</b>

Cash and bank consist of cash and short-term bank deposits with a maturity of three months or less, after deduction of outstanding overdraft facilities. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the consolidated cash flow can be reconciled with the items in the statement of financial position shown above.

#### Changes in liabilities attributable to financing activities

The table below shows the changes in the Parent Company's liabilities attributable to financing activities, which include both changes attributable to cash flows and changes that do not affect cash flows. Liabilities attributable to financing activities are liabilities for which the cash flows have been, or for which future cash flows will be, classified as cash flows from financing activities in the statement of cash flows.

SEK million	01/01/2025	Cash flow from financing activities (i)	Acquisition of subsidiaries	Divestment of subsidiaries	New lease contracts	Other changes (ii)	31/12/2025
Borrowings	-	-	-	-	-	-	-
Overdraft facility	-	3	-	-	-	-	3
<b>Total liabilities from financing activities</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>

SEK million	01/01/2024	Cash flow from financing activities (i)	Acquisition of subsidiaries	Divestment of subsidiaries	New lease contracts	Other changes (ii)	31/12/2024
Borrowings	-	-	-	-	-	-	-
<b>Total liabilities from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Note 17. Pledged assets and contingent liabilities

SEK million	31/12/2025	31/12/2024
<b>Pledged assets</b>		
Pledged shares in subsidiary companies	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
<b>Contingent liabilities</b>		
Capital adequacy guarantee for the benefit of subsidiary companies	56	23
Guarantees	21	28
Guarantees Poland	14	15
<b>Total</b>	<b>91</b>	<b>66</b>

### Note 18. Related-party transactions

Transactions between the Parent Company and its subsidiaries, which are related parties to the Parent Company are presented below: Disclosures regarding transactions between other related parties are presented in Note 39 on page 93.

SEK million	31/12/2025	31/12/2024
<b>Receivables related parties</b>		
Group companies	602	404
<b>Total</b>	<b>602</b>	<b>404</b>
<b>Liabilities related parties</b>		
Group companies	-303	-150
<b>Total</b>	<b>-303</b>	<b>-150</b>

SEK million	Sales		Purchase	
	2025	2024	2025	2024
Group contribution	371	299	-91	-63
Interest	15	18	-5	-5
Goods and services	36	62	-34	-15
<b>Total</b>	<b>422</b>	<b>379</b>	<b>-130</b>	<b>-83</b>

# Appropriation of profits

The Board proposes the following appropriation of profit: pay dividends to the shareholders in the amount of SEK 152,482,827. The proposed dividend is justifiable in view of the requirements that the nature, scope and risks of the operations place on the amount of equity and the company's liquidity and general financial position. The dividend will not impact the company's ability to fulfil its current and long-term obligations or to implement necessary investments. Moreover, the Board believes that the company's financial position, in light of the proposed dividends, is satisfactory for creditors. Furthermore, the Board does not see any other circumstances that would prevent the dividend from being paid in accordance with the Board's proposal.

## The following profit is available for distribution by the Annual General Meeting:

SEK	2025
Share premium reserve	130,140,518
Retained earnings	497,993
Profit for the year	181,199,239
<b>Total</b>	<b>311,837,751</b>
The Board of Directors proposes that the following be distributed to shareholders:	
-Shareholders (SEK 1.00 per share)	152,482,827
The Board of Directors proposes that the following be carried forward	
	159,354,924
<b>Total</b>	<b>311,837,751</b>

## Assurance of the Board

The Board of Directors and CEO of engcon AB assure that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and provide a true and fair view of the Group's financial position and earnings. The Annual Report has been prepared in accordance with the generally accepted accounting policies and provides a true and fair view of the Group's

and the Parent Company's financial position and earnings. The Administration Report for the Group and the Parent Company provides a fair review of the development of the Group's and Parent Company's operations, financial position and earnings and describes material risks and uncertainty factors faced by the Parent Company and the companies included in the Group. The signatories below also submit engcon AB's 2025 sustainability report.

The Annual Report is approved and signed  
Strömsund, 26 March 2026

**Anna Stålenbring**  
Board member

**Annika Bärebo**  
Chair of the Board

**Stig Engström**  
Board member

**Monica Engström**  
Board member

**Peter Hofvenstam**  
Board member

**Krister Blomgren**  
President and CEO

Our auditor's report was submitted on 26 March 2026  
Deloitte AB

**Jonas Ståhlberg**  
Authorised Public Accountant

# Auditor's report

To the general meeting of the shareholders of engcon  
AB corporate identity number 556647-1727

Report on the annual accounts and  
consolidated accounts

## Opinions

We have audited the annual accounts and consolidated accounts of engcon AB for the financial year 2025-01-01 - 2025-12-31, except the corporate governance report on pages 53-64.

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 2025 and its financial performance 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 2025 and their financial performance for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not include the corporate governance report on pages 53-64. 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 sufficient and appropriate to provide a basis for our opinions.

## Key Audit Matters

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

### Key Audit Matter

Timing of revenue recognition

Net sales amount to SEK 1,889 million for the year 2025. The revenues consist of a large volume of transactions, primarily comprising sales of finished goods and spare parts under various terms of sale. Timing of revenue recognition constitutes a key audit matter in our audit.

The Group's accounting policies and disclosures regarding revenue are presented in notes 2, 4 and 5 of the annual report.

Our audit procedures included, but were not limited to the following:

- evaluation of the group's accounting policies for revenue recognition to verify compliance with IFRS;
- testing identified key controls related to revenue recognition, including relevant IT-controls,
- evaluation of the Company's procedures for revenue recognition
- analytical review
- sample based testing of sales transactions to verify whether revenue has been recognized in the correct period,
- evaluation of the appropriateness of disclosures in the financial statement.

Valuation of inventory:

The group's inventory amounts to SEK 477 million and is held by production and sales units in various countries. The valuation of inventories requires clear guidelines, including obsolescence provisions, which are also subject to management's estimates and judgments, particularly with regards to significant fluctuations in the prices of raw materials and components. Processes for inventory valuation constitute a key audit matter in our audit.

The Group's accounting policies and disclosures regarding inventory are presented in notes 2 and 20 of the annual report.

Our audit covered, but was not limited to the following procedures:

- evaluation of the group's accounting policies for valuation of inventory to verify compliance with IFRS;
- testing identified key controls related to the valuation and existence of inventory, including relevant IT controls
- evaluation of the group's procedures for inventory accounting
- attending physical inventory counts
- sample based testing of, for example purchase prices
- evaluation of management's estimates related to obsolescence provisions, and
- evaluation of the appropriateness of disclosures in the financial statement.

### 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 1-37, 109-124, 126-132. Other information also refers to the remuneration report to which we had access prior to 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 is responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS Accounting Standards as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as it determines 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. It discloses, 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

intend 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.

A further description of our responsibilities for the audit of the annual accounts and consolidated accounts is located at the Swedish Inspectorate of Auditors website: <https://www.revisorsinspektionen.se/revisornsansvar>. This description forms part of the auditor's report.

### Report on other legal and regulatory requirements

#### Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director and the Managing Director of engcon AB for the financial year 2025-01-01 - 2025-12-31 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the loss to be dealt with 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

#### Auditor's responsibility

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

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

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

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

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: [revisorsinspektionen.se/revisornsansvar](https://revisorsinspektionen.se/revisornsansvar). This description forms part of the auditor's report.

#### The auditor's examination of the Esef report Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for engcon AB for the financial year 2025-01-01 - 2025-12-31.

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

#### Auditor's responsibility

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

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

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

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

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts 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 validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

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

#### **The auditor's examination of the Corporate Governance Report**

The Board of Directors is responsible for that the corporate governance report on pages 53-64 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance report is 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 report is different and substantially less in scope than an audit

conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

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

Deloitte AB, was appointed auditor of engcon AB by the general meeting of the shareholders on the 2025-05-15 and has been the company's auditor since 2010.

Stockholm 26 March 2026  
Deloitte AB

Jonas Ståhlberg  
Authorized Public Accountant

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

# Sustainability notes

We want to provide a transparent image of our sustainability work. This section presents supplementary information about engcon's sustainability governance, impact, stakeholder dialogue, materiality analysis and sustainability data.



## About the sustainability report

engcon's sustainability report for 2025 has been prepared in accordance with the provisions of the Swedish Annual Accounts Act chapters 6 and 7. The contents focus on the sustainability issues considered to be the most material for engcon's economic, social and environmental performance. engcon applies the precautionary principle to reduce or entirely avoid negative environmental impact. The sustainability report is part of engcon's Annual Report. engcon reports on its sustainability results on an annual basis. This report concerns the period 1 January until 31 December 2025, which corresponds to engcon's financial year. The latest sustainability report, "engcon's 2024 Annual Report", was adopted on 21 March 2024. For more information about the sustainability report, contact:

**Helena Nydahl, Sustainability strategist**  
 +46 72-601 37 06  
 helena.nydahl@engcon.se

## Delimitations and changes

All exceptions in the case of delimitations or scope are clearly stated with the reported information. The accounting policies and calculation methods used are described in connection with the reported data. No amendments have been made to the information provided in previous sustainability reports.

