



# AQ Group AB (publ)

## Interim Report

January – September 2024

October 17, 2024

**WE ARE  
RELIABLE**



[www.aqgroup.com](http://www.aqgroup.com)

## Third quarter, July-September 2024 in brief

- Lower sales and maintained profit margin
- Net sales decreased by 9% to SEK 1,949 m (2,149)
- Operating profit (EBIT) decreased by 6% to SEK 188 m (201)
- Profit before tax (EBT) decreased by 9% to SEK 177 m (195)
- Profit margin before tax (EBT %) was 9.1% (9.1)
- Profit after tax amounted to SEK 146 m (172)
- Cash flow from operating activities amounted to SEK 363 m (339)
- Earnings per share before dilution amounted to SEK 1.60 (1.87)

## Nine months, January-September 2024 in brief

- Net sales decreased by 5% to SEK 6,428 m (6,747)
- Operating profit (EBIT) increased by 6% to SEK 633 m (599)
- Profit before tax (EBT) increased by 7% to SEK 616 m (575)
- Profit margin before tax (EBT %) was 9.6% (8.5)
- Profit after tax amounted to SEK 511 m (502)
- Cash flow from operating activities amounted to SEK 908 m (742)
- Earnings per share before dilution amounted to SEK 5.58 (5.45)
- Equity ratio was 65% (61)

## Group overview, key figures

SEKm unless otherwise stated	2024				2023				Full year
	Q1	Q2	Q3	YTD	Q1	Q2	Q3	Q4	
Net turnover	2,225	2,254	1,949	<b>6,428</b>	2,253	2,345	2,149	2,221	<b>8,968</b>
Operating profit (EBIT)	223	222	188	<b>633</b>	194	203	201	193	<b>792</b>
Profit before tax (EBT)	221	218	177	<b>616</b>	184	195	195	182	<b>757</b>
Profit for the period	185	181	146	<b>511</b>	159	172	172	134	<b>636</b>
Total equity	4,082	4,083	4,178	<b>4,178</b>	3,391	3,671	3,734	3,762	<b>3,762</b>
Operating margin (EBIT), %	10.0	9.8	9.6	<b>9.9</b>	8.6	8.7	9.3	8.7	<b>8.8</b>
Profit margin before tax (EBT), %	9.9	9.7	9.1	<b>9.6</b>	8.2	8.3	9.1	8.2	<b>8.4</b>
Liquid ratio, %	163	174	192	<b>192</b>	146	152	161	162	<b>162</b>
Debt/equity ratio, %	64	64	65	<b>65</b>	55	58	61	63	<b>63</b>
Return on total assets, % <sup>1)</sup>	13.5	13.4	13.3	<b>13.3</b>	10.9	12.1	13.0	13.8	<b>13.8</b>
Return on equity after tax, % <sup>1)</sup>	17.7	17.3	16.3	<b>16.3</b>	15.6	17.3	18.9	18.3	<b>18.3</b>
Number of employees in Sweden	904	979	975	<b>975</b>	860	862	866	878	<b>878</b>
Number of employees outside Sweden	6,937	6,861	6,886	<b>6,886</b>	6,716	6,868	6,924	6,968	<b>6,968</b>
<b>Key indicators per share, SEK</b>									
Profit related to parent company shareholders	184	180	146	<b>510</b>	157	170	171	134	<b>632</b>
Profit for the period before dilution	2.01	1.97	1.60	<b>5.58</b>	1.72	1.86	1.87	1.46	<b>6.91</b>
Equity	44.63	44.63	45.67	<b>45.67</b>	37.08	40.13	40.83	41.12	<b>41.12</b>
Number of shares, thousands	91,470	91,470	91,470	<b>91,470</b>	91,470	91,470	91,470	91,470	<b>91,470</b>

<sup>1)</sup> Calculated based on 12 months rolling amounts.

## A word from the CEO



### Lower sales but AQ stands strong

In the third quarter, our sales decreased by 9% compared to the same period last year. Our profit before tax decreased in line with net sales. As always, we focus on helping our customers. Our actionable management teams are quick to adjust our capacity and cost base, which gives an okay result in this quarter. We continue to work towards increasing our added value by selling more complex components and systems with an increased proportion of technology content.

### Acquisitions

In 2024, we acquired five factories and one engineering office. AQ has a history of making more acquisitions when the markets in which we operate are weak. We have a good pipeline of companies we want to buy. We took over Rockford Components Ltd at the beginning of the third quarter, which manufactures wiring systems and electromechanical systems for customers primarily in the aerospace and defense industries. AQ Rockford has delivered more and better than expected in the third quarter and we see great potential to continue to grow with our new customers in the UK.

At the end of September, we signed an agreement to acquire TechROi Engineering and TechROi Scandinavia, which develop components and systems for demanding customers in the automotive, aerospace and gas turbine industries. With this acquisition, we strengthen AQ's competence in customer-oriented product development and prototype manufacturing. This, combined with AQ's factory network, gives us a stronger offering to our customers. If the authorities approve the acquisition, the company will be included in AQ from the fourth quarter. When we combine the TechROi companies with our own company AQ Engineering, we have more than 100 engineers in Sweden who work directly together with demanding industrial customers.

### Market and investments

In the quarter, we had a negative organic growth of 11% compared to the same quarter last year. We are not satisfied with that. We can do better. We continue to see a slowdown in demand from our customers in trucks and construction equipment. There is also a general decline in demand from German customers in agricultural machinery, forklifts, and engines.

We have won several new contracts that will increase in volume going forward. But this will not completely compensate for the volume losses that we see. Our view is that we continue to gain market share, but my most important task is to get new orders in, and I am not satisfied with my own performance. We will work harder!