## Sustainability governance

The Board of Directors is responsible for engcon's strategic sustainability work. Operational sustainability efforts are delegated to the CFO, who pursues this work on a Group-wide level and coordinates with the heads of other functions. Sustainability efforts are divided into four areas: innovation and future solutions, climate and circularity, people and society and responsible business. Each function works towards sustainability targets, conducts follow ups and reports in its area.

The CEO is responsible for risk and compliance issues, internal control and for developing engcon's processes for purposeful and proactive risk and compliance activities.

The Board of Directors receives an annual review of engcon's sustainability strategy and is otherwise informed when necessary. Our sustainability strategy for 2030 is an integrated part of our business strategy. We have set climate targets that are in line with the Paris Agreement and that have been validated by the Science Based Targets initiative (SBTi). To supplement this, we also have targets for Scope 4, where we measure the climate benefit that our products create for customers.

### Policies and guidelines

engcon is committed to the UN Guiding Principles on Business and Human Rights (UNGP) and the UN Sustainable Development Goals (SDGs) and is a member of the UN Global Compact. These undertakings are reflected in the Group's Code of Conduct and in policies and processes that deal with ethical issues, quality, purchases, the environment,

work, and health and safety. Our global whistleblower function is available both internally and externally for employees, customers, partners and other stakeholders. No whistleblowing cases that have led to an investigation were reported via our global whistleblower function in 2025.

Our Code of Conduct, which has been adopted by engcon's Board of Directors, is our guide to ethical business operations and optimising the social and environmental effects of our activities. Laws, environmental standards and social conditions vary in the countries in which we conduct operations. The Code of Conduct is designed to ensure that we always act with integrity and in accordance with the highest ethical norms. The current version of the Code of Conduct was adopted in 2023.

Our employees receive annual training in our Code of Conduct. New employees are trained in our Code of Conduct as a mandatory part of our onboarding programme.

Examples of internal policies and guidelines:

- Code of Conduct including occupational health and safety (OHS) policy
- Operational policy for quality, the environment and sustainability
- Supplier handbook
- Guidelines concerning victimisation, harassment and discrimination
- Guidelines and action plan for alcohol and drugs

### Breaches of the Code of Conduct

All employees are expected to report observed or suspected breaches of law or engcon's Code of Conduct to their immediate manager, their immediate manager's manager or the HR department. Breaches of the Code of Conduct, other Group policies, or those endangering the health and safety of an individual, can be reported confidentially and anonymously by using our whistleblower system, which is provided by an external party. No individual who files a report in good faith is to be discriminated against or punished. This is also described in engcon's whistleblower policy. In 2025, no cases that resulted in further investigation were reported through the whistleblower system.

## Stakeholder dialogue and networks

The key to sustainability efforts that promote long-term value creation is understanding the business environment and stakeholder expectations. As part of daily business operations, engcon maintains ongoing dialogue with our various stakeholder groups concerning a number of subjects. Such dialogue creates understanding for the expectations on our operations and provides important guidance for identifying priorities and activities connected to various sustainability issues.

### Stakeholder identification

A stakeholder is defined as a person, a group of persons or another unit that is impacted by the organisation and its performance or that has another interest in the organisation. Both internal and external stakeholders are taken into account. Key stakeholders are defined through a process that aims to identify the stakeholders that engcon wants to engage in dialogue with. To be considered a key stakeholder

whom engcon wishes to engage in dialogue with, the stakeholder must meet the three criteria below:

- The stakeholder has requirements and expectations on engcon
- The stakeholder has a decisive influence on engcon’s performance

- engcon is easily able to identify its purpose with the engagement and the type of results that the company can expect a dialogue with the stakeholder to yield

The primary stakeholders for engcon include its customers, end users, business partners, employees, the society in which we operate, investors and owners.

### Dialogues in 2025

The table below presents our most important stakeholder groups, issues connected to engcon’s value creation, and channels used for dialogue. The dialogue identifies subjects that are important for us to address in our sustainability efforts.

Stakeholder groups	Dialogue form/channel	Significant topics
 <b>Customers</b> Dealers, OEMs, lessors of digging equipment.	Meetings, interactions through in-house local sales force and business partners, training activities, joint projects, exhibitions and events, customer surveys.	Customer requirements and product improvements, industry trends, safety, lifecycle perspectives, fuel consumption/carbon dioxide emissions from products, management of the supply chain.
 <b>End users</b> Contractors, excavator owners, construction company employees.	Meetings, interactions through in-house local sales force and business partners, training activities, joint projects, exhibitions and events, customer satisfaction surveys targeted at end customers.	Customer requirements and product improvements for increased efficiency and productivity, safety, flexibility, work environment, and carbon dioxide emissions from products.
 <b>Business partners</b> Manufacturers of excavators, attachments and OEMs, dealers.	Evaluations and audits of business partners, procurements, meetings, joint development projects.	Safety, carbon dioxide emissions from products, transportation and in-house operations, business ethics including corruption, supply-chain management, carbon dioxide emissions from transportation, carbon dioxide emissions from own operations and social engagement.
 <b>Suppliers</b>	Regular meetings, visits and assessments.	Delivery capacity, quality performance, sustainability efforts, business ethics including corruption and business agreements.
 <b>Employees</b> Existing and potential.	Workplace meetings, management meetings, performance reviews, collaboration with trade unions, other cooperation council and forums.	A healthy and secure work environment including safety inspections and health checks, Team engcon health initiative, the company’s development, targets and strategies, expertise and training, product safety, corporate culture and values, terms and conditions, agreements, organisational changes.
 <b>Society</b> Authorities, legislators, local communities, nonprofit organisations, universities and colleges.	Meetings, participation in industry forums, research projects, collaboration with universities, colleges, authorities and local municipalities, interaction with industry colleagues.	Carbon emissions from own operations, products, transportation. Social engagement, collaboration to attract more people to move to Strömsund Municipality “Heja Strömsund”, job fairs and university meetups/exhibitions and local collaboration with the Teknikcollege and Teknikhuset municipal initiatives.
 <b>Owners/investors</b> Existing shareholders and potential investors as well as analysts.	General meetings and Board meetings. Interim reports, the Annual Report, IR website, individual meetings and group meetings with existing shareholders and potential investors as well as bank analysts, for example, in conjunction with interim reports and investor conferences.	Strategies and long-term sustainable profitability, innovation, quality and customer satisfaction.  Sustainability issues (ESG – environmental, social and governance issues) are regularly highlighted.

## Double materiality assessment

engcon’s double materiality assessment determines which sustainability aspects that are material based on material impact and/or financial materiality, and forms the basis for our strategic sustainability efforts. The assessment is conducted in accordance with European sustainability reporting standards and resulted in 12 material sub-topics distributed across our focus areas.

	Material topics	Sub-topics	Focus areas
<b>Environment</b>	<b>Climate change</b>	<ul style="list-style-type: none"> <li>• Climate change mitigation</li> <li>• Energy</li> </ul>	<b>Climate and circularity</b>
	<b>Resource use and circular economy</b>	<ul style="list-style-type: none"> <li>• Resource inflows</li> <li>• Resource outflows</li> </ul>	
<b>Social responsibility</b>	<b>Consumers and end users</b>	<ul style="list-style-type: none"> <li>• Personal safety for consumers and end users (innovation)</li> </ul>	<b>Innovation and future solutions</b>
	<b>Own workforce</b>	<ul style="list-style-type: none"> <li>• Working conditions</li> <li>• Equal treatment and opportunities for all</li> </ul>	<b>People and society</b>
	<b>Workers in the value chain</b>	<ul style="list-style-type: none"> <li>• Working conditions</li> <li>• Other work-related rights</li> </ul>	
<b>Corporate governance</b>	<b>Business conduct</b>	<ul style="list-style-type: none"> <li>• Corporate culture</li> <li>• Protection for whistleblowers</li> <li>• Corruption and bribery</li> </ul>	<b>Responsible business</b>

### Method

#### Impact materiality

This perspective assesses how engcon’s operations impact the environment, people and society in the short-term (<5 years), medium-term (5-10 years) and long-term (>10 years or permanently). Both positive and negative impacts are analysed.

Impacts are assessed based on four dimensions: scale, scope, irremediable character and likelihood. The assessment considers positive actual impact, positive potential impact, negative actual impact and negative potential impact, in line with European guidelines.

The quantitative assessment is complemented by a qualitative assessment. In the case of potential negative impact on human rights, severity is weighted higher than likelihood, which is taken account of in the qualitative assessment.

#### Financial materiality

This perspective assesses how sustainability-related risks and opportunities could impact engcon’s financial position, earnings and value creation in the short, medium and long term.

The assessment of financial risks and opportunities is based on three dimensions: probability, financial impact and level of risk/opportunity.

The quantitative assessment is also complemented by a qualitative assessment.

#### Procedures for updating the assessment

To ensure that the assessment remains up-to-date and relevant, two types of reviews are conducted:

- Annual review – a less comprehensive review in conjunction with the management’s risk assessment. Focus is on changes in the environment, business or stakeholder expectations.
- Thorough review once every three years – a comprehensive assessment that includes stakeholder dialogues, internal assessments of business impact and updating the materiality matrix.

**engcon and the Sustainable Development Goals**

The Sustainable Development Goals (SDGs) are a key component of the UN agenda to eradicate extreme poverty, reduce inequality and protect the environment by 2030. The goal framework encompasses 17 goals with associated targets that describe the societal changes required for a more sustainable world.

As a technology and industry company, engcon has an important role in its efforts to contribute to these goals. By reducing the negative impact from our own operations, while

maximising the positive climate benefit our products create, we can contribute to a more sustainable and more resource-efficient value chain.

We have identified five of the SDGs that engcon has the greatest opportunity of impacting through our strategic 2030 targets and our core operations. These SDGs are selected based on how our technology, our innovations and our sustainability efforts can create the most value and greatest actual impact in relation to our focus areas.



8.4 Improve progressively global resource efficiency in consumption and production

8.8 Protect labour rights and promote safe and secure working environments

8.5 Full and productive employment and decent work, and equal pay for work of equal value



9.2 Promote inclusive and sustainable industrialization

9.5 Enhance scientific research, upgrade the technological capabilities of industrial sectors



12.2 Sustainable management and efficient use of natural resources

12.4 Environmentally sound management of chemicals and all wastes



13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation



17.1 Strengthen domestic resource mobilization for tax and other revenue collection

17.6 Cooperation on and access to science, technology and innovation

17.17 Encourage and promote effective partnerships

## Key performance indicators based on strategy and materiality

The key performance indicators we report are based on our double materiality assessment, where we identify the topics that are most significant for both engcon’s operations and for our stakeholders. These topics form the basis of our sustainability strategy and the four focus areas: innovation and future solutions, climate and circularity, people and society and responsible business. The key performance indicators demonstrate how we develop in each area and how we gradually strengthen our accountability. Our work is structured in line with European guidelines for sustainability reporting, which ensures clear and relevant follow ups. As a common thread, we also follow up on our overall target for our products to create increased climate benefit for the entire industry.

## Scope 4 – Sustainability targets for increased climate benefit

A clear target guides our sustainability efforts: 74 MT CO<sub>2</sub>e in reduced emissions 2021-2030. The target is based on accumulated climate savings for tiltrotators sold from the base year of 2021 and thereafter, and is based on the emissions avoided at the user stage compared with excavators not fitted with tiltrotators.

Avoided emissions from tiltrotators sold from 2021	28 MT CO <sub>2</sub> e
Proportion of the Scope 4 target achieved	38%

In 2025, the estimated climate savings from tiltrotators sold amounted to 5,300 tonnes CO<sub>2</sub>e, while the actual outcome was 5,500 tonnes CO<sub>2</sub>e. This corresponds to a year-on-year increase of 23 per cent, which exceeds the forecasted annual increase of 19 per cent. If this trend continues, we estimate that the target for 2030 will be exceeded.

### Method

The calculation of our Scope 4 target is based on a standardised method that estimates the emissions avoided at the user stage when an excavator is fitted with a tiltrotator. The method follows a lifecycle-perspective and combines actual sales data with assumptions on fuel savings, product lifespan and substitution effect for other machines. For calculating Scope 4 emissions, we follow the World Resources Institute’s guidelines “Estimating and Reporting the Comparative Emissions Impacts of Products”, which constitutes an established framework for quantifying and reporting avoided emissions.

### Climate savings per unit

Each tiltrotator sold is credited with a climate saving based on:

- Reduced fuel consumption per project when used compared with an excavator not fitted with a tiltrotator.
- A lifespan of 10,000 operating hours, in line with normal use and machine lifespan in the industry.

### Product variations and their effect

The climate benefit differs depending on the product configuration:

#### a) Tiltrotator only

Only credited with the direct climate savings from increased fuel efficiency per project.

#### b) Tiltrotator in sandwich solution together with coupler at both the upper and lower part of the tiltrotator

Credited with both direct and indirect climate savings since the sandwich solution makes the machine a tool carrier that enables it to replace an average of 2.2 other machines in the workflow.

This configuration therefore provides a higher climate saving compared with non-sandwich solutions.

Exception: For excavators below 6 tonnes, no indirect substitution effect is assumed.

### Deductions for production emissions

For each unit, the emissions generated by the production of the tiltrotator are deducted. This provides a net result per unit, which ensures that climate benefit is not overestimated and that the entire lifecycle perspective is included.

### Data and assumptions

2021–2025: Calculations are based on actual sales volumes.

2026–2030: An assumption of 19 per cent annual sales growth is used. The forecast demonstrates the potential in climate savings provided that the current trend continues.

## Innovation and future solutions

Innovation is a key component of our strategy to create safer workplaces, reduce climate impact and extend the product lifecycle. To ensure that innovations drive sustainable development, we have set a target to launch 30 production-ready innovation initiatives by 2030. Each initiative is to fulfil one or more of our established focus areas: increased safety, reduced climate impact or preserved product value.

All innovation projects started must address at least one of these focus areas. This requirement ensures that development efforts systematically contribute to more circular product solutions in which, for example, serviceability, reparability and recyclability are already integrated into the design.

An innovation initiative is defined as a development or further development of a new or existing product that creates clear customer value and strengthens engcon’s offering, and at the same time, meets at least one of our focus areas.

Number of innovative solutions	17
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### Research and development

To support our innovation efforts and ensure long-term competitiveness, we have a target of reinvesting at least 4 per cent of annual sales in research and development (R&D). With continuous investments in new solutions, we strengthen both our market position and our ability to develop products that contribute to increased safety, reduced climate impact and preserved product value.

Research and development costs	3.5% (4.4)
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This year's outcome is somewhat under the target level, but R&D investments continue to be a central component of our strategy for innovation and future solutions. The outcome of 3.5 per cent is partly due to the fact that the target of 4 per cent was not fully integrated into the original budget framework and when sales increased, the R&D budget was not adjusted at the same rate. For 2026, we have set the level at 4 per cent from the beginning, which clarifies governance and is expected to provide better target fulfilment moving forward.

**Reparability and recyclability contents**

To strengthen circularity and extend the lifecycle of our products, we work systematically with reparability and recyclability content in the construction and product design of our tiltrotators.

Reparability	Excellent reparability
Share of recyclable content	96%

**Method**

Our reparability method is based on established European and international frameworks, including principles from the French reparability index, the EU's Circular Economy Action Plan, relevant ISO guidance for product lifecycle and reparation as well as the EU's forthcoming Machinery Regulation 2023/1230.

The assessment criteria for reparability comprises the following

- Documentation – assesses how easy it is for users and service partners to gain access to service and repair documentation.
- Simple disassembly – assesses how quickly and easily key components can be disassembled and exchanged.
- Access to spare parts – assesses guarantees for the supply of spare parts over time.
- Bonus and malus criteria – to capture innovation and circular strengths, the assessment is complemented by bonus or malus points. Modularised product architecture and digital diagnostics or predictive maintenance give bonus points while permanently sealed components and short lifecycles give malus points.

Our tiltrotators comprise an average of 96 per cent recyclable material, calculated as a weight proportion of the product's modular composition that enables selective dismantling and material recycling in established European processes.

**Climate and circularity**

The governance of environmental topics is based on engcon's Code of Conduct, operational policy for quality and the environment, Group-wide instructions and sustainability strategy with established sustainability targets. engcon works towards science-based targets to reduce our carbon dioxide emissions in line with the Paris Agreement. We have a target to reduce our absolute carbon dioxide emissions within Scope 1 and Scope 2 by 42 per cent by 2030 from the 2021 level, and to take responsibility for working towards reducing our Scope 3 impact. The departments are responsible for complying with sustainability targets and policies and reporting the results. All data reported in this section comprises all product units in the Group.

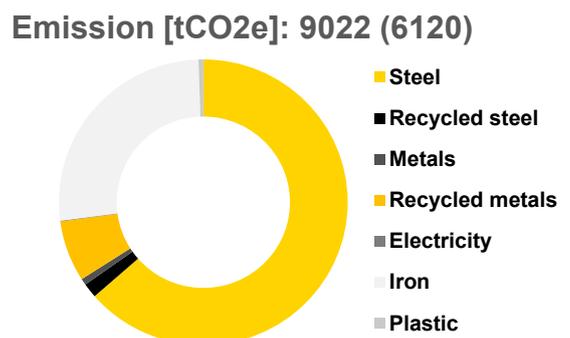
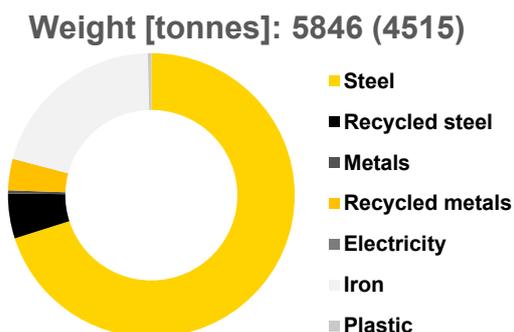
Reduction of carbon dioxide emissions from Scope 1 and 2 since 2021	-50%
Reported accidents resulting in negative environmental impact	0 (0)

**Materials**

engcon's products include several materials with varying environmental and climate impact. Steel is the most prevalent raw material in our products, followed by metals such as iron and aluminium bronze, electronics and plastic. Efforts are ongoing to reduce the environmental impact from purchased materials and components.

In the figure below, we report the weights and emission levels of the primary input materials in our products. The materials reported are virgin iron and steel, recycled steel, virgin metals, electronics and plastic. Steel accounts for 75 per cent of the reported materials. The breakdown of the materials purchased in 2025 is based on data from the digital ESG form that is distributed to our material suppliers that together represent up to 99 per cent of our total spend. 27 per cent of the data is specific while 64 per cent is general and estimated data based on known supplier information. The total weight of purchased material is calculated in part by multiplying the known weight of the products by the number of manufactured products during the year and adding the volume of waste to the weight and in part through known purchasing volumes of steel. Emissions are calculated by multiplying the weight of materials by the emission factor for the specific material.

**Purchased raw materials**



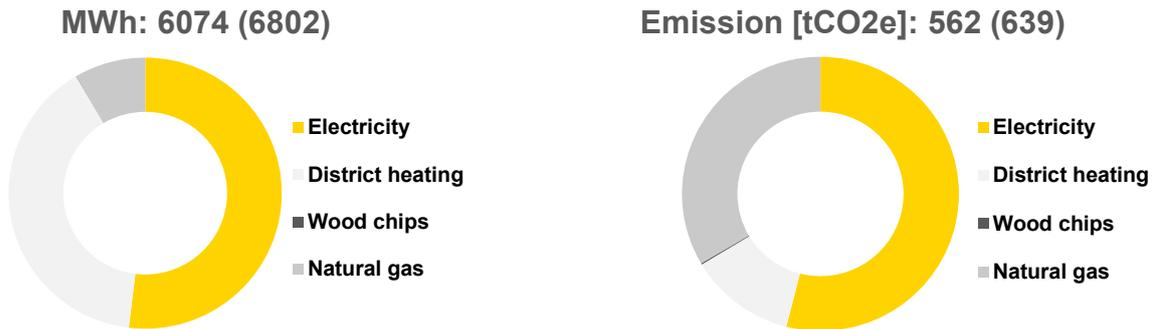
**Method**

Collection and reporting of data for 2024 and 2025 was conducted by distributing a digital ESG form to our 64 largest suppliers. The suppliers were asked about their component process, transportation (cradle to gate) and packaging material. In the figure above, purchased raw materials from our component suppliers are reported. For both 2024 and 2025, 24 suppliers provided complete data through the form. Complete responses are calculated as specific data in our reporting of data quality on pages 36-37.

**Energy**

We have several activities planned to reduce our energy consumption and carbon dioxide emissions from energy use at our manufacturing facilities. In 2025, we saw the full impact of our conversion to district heating at our facility in Strömsund. Following an adjustment of the system, optimisation of premises and completed energy efficiency measures, our heating requirements declined 23 per cent year-on-year. The sustainability report outlines engcon’s roadmap to reduced emissions and contains a description of these activities, refer to page 31. In 2025, 81 per cent of the energy used for electricity and heating at our production facilities was renewable.

**Energy use**



**Energy use within the Group**

The Group’s energy consumption declined between 2024 and 2025. The main reason was the full-scale implementation and calibration of district heating at our production facility in Strömsund, Sweden. About 98 per cent of engcon’s energy is consumed in Sweden, where 100 per cent of electricity and 100 per cent of heating is derived from renewable energy sources. The electricity purchased in Sweden comes from wind power (more than 80 per cent), hydropower (approx. 10 per cent) and bioenergy (approx. 5 per cent). The renewable energy in Sweden comes from the incineration of wood chips. In 2026, we will review the possibility of increasing the share of renewable energy at our production facility in Poland.

**Method**

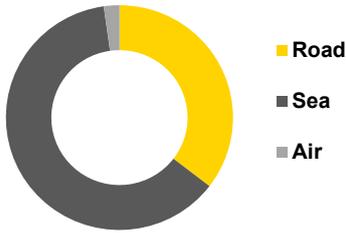
The collection and reporting of data for 2024 and 2025 was conducted by representatives of each facility. The information was reported as the amount of energy (MWh) for electricity and district heating as well as volume of fuel for own heating production.

**Transportation**

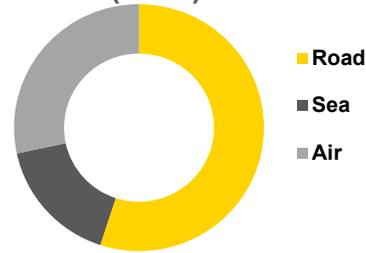
While we transport products across the globe, most transport activity takes place in Europe. This section details transportation upstream and downstream. Upstream transportation primarily takes place in Sweden where we have our largest supplier base and thereafter Europe. Our customers are present across the globe, but our base is primarily in Europe. As such, downstream transportation takes place in Europe and the rest of the world. The primary transportation method is by sea, but some transportation also takes place by road and air. At engcon, we work continually to optimise our logistics flows to reduce the environmental impact from our transportation. We focus primarily on the consolidation of logistics. In 2025, we worked more intensely with transportation planning and logistics optimisation with engcon’s production and sales companies. To optimise transportation, consignments are consolidated, thereby generating more efficient transportation and reducing the number of deliveries. We have also reviewed our packaging to enable an increased load factor. This ensures more environmentally and financially sustainable transport activities.

**Transportation**

**Distance [TonKM]: 53916947  
(36128173)**



**Emission [tCO2e]: 2712  
(2694)**



**Method**

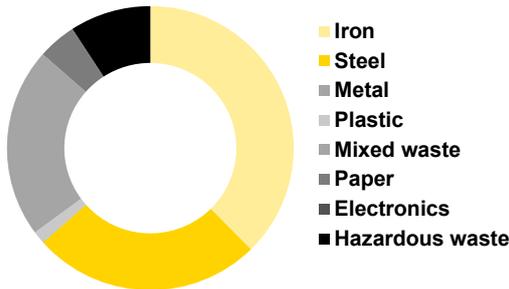
Transportation and emission data for 2024 and 2025 is gathered from our shipping companies, including DHL, DB Schenker, DIERA and Postnord. 11 per cent of emissions from transportation have been calculated from estimated data based on previous experience.

**Waste**

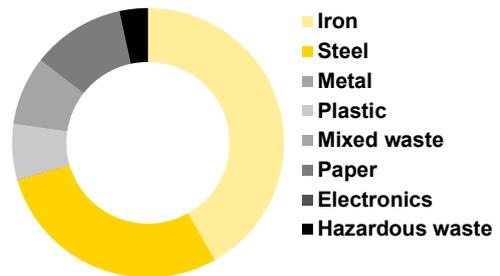
Steel is 100 per cent recoverable. The majority of our waste can be recycled, and the remaining waste is incinerated with energy recovery. A small proportion of the waste goes to landfills. We work continually to improve waste management and recycling. The amount of waste has declined 18 per cent since 2024 despite increased production volumes.

**Waste**

**Weight [tonnes]: 832 (671)**



**Emission [tCO2e]: 224 (283)**



**Method**

The data is gathered from Stena Recycling, Kuusakoski and Lundstams, which manage our waste in Sweden. Our country managers and our facility manager in Poland are responsible for the collection and reporting of data from Poland and our sales offices.

**Chemicals**

engcon handles certain chemicals that are hazardous to health or the environment. This primarily concerns oil, paint and solvents. We have committed to complying with the RoHS and REACH directives. engcon requires that all chemicals used in the Group are verified to ensure the minimum negative impact on the environment and health. Such verification comprises, but is not limited to:

- the process for the use of a new chemical, including a risk assessment and evaluation of the compliance with legal requirements.
- correct labelling, use, storage, delivery and transportation.
- instructions and other appropriate precautionary measures to prevent inappropriate use.

- access to personal protective equipment (PPE) and equipment for spill containment
- employee training
- process for the identification, evaluation and elimination of chemicals that contain substances that are hazardous for the environment and people's health

engcon uses the EcoOnline platform to secure a healthy work environment, proper chemicals management and to train employees in the handling of chemicals. EcoOnline includes all chemicals registered together with a safety data sheet. The manager for chemicals documentation conducts regular risk assessments with the responsible managers to ensure that the chemicals list and procedures for handling chemicals are updated.

### Emissions

engcon’s primary climate impact is the result of our upstream Scope 3 emissions connected to the purchasing of components. Our Scope 1 and 2 emissions have declined 50 per cent since the base year of 2021. Three distinct activities that were conducted enabled this decline: energy efficiency improvements at our production facilities in Strömsund and Poland as well as the conversion to district heating at our production unit in Strömsund. In 2025, we built further on the improvements implemented in conjunction with our climate calculations being verified by an independent third party in 2024. Our Scope 3 emissions increased year-on-year due to higher production volumes. Emissions from commuting have increased due to the recognition and correction of a calculation error from previous years.

Scope 1	344 (367)
Scope 2 - market based	373 (480)
Scope 2 - location based	403 (440)
Scope 3	35,600 (21,600)
Purchased components	30,200 (14,400)
Upstream and downstream transportation and distribution	2,710 (2,690)
Waste generated in operations	102 (283)
Business trips	245 (123)
Commuting	370 (89)
Management of end-of-life sold products	1,960 (1,510)

(tCo2e)

The trend that began in 2022 continued in 2025 and we are seeing an increase in the number of business trips. This increase was the result of eased pandemic restrictions and a pent-up need to travel and meet customers and business partners. At the same time, we note that following the pandemic, we have become more accustomed to digital meetings and have thus changed our travelling patterns.

Travel costs as a percentage of Group sales	0.39 (0.37) %
Share of electric and hybrid company cars	92 (77) %

### Method

engcon reports Scope 1, 2 and 3 emissions in accordance with the recommendations of the Greenhouse Gas Protocol Corporate Standard (GHG Protocol). Scope 2 emissions are recorded in accordance with the market-based method stated in “GHG Protocol Scope 2 Guidance”.

### Scope 1: Direct greenhouse gas (GHG) emissions

Scope 1 emissions have not declined year-on-year. The previous decline noted in earlier years was the result of a shift to district heating in Strömsund, which redefined emissions from Scope 1 to Scope 2.

#### Scope 1 data:

- Heating of properties at our production facilities in Sweden and Poland. In Strömsund, district heating is used for heating. In Poland, natural gas is used for heating.

- Company-owned vehicles used in day-to-day operations at our production facilities in Sweden and Poland.
- Leased cars used as company cars by our white-collar personnel

### Scope 2: Indirect GHG emissions

Scope 2 emissions declined between 2024 and 2025 due to the conversion to district heating at our production unit in Strömsund reaching full impact.

#### Scope 2 data:

- Electricity use within the Group.
- District heating consumption at our production facility in Strömsund.

### Scope 3: Other indirect GHG emissions

engcon’s Scope 3 emissions account for the majority of the Group’s climate impact. The majority of Scope 3 emissions – 85 per cent or about 30,200 tonnes CO<sub>2</sub>e for 2025 – derive from the extraction of raw materials and purchases of components (meaning GHG emissions generated outside of the organisation). Our aim was to gather specific data, but in certain cases it was necessary to make generalisations and estimates. The data quality of our climate calculations is reported on pages 36-37. engcon is working to improve data quality, particularly in collaboration with our suppliers since the extraction of raw materials and the purchasing of components accounts for our greatest source of emissions.

#### Scope 3 data:

- Purchased components  
To calculate emissions from purchased components, we have used a hybrid method that combines supplier-specific, general and estimated data. Purchased components are based on our 64 largest suppliers, which account for the majority of our purchases. 27 per cent of the data is specific while 64 per cent is general and estimated data based on known supplier information. The remaining share of purchased materials is estimated to be comparable with emissions from our 64 largest suppliers. Emissions from the extraction of raw materials and purchases of components rose in 2025 due to increased production volumes.
- Upstream and downstream transportation and distribution  
Emissions from upstream and downstream transportation and distribution are calculated using a combination of fuel and distance-based methods. Transportation and emissions data is gathered from our shipping companies, including DHL, DB Schenker, DIERA and Postnord. 11 per cent of emissions from transportation have been calculated from estimated data based on previous experience.
- Waste generated in operations  
Emissions from waste are calculated using a supplier-specific method, meaning that waste-specific Scope 1 and Scope 2 emissions data is gathered from our waste-management companies (data from, for example, incineration, energy recovery and material recovery).
- Business trips  
Emissions from business trips are calculated using a combi-

nation of fuel-based and distance-based methods. Documentation has been gathered from travel agencies and from the internal reporting function.

- **Commuting**

Emissions from commuting have been calculated using a combination of the methods based on distance and average data. This means that some of the data has been collected from employee commuting patterns and some has been estimated based on average data for employee commuting patterns.

- **Management of end-of-life sold products**

Emissions from the management of end-of-life sold products have been calculated using a waste-type-specific method. Data for the total amount of sold products in 2025 was broken down into waste fractions that have been specified based on the waste management method. In terms of sales, our products were mainly sold in 2025 in the European market including the Nordic region (82 per cent) and thus waste management is assumed to be equated with the levels of the European market. Packaging material has not been included in the calculation, but can be assumed to be a small amount compared with the input material in products sold.

## Sources of the emission factors used

### Fuel

- Boverket (2022). Boverket's climate database. Boverket – the Swedish National Board of Housing, Building and Planning.
- EPA (2014). Emission Factors for Greenhouse Gas Inventories. EPA – United States Environmental Protection Agency.

### Electricity

- EEA (2022). Greenhouse gas emission intensity of electricity generation in Europe. EEA – European Environment Agency.
- Skellefteå Kraft (2022). Company-specific data for electricity use (market based).
- Enea (2022). Company-specific data for electricity use (market based).
- IVA (2016). Framtidens el – så påverkas klimat och miljö. [Electricity of the future – how the climate and environment will be impacted.] A progress report. IVA – the Royal Swedish Academy of Engineering Sciences, Sweden
- Engström and others. Guidelines for methodological choices for calculating impact from changed energy use on the Swedish environmental objectives: Prepared with support from the Environmental Objectives Council, the Swedish Energy Agency and the Environmental Protection Agency: Stockholm, Sweden, 2009; p. 76.
- Schakenda and others. CO<sub>2</sub>-Emissions Associated with Different Electricity Mixes; Ostfold Research: Krakeroy, Norway, 2010; p. 20.
- Nowtricity

### Heating

- Energiföretagen (2022). Environmental evaluation of district heating. Sweden
- IEA (2022). District Heating – Infrastructure deep dive. IEA – International Energy Agency.

### Transportation

- Gustafsson and others. Well-to-wheel climate performance of gas and electric vehicles in Europe, Transportation Research Part D: Transport and Environment, Volume 97, 2021.
- DOE (2021). GREET WTW Calculator 2021. DOE - U.S. Department of Energy
- EEA (2012). Overall well-to-wheel greenhouse gas emissions of various types of biofuels, compared to reference fuel. EEA – European Environment Agency.
- EEA (2012). Rail and waterborne — best for low-carbon motorised transport. EEA – European Environment Agency.

### Materials

- Tillväxtanalys (2018). Metaller och deras betydelse för produkters klimatavtryck. [Metals and their significance for the climate footprint of products.] Tillväxtanalys – Swedish Agency for Growth Policy Analysis.
- Environdec (2022). Global Environmental Product Declaration (EPD) programme for publication of ISO 14025 and EN 15804 compliant EPDs.
- FEICA (2022). Environmental Product Declaration. FEICA - the Association of the European Adhesive & Sealant Industry.

### Waste

- Hillman and others. Climate Benefits of Material Recycling – Inventory of Average Greenhouse Gas Emissions for Denmark, Norway and Sweden. 2015
- Tillväxtanalys (2018). Metaller och deras betydelse för produkters klimatavtryck. [Metals and their significance for the climate footprint of products.] Tillväxtanalys – Swedish Agency for Growth Policy Analysis.
- Miliute-Plepiene and others. Klimatpåverkan från olika avfallsfraktioner [Climate impact of different waste fractions] 2019
- Wäger and others. Environmental impacts of the Swiss collection and recovery systems for Waste Electrical and Electronic Equipment (WEEE): A follow-up, Science of The Total Environment, 2011.

## People and society

### Employees

engcon’s employees are crucial for the company’s value creation, profitability and growth. At engcon, we want to offer an

attractive, inclusive and healthy workplace. Being an attractive employer means being a responsible employer and promoting a dynamic employee culture.

### Information about average number of employees

	Nordic Region	Europe	Americas	Asia-Oceania	Group
Women	84	10	2	2	98 (89)
Men	222	76	19	14	331 (290)
<b>Total</b>	<b>306</b>	<b>86</b>	<b>21</b>	<b>16</b>	<b>429 (379)</b>
Proportion of total employees	71%	20%	5%	4%	100 (100) %
Proportion of women	27%	11%	11%	12%	23 (23) %

### Employee survey

Since 2022, employee engagement has been followed up in a structured way throughout the Group using an employee survey. The response rate in 2025 was 82 (79) per cent. The employee survey covered the following areas:

- strategy, vision and culture
- training and development
- relationships to managers
- relationships to colleagues
- targets and target fulfilment
- feedback and communication
- health
- workload
- autonomy
- workplace and tools
- meaningfulness and participation

The average value of all responses from the employee survey is presented below as a Total score and an employee Net Promoter Score (eNPS). engcon’s eNPS is based on the question *How likely is it that you would recommend engcon to a friend or acquaintance?* Responses are on a scale 1 to 10.

- 9-10 Promoters: Our most satisfied employees
- 7-8 Passives: Satisfied but not as engaged
- 0-6 Detractors: Unsatisfied employees who would not recommend engcon

eNPS is calculated by subtracting the per cent of Detractors from the per cent of Promoters. The result can vary between 100 and -100. This value is unchanged year-on-year and remains well below our target levels. We are unsatisfied with the outcome and there is a clear need for improvement. Targeted measures will be taken in the coming period to strengthen this and improve results.

Total score	3.8 (3.8) of 5
eNPS	-1 (-1)

### Staff turnover

Definition of staff turnover: (employees who have left the company/average number of employees) multiplied by 100

Total in the Group	13.0 (16.4) %
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### Employment

engcon is committed to diversity, equality, fair working conditions and the freedom of association of its employees, including the right to join trade unions.

In 2025, the majority of all employees in Sweden, corresponding to 65 per cent (64) of engcon’s total employees, were covered by collective agreements.

### Training and skills development

Training and skills development is important for engcon to remain at the forefront of technological development. As such, we work in a structured manner with knowledge sharing and the transfer of technology within and between units. Each manager is responsible for the further training of their employees.

All managers conduct annual performance reviews with their employees. These comprise an evaluation of each employee’s annual performance and a discussion to adopt new developmental targets for the following year. The annual performance reviews are conducted in a structured and uniformed way using a shared digital tool used consistently across the organisation.

All employees receive regular reviews of their performances and career development.

### Occupational health and safety

engcon is committed to providing a safe and secure workplace. The company focuses its occupational health and safety efforts on reducing and preventing physical, ergonomic and psychosocial risks.

### Policies and guidelines

Health and safety is covered by engcon’s Code of Conduct, and is managed in accordance with prevailing local laws and regulations in the respective countries. Detailed requirements

for how suppliers are to manage health and safety are outlined in engcon’s Code of Conduct, which all of our suppliers from which we purchase goods and components for at least SEK 1 million must sign and comply with. We have health and safety representatives at our production facility in Sweden and regular safety inspections are conducted. We have an external health and safety consultant at our production facility in Poland who completes inspections on a weekly basis.

**Training and other health and safety initiatives**

engcon continually provides training for employees to reduce and prevent physical, ergonomic and psychosocial risks. We offer special safety training for roles that are exposed to particular risks. All employees receive basic information and take part in fire drills and drills in the event of accidents. For certain roles, health and safety is included in the onboarding process for new employees.

**Health-promoting activities**

In Sweden, all employees are covered by collective agreements and a supplementary health insurance and have access to company healthcare. Employees also have access to a massage service at work, and receive subsidies for health-promoting and preventive care activities. All employees in Sweden have the opportunity of participating in engcon’s own healthcare initiative – Team engcon – where employees are can participate in regular joint exercise sessions at work each week. In other countries, the scope of access to insurance and company healthcare varies. Healthcare services are provided in most cases by external companies that guarantee data confidentiality for employees in accordance with prevailing local legislation. Absenteeism in 2025 remained largely unchanged and at a healthy level. In parallel, health-promoting activities have continued to strengthen well-being and satisfaction.

**Occupational injuries**

The reported occupational accidents can vary in nature. All accidents are followed up and suitable measures are taken to avoid similar accidents in the future. In 2025, no serious accidents were reported. The recently adopted sustainability strategy contains an explicit ambition regarding lost time injury frequency. Since the number of accidents has increased, it is particularly important to monitor this development going forward.

Occupational accidents	25 (13)
Proportion of sick leave	3.8 (3.8) %

**Follow-up**

engcon’s efforts to offer a safe and secure workplace are monitored in our employee surveys, and we also encourage employees to report incidents to their immediate managers or via the whistleblower system.

No serious deviations that led to further investigation were reported using the whistleblower system during the year.

**Equality and inclusion**

Using our Code of Conduct as a basis, engcon works in various ways to prevent discrimination and promote diversity and inclusion. We set Group-wide targets and take action to achieve these goals. One of these targets is that the share of women in senior management positions with managerial duties is to reflect the total share of women employed in the Group. In 2025, the share of female employees was unchanged while the share of women with managerial duties declined slightly. The change is a result of a more concentrated and clearly defined managerial structure, which has led to a reduction in the number of supervisory roles.

Share of female employees	23 (23) %
Share of women with managerial duties	16 (20) %
Share of women on the Board	60 (60) %
Share of women in Group management	20 (27) %

**Local communities**

In addition to creating jobs, engcon is active in a number of initiatives that aim to strengthen the local community. The Strömsund region plays an important part in our continued success and growth. This is where our head office is located as well as the largest of our two production facilities. We are deeply engaged with our local community in many different ways including by supporting various local initiatives and sports associations and by working to put Strömsund on the map in various national and international contexts.

- **“Heja Strömsund”**, with the aim of attracting people who want to move to Strömsund to work and develop the district.
- **The engcon hall**, the local sports hall in Strömsund.
- **Teknikcollege**, students at the local high school in Strömsund receive an attractive education that can lead to employment immediately, or provide a healthy foundation for further study.
- **Teknikhuset**, is a meeting place in Strömsund for future technicians, engineers, inventors and entrepreneurs.

## Responsible business

Responsible business is a prerequisite for creating sustainable value-chain practices and ensuring that our products are manufactured under ethically, socially and environmentally responsible conditions. In order to strengthen transparency and impose clear requirements, we have set a target that 95 per cent of all material suppliers linked to engcon’s value chain with an annual spend of over SEK 100,000 must meet our sustainability criteria for social and climate-related sustainability by 2030. We actively work to support our partners in achieving full compliance.

Core suppliers and new suppliers that meet engcon’s sustainability criteria	87%
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The result is slightly under the target level, but since this is the first year that we measure the key performance indicator, this provides us with an important baseline. Using this a starting point, we can work in a more targeted fashion to increase compliance and gradually have a larger share of our suppliers encompassed by structured sustainability efforts.

### Method

The method encompasses all material suppliers in the value chain that exceed an annual spend of SEK 100,000. These suppliers undergo a sustainability audit in which their work is assessed based on a structured scoring system. In order to be considered to have met our requirements, the supplier must attain at least 60 per cent of the total sustainability points. The assessment encompasses areas such as employee conditions, environmental performance, climate impact, chemical management, governance and IT security.

This model allows us to track developments over time, identify improvement needs and offer targeted support to the suppliers that need to strengthen their sustainability performance. In this way, we create the prerequisites for a value chain that is both competitive and accountable, and one that contributes to our products being produced in such a way that is in line with engcon’s values and long-term sustainability targets.

## Suppliers

Our suppliers are mainly based in Europe, primarily in the Nordic region. We have a target that all of our suppliers from which we purchase goods and components for at least SEK 1 million must sign and comply to our Code of Conduct. We ensure compliance with our Code of Conduct through regular meetings with, visits to and audits of our suppliers. engcon strives to continually develop its partnerships with suppliers to ensure the highest possible functionality, quality and sustainability. To minimise risks connected to component shortages and enable growth, we work continuously to broaden our supplier base (dual sourcing) without compromising on quality.

We conduct audits on all core suppliers over a rolling three-year basis. This year, we achieved 97 per cent coverage, which is just under our target of 100 per cent. However, this was a stable outcome that demonstrates that the structure is working. Efforts are continuing to ensure complete audit coverage in the coming three-year periods.

Number of suppliers who have signed the Code of Conduct	67 of 67
Number of supplier audits	97%

## Anti-corruption

engcon has zero tolerance for corruption, which is clearly expressed in the Code of Conduct that is accepted by all employees and the majority of our suppliers. We have an external whistleblower function, which is available both internally and externally for employees, customers, partners and other stakeholders. All reported cases are investigated with the help of external experts and measures are taken if a breach has occurred. In 2025, no cases were reported related to potential fraud or corruption via the whistleblower function.

Reported deviations from the Code of Conduct	0 (0)
Reported cases of human rights violations	0 (0)

## Sustainability reporting in accordance with the Swedish Annual Accounts Act

The table below refers to the sustainability report that was prepared in accordance with the Swedish Annual Accounts Act

	Environment	Personnel	Social conditions	Human rights	Anti-corruption
<b>Business model</b>	10 Value-creating business model, 11 Sustainable and efficient digging, 30-31 Climate and circularity, 36-37 Impact on the value chain, 110 Sustainability governance, 114 Scope 4 – Sustainability targets for increased climate benefit, 115-120 Climate and circularity	10 Value-creating business model, 32-33 People and society, 121-122 People and society	10 Value-creating business model, 28-29 Innovation and future solutions, 34-35 Responsible business, 123 Responsible business	10 Value-creating business model, 34-35 Responsible business, 110 Sustainability governance, 123 Responsible business	10 Value-creating business model, 34-35 Responsible business, 110 Sustainability governance, 123 Responsible business
<b>Policies and results of the policies</b>	30-31 Climate and circularity, 115-120 Climate and circularity	32-33 People and society, 121-122 People and society	34-35 Responsible business, 121-122 People and society, 123 Responsible business	34-35 Responsible business, 110 Sustainability governance, 123 Responsible business	34-35 Responsible business, 110 Sustainability governance, 123 Responsible business
<b>Material risks and how these are managed</b>	36-37 Impact on the value chain, 112 Double materiality assessment	112 Double materiality assessment	112 Double materiality assessment	112 Double materiality assessment	112 Double materiality assessment
<b>Performance indicators</b>	30-31 Climate and circularity, 115-120 Climate and circularity	32-33 People and society, 121-122 People and society	34-35 Responsible business, 121-122 People and society, 123 Responsible business	34-35 Responsible business, 110 Sustainability governance, 123 Responsible business	34-35 Responsible business, 110 Sustainability governance, 123 Responsible business

# Assurance report

## Auditors' report on the statutory sustainability report

To the general meeting of the shareholders in engcon AB,  
corporate identity number 556647-1727

### Engagement and responsibility

It is the board of directors who is responsible for the statutory sustainability report for the year 2025 on pages 10, 11, 28-37, 110, 112 och 114-123 and for its preparation in accordance with the Annual Accounts Act in its previous wording that applied prior to 1 July 2024.

### The scope of the audit

Our examination has been conducted in accordance with FAR's standard RevR 12 *The auditor's opinion regarding the statutory sustainability report*. This means that our examination of the statutory sustainability report is substantially different and 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 opinion.

### Opinion

A statutory sustainability report has been prepared.

Stockholm, 26 March 2026

Deloitte AB

*Signature on Swedish Original*

Jonas Ståhlberg  
Authorised Public Accountant

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

# Other

## Multi-year overview

Income statement, SEK million	2025	2024	2023	2022	2021
Net sales	1,889	1,649	1,898	1,938	1,488
Operating expenses	-1,568	-1,353	-1,522	-1,523	-1,163
Operating profit	321	295	376	415	325
Net financial items	-30	-	-11	-	15
Profit before tax	290	295	365	415	341
Income tax	-67	-66	-80	-90	-72
<b>Profit/loss from continuing operations</b>	<b>223</b>	<b>229</b>	<b>285</b>	<b>325</b>	<b>269</b>
Balance sheet, SEK million	2025	2024	2023	2022	2021
Fixed assets	363	348	345	267	225
Other current assets	805	632	566	889	560
Cash and cash equivalents	42	132	101	30	228
<b>Total assets</b>	<b>1,210</b>	<b>1,112</b>	<b>1,012</b>	<b>1,186</b>	<b>1,013</b>
Equity	708	732	643	501	613
Interest-bearing liabilities	260	122	137	264	122
Non-interest-bearing liabilities	242	258	232	421	278
<b>Total equity and liabilities</b>	<b>1,210</b>	<b>1,112</b>	<b>1,012</b>	<b>1,186</b>	<b>1,013</b>
Cash flow, SEK million	2025	2024	2023	2022	2021
Cash flow from operating activities	95	239	486	216	175
Cash flow from (-used in) investing activities	-37	-44	-61	-45	-7
Cash flow from financing activities	-120	-176	-317	-345	-160
<b>Cash flow for the period</b>	<b>-62</b>	<b>19</b>	<b>108</b>	<b>-174</b>	<b>8</b>
Key performance indicators	2025	2024	2023	2022	2021
Gross profit, SEK million	798	726	802	833	626
Gross margin, %	42.3	44.0	42.3	43.0	42.1
Operating profit, SEK million	321	295	376	415	325
Operating margin, %	17.0	17.9	19.8	21.4	21.8
Order intake, SEK million	1,981	1,716	1,510	1,978	1,967
Net sales growth, %	15.0	-13.0	-6.0	37.6	n/a
Net debt (+) / Net cash (-), SEK million	219	-10	37	234	-106
Net debt/Net cash through EBITDA	0.6	0.0	0.1	0.5	-0.3
Equity/assets ratio, %	58.5	65.8	63.6	42.2	60.5
Return on capital employed, %	35.9	38.3	49.3	56.4	47.8
Interest coverage ratio, multiple	9	18	24	53	171
Average number of full-time employees	429	379	406	425	327
Data per share	2025	2024	2023	2022	2021
Basic earnings per share (continuing operations), SEK	1.44	1.42	1.81	2.01	1.93
Diluted earnings per share (continuing operations), diluted, SEK	1.43	1.42	1.81	2.01	1.93
Average number of shares outstanding, basic	152,287,445	151,788,000	151,788,000	151,788,000	151,788,000
Average number of shares outstanding, diluted	153,082,525	151,788,000	151,788,000	151,788,000	151,788,000

# Alternative performance measures and definitions

This Annual and Sustainability Report contains references to a number of earnings measures (performance measures). Some of these performance measures are defined in IFRS, while others are alternative performance measures that are not recognised in accordance with applicable frameworks for

financial reporting or other legislation. These alternative performance measures comprise a complement to assist investors and company management in analysing the operations. Below is a report on the reconciliation of alternative performance measures and definitions of performance measures with a motivation for their use.

## Estimates

	2025	2024
<b>Equity/asset ratio</b>		
Equity, SEK million	708	732
Total assets, SEK million	1,210	1,112
<b>Equity/assets ratio, %</b>	<b>58.5%</b>	<b>65.8%</b>
<b>Gross margin</b>		
Gross profit, SEK million	798	726
Net sales, SEK million	1,889	1,649
<b>Gross margin, %</b>	<b>42.3%</b>	<b>44.0%</b>
<b>Operating margin</b>		
Operating profit, SEK million	321	295
Net sales, SEK million	1,889	1,649
<b>Operating margin, %</b>	<b>17.0%</b>	<b>17.9%</b>
<b>Net debt (-) / Net cash (+)</b>		
Non-current borrowing (+), SEK million	-	-
Current borrowing (+), SEK million	25	33
Non-current lease liabilities (+), SEK million	61	65
Current lease liabilities (+), SEK million	24	23
Bank overdraft facilities (+), SEK million	151	-
Cash and cash equivalents (-), SEK million	-42	-132
<b>Net debt (+) / Net cash (-), SEK million</b>	<b>219</b>	<b>-10</b>
<b>EBITDA</b>		
Operating profit, SEK million	290	295
Financial income, SEK million	-7	-18
Interest expenses, SEK million	38	18
Depreciations, SEK million	55	48
<b>EBITDA</b>	<b>375</b>	<b>343</b>

<b>Net debt (+) / Net cash (-) /EBITDA</b>		
Net debt (+) / Net cash (-), SEK million	219	-10
EBITDA, SEK million	375	343
<b>Net debt (+) / Net cash (-), SEK million/EBITDA</b>	<b>0.6</b>	<b>0.0</b>
<b>Interest coverage ratio, multiple</b>		
Operating profit, SEK million	321	295
Financial income, SEK million	7	18
<b>Sum</b>	<b>328</b>	<b>313</b>
Interest expenses, SEK million	38	18
<b>Interest coverage ratio, multiple</b>	<b>9</b>	<b>18</b>
<b>Organic growth in order intake</b>		
Order intake for the current period, SEK million	1,981	1,716
Foreign exchange, SEK million	71	-3
Order intake, excl foreign exchange, SEK million	2,052	1,720
Order intake for the preceding period, SEK million	1,716	1,510
<b>Change in order intake, SEK million</b>	<b>336</b>	<b>210</b>
<b>Change in order intake, %</b>	<b>19.6%</b>	<b>13.9%</b>
<b>Net sales and organic net sales growth</b>		
Net sales for the current period, SEK million	1,889	1,649
Foreign exchange, SEK million	65	6
Net sales, excl foreign exchange, SEK million	1,953	1,655
Net sales for the preceding period, SEK million	1,649	1,898
<b>Change in organic net sales, SEK million</b>	<b>304</b>	<b>-243</b>
<b>Change in organic net sales, %</b>	<b>18.5%</b>	<b>-12.8%</b>
<b>Return on capital employed</b>		
Profit/loss before tax, SEK million	290	295
Interest expenses, SEK million	38	18
Profit/loss before tax plus interest expenses, SEK million	328	312
Capital employed at the beginning of the period, SEK million	853	781
Capital employed at the end of the period, SEK million	969	853
<b>Capital employed, average, SEK million</b>	<b>911</b>	<b>817</b>
<b>Return on capital employed, %</b>	<b>35.9%</b>	<b>38.3%</b>
<b>Capital employed</b>		
Balance sheet total, SEK million	1,210	1,112
Less: non-interest-bearing liabilities		
Deferred tax liabilities, SEK million	-35	-25
Provisions for product warranties, SEK million	-36	-30
Accounts payable, SEK million	-58	-83
Current tax liabilities, SEK million	-8	-8
Derivatives, SEK million	0	-0
Other liabilities, SEK million	-43	-37
Accrued expenses and deferred income, SEK million	-62	-74
<b>Capital employed, SEK million</b>	<b>969</b>	<b>853</b>

## Definitions

Key performance indicators	Definitions	Explanation
<b>Return on capital employed</b>	Pre-tax profit plus interest expenses as a percentage of average capital employed, rolling 12 months.	Return on capital employed is a profitability measure used to put earnings in relation to the capital required to conduct operations.
<b>EBITDA</b>	Operating profit before interest and taxes and amortisation of intangible assets and depreciation of non-current assets.	EBITDA is used to facilitate comparisons and assessments of the company's cash flow.
<b>Gross margin</b>	Gross profit divided by net sales.	Gross margin is used to measure product profitability.
<b>Average number of employees</b>	Average number of full-time employees during the reporting period.	Non-financial performance measure.
<b>Net debt (+) / Net cash (-)</b>	Defined as interest-bearing debt minus cash and cash equivalents and certain other financial assets. Interest-bearing debt includes liabilities to credit institutions and lease liabilities.	To ensure that engcon has a stable financing structure and can meet its financial commitments in accordance with its loan agreements.
<b>Net debt (+) / Net cash (-) through EBITDA</b>	Defined as interest-bearing debt minus cash and cash equivalents and certain other financial assets through EBITDA. Interest-bearing debt includes liabilities to credit institutions and lease liabilities.	To ensure that engcon has a stable financing structure and can meet its financial commitments in accordance with its loan agreements.
<b>Order intake</b>	Total order intake during the period calculated in the same way as net sales.	Order intake provides an indication of the current demand for the Group's products and services, which becomes apparent in net sales with varying delays.
<b>Organic net sales growth</b>	Change in net sales as a percentage of net sales during the comparative period in the preceding year for the companies that were part of the Group for the entire comparative period and the current period, excluding translation effects from exchange rate differences.	Relevant measure for the assessment of the company's capacity to create growth through volume, price and product/service offering in operating activities.
<b>Organic growth in order intake</b>	Organic growth in order intake is growth in order intake excluding translation effects from exchange rate differences, as well as acquisitions and divestments.	It provides an understanding for the Group's order intake, which is driven by changes in volume, price and product/service offering.
<b>Earnings per share</b>	Earnings per share for the period, in SEK, attributable to the Parent Company shareholders, in relation to the weighted average number of shares before and after dilution.	Performance measures in accordance with IFRS.
<b>Interest coverage ratio</b>	EBIT plus financial income through interest expenses.	To ensure that engcon has a stable financing structure and can meet its financial commitments in accordance with its loan agreements.
<b>Operating profit (EBIT)</b>	Earnings before interest and taxes.	Enables comparisons of profitability regardless of capital structure or tax situation.
<b>Operating margin (EBIT margin)</b>	Operating profit divided by net sales.	The EBIT margin is used to measure operational profitability.
<b>Equity/assets ratio</b>	Equity including non-controlling interests divided by total assets.	A key measurement for the assessment of the company's financial stability.
<b>Capital employed</b>	Total assets less non-interest-bearing liabilities.	Capital employed shows the proportion of the company's assets that are financed by capital requiring returns.

## Exchange rates

	Closing rate 31 Dec 2025	Average rate Jan–Dec 2025	Closing rate 31 Dec 2024	Average rate Jan–Dec 2024
1 EUR is equivalent to SEK	10.82	11.07	11.49	11.43
1 DKK is equivalent to SEK	1.45	1.48	1.54	1.53
1 NOK is equivalent to SEK	0.91	0.94	0.97	0.98
1 USD is equivalent to SEK	9.20	9.82	11.00	10.56
1 AUD is equivalent to SEK	6.17	6.32	6.86	6.97
1 PLN is equivalent to SEK	2.56	2.61	2.69	2.66
1 GBP is equivalent to SEK	12.42	12.92	13.85	13.50
1 KRW is equivalent to SEK	0.01	0.01	0.01	0.01
1 CAD is equivalent to SEK	6.72	7.02	7.64	7.71
1 JPY is equivalent to SEK	0.06	0.07	0.07	0.07

## Shareholder information

### 2026 Annual General Meeting

The Annual General Meeting for engcon AB will be held on 5 May 2026 in Strömsund, Sweden. More information about the event can be found in the notice to the Annual General Meeting.

Shareholders who wish to take part in the Annual General Meeting must be registered in the share register maintained by Euroclear Sweden AB on Wednesday, 27 April 2026.

For more information and notification of attendance, visit [www.engcongroup.com](http://www.engcongroup.com).

### Ahead of the Annual General Meeting

For the 2025 financial year, the Board of Directors proposes a dividend of SEK 1.00 per share, to be disbursed on two occasions. The record date for the right to the first dividend payment of SEK 0.50 per share is proposed to be 7 May 2026, and for the second dividend payment of SEK 0.50, the record date is proposed to be 5 October 2026. Provided that the Annual General Meeting resolves in accordance with the dividend proposal, the payments will take place on 12 May 2026 and 8 October 2026, respectively.

### Financial calendar 2026/2027

Interim Report January–March 2026, 29 April 2026

Interim Report January–June 2026, 17 July 2026

Interim Report January–September 2026, 29 October 2026

Year-end Report 2026, 16 February 2027

### Financial information and press releases

The 2025 Annual and Sustainability Report is available as a downloadable pdf at [www.engcongroup.com](http://www.engcongroup.com). Our website also includes engcon's financial statements, presentations and press releases. To access reports and press releases through our subscription service, you can easily register under the investors page.

### IR contact

Anne Vågström, Head of Investor Relations  
[anne.vagstrom@engcon.se](mailto:anne.vagstrom@engcon.se), +46 76 126 40 84

## Local sales companies

### **engcon Australia**

engcon Australia Pty Limited  
18 Peter Brock Drive  
Eastern Creek, NSW 2766  
Telephone: +61 2 7252 5279  
E-mail: [australia@engcon.com](mailto:australia@engcon.com)

### **engcon Canada**

engcon Canada Inc.  
3220 Avenue Jacques Bureau  
Laval, QC H7P 0A9  
Telephone: +1 438 226 1716  
E-mail: [canada@engcon.com](mailto:canada@engcon.com)

### **engcon Denmark**

engcon Denmark A/S  
Knarreborgvej 19A, Verringe  
DK-5690 Tommerup  
Telephone: +45 70 201350  
E-mail: [info@engcon.dk](mailto:info@engcon.dk)

### **engcon Finland**

engcon Finland OY  
Handelsvägen 25-27  
65610 Korsholm  
Telephone: +358 6322815  
E-mail: [finland@engcon.com](mailto:finland@engcon.com)

### **engcon France**

engcon France SAS  
Parc des Érables – Bâtiment C  
12 Avenue de Norvège  
91140 Villebon-Sur-Yvette  
Telephone: +33 1 60794970  
E-mail: [france@engcon.com](mailto:france@engcon.com)

### **engcon Germany and Austria**

engcon Germany GmbH  
Obere Grüben 7  
DE-97877 WERTHEIM  
Telephone: +49 9342-934 85-0  
E-mail: [germany@engcon.com](mailto:germany@engcon.com)

engcon Austria GmbH

Telephone: +35 863 228 15  
E-mail: [austria@engcon.com](mailto:austria@engcon.com)

### **engcon Norway**

engcon Norway AS  
Bølerveien 71  
2020 Skedsmo  
Telephone: +47 22 75 44 44  
E-mail: [norway@engcon.com](mailto:norway@engcon.com)

### **engcon Korea**

engcon Korea Ltd.  
192-90 Wolsan-ro, Eumbong-myeon  
Asan-si, Chungcheongnam-do, 31416  
Telephone: +82 10 4855 9021  
E-mail: [korea@engcon.com](mailto:korea@engcon.com)

### **engcon Benelux**

**(Netherlands and Belgium)**  
engcon Netherlands B.V.  
Gildetrom 6  
3905 TC Veenendaal  
Telephone: +31 85-82 23 550  
E-mail: [netherlands@engcon.com](mailto:netherlands@engcon.com)

engcon Belgium  
Telephone: +32 468 137 392  
E-mail: [belgium@engcon.com](mailto:belgium@engcon.com)

### **engcon North America**

engcon North America Inc.  
2827 Earham Place  
High Point  
North Carolina 27263  
Telephone: +1 203 691 5920  
E-mail: [northamerica@engcon.com](mailto:northamerica@engcon.com)

### **engcon Sweden**

engcon Sweden AB  
Transportgatan 11  
SE-833 36 Strömsund  
Telephone: +46 670-65 04 00  
E-mail: [sweden@engcon.com](mailto:sweden@engcon.com)

### **engcon UK and Ireland**

engcon UK Ltd  
Unit 5 Ashchurch Business Centre  
Alexandra Way, Tewkesbury, GL20  
8NB  
Telephone: +44 1684 297168  
E-mail: [uk@engcon.com](mailto:uk@engcon.com)

engcon Ireland Ltd  
Telephone: +353 15 686742  
E-mail: [ireland@engcon.com](mailto:ireland@engcon.com)

### **engcon Japan**

engcon Japan K.K.  
4-1-5 Akuwanishi  
Seya-ku  
Yokohama-shi  
Kanagawa 246-0025  
E-mail: [japan@engcon.com](mailto:japan@engcon.com)

### **engcon International (other markets)**

Telephone: +46 670-178 00  
E-mail: [international@engcon.com](mailto:international@engcon.com)

**engcon**<sup>®</sup>

engcon AB | Corp. Reg. No. 556647-1727 | Registered office: Strömsund Municipality, Jämtland County  
Head office: Godsgatan 6, SE-833 36 Strömsund, Sweden | Tel: +46 670 178 00 | [www.engcgroup.com](http://www.engcgroup.com)