During the quarter, we installed our first machine for magnetic pulse crimping of high-voltage wiring systems for the automotive industry in our factory in Lithuania. This is to meet demand and raise the level of quality for several of our major vehicle customers. We are pleased that we are one of the first companies in the world with this type of equipment. We expect to grow in this area, although sales of electric vehicles are slower than expected right now. During the third quarter, we also put into use our new Solar Power Plant at our plant AQ Magnit in Godech, Bulgaria. This will decrease our carbon footprint by 160 tons per year.

### Cash flow and balance sheet

As expected, our cash flow from operating activities is strong as sales volume declines. We have a net cash position of SEK 117 m. This means that we have plenty of capital to use for continued growth with our customers and to carry out acquisitions.

### AQ stands strong

In 2024, AQ as a company celebrates 30 years. We have increased our turnover from SEK 18 million to almost SEK 9 billion (R12). We have proven that our business model and culture with decentralized leadership close to the customer works. AQ stands stronger than ever now that volumes are declining in some of our market segments. We have a very strong balance sheet, efficient production units globally, world-class machinery and fantastic employees. We know that the economy is not always booming. That is why we are now rolling up our sleeves to work smarter and even more goal-oriented to please our customers so that we together can reach our high targets.

James Ahrgren, CEO

## Group's financial position and results

### Third quarter

Net sales for the third quarter was SEK 1,949 m (2,149), a decrease of SEK 200 m compared to the same period in the previous year. The total growth in the quarter was -9.3%, of which organic growth -10.6%, growth through acquisitions +3.5% and currency effects of -2.2%. The currency effect corresponded to SEK 47 m and was mainly driven by the currencies EUR, HUF and BGN.

Approximately half of the quarter's organic growth of -10,6% is due to reduced volumes in energy storage projects and the remainder due to reduced volumes in mainly trucks and construction equipment.

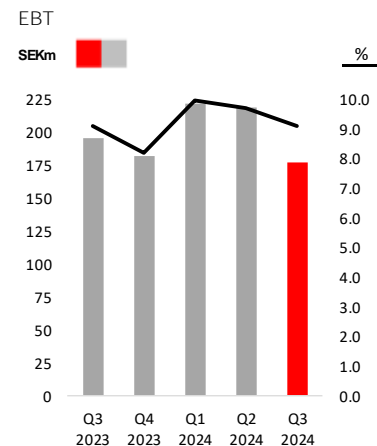
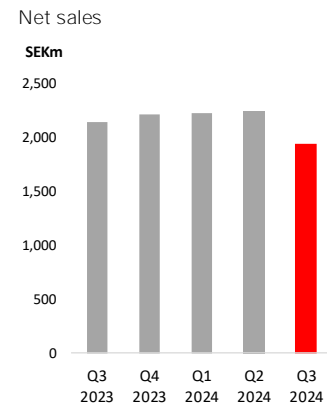
Operating profit (EBIT) in the third quarter amounted to SEK 188 m (201), a decrease of SEK 13 m, which is explained by the lower net sales in the quarter.

Net financial items in the quarter amounted to SEK -11 m (-6) with a more negative impact of currencies than the reduced interest costs compared to the corresponding period last year. The EBT margin is unchanged and amounted to 9.1% (9.1), which is above our target of 8%.

Cash flow from operating activities was SEK 363 m (339).

Cash flow from investing activities was SEK -73 m (-59) and relates mainly to replacement and capacity-increasing investments in the form of tangible fixed assets of SEK -54 m (-58) as well as acquisition of subsidiaries of SEK -19 m (0).

Cash flow from financing activities was SEK 32 m (-127) and mainly refers to new bank loans SEK 100 m (0) and repayments of bank loans and leasing liabilities of SEK -66 m (-125).



### First nine months

Net sales for the first nine months was SEK 6,428 m (6,747), a decrease of SEK 319 m compared to the same period in the previous year. The total growth for the first nine months was -4.7%, of which organic growth -6.3%, growth through acquisitions +1.7% and currency effects of -0.1%. The currency effect corresponded to SEK 11 m and was mainly driven by the currencies PLN, CNY and EUR.

The organic growth of -6.3% for the first nine months, is mainly explained by reduced volume in energy storage projects, components in construction equipment, trucks, and frequency converters, but also by increased volumes in engineering services and inductive components for the rail and marine segments.

Operating profit (EBIT) during the first nine months amounted to SEK 633 m (599), an increase of SEK 35 m, which is explained by the product mix and higher delivery precision. Reduced interest expenses as a result of lower net debt resulted in net financial items for the first nine months amounting to SEK -18 m (-24). The EBT margin was 9.6% (8.5).

Interest-bearing liabilities of the Group was SEK 701 m (845) and cash and cash equivalents amounted to SEK 818 m (436), which means that the Group has a net debt of SEK -117 m (409). The Group's interest-bearing liabilities without regard to leasing liabilities amounted to SEK 394 m (606), which means a net debt adjusted for leasing liabilities of SEK -424 m (170).

Cash flow from operating activities was SEK 908 m (742) and was positively affected by the improved operating profit as well of reduced inventory and decreased trade receivables.

Cash flow from investing activities was SEK -194 m (-191), which relates mainly to acquisition of subsidiaries of SEK -59 m (0) and replacement and capacity-enhancing investments of tangible fixed assets of SEK -140 m (-190). The single largest investments during the period are production equipment in Sweden of SEK 46 m and in Estonia of SEK 36 m.

Cash flow from financing activities was SEK -320 m (-351) and mainly refers to repayments of bank loans and leasing liabilities of SEK -346 m (-284), new bank loans SEK 160 m (0) and dividend of SEK -122 m (-61).

Equity at the end of the period amounted to SEK 4,178 m (3,734) for the Group.

### Significant events during the first nine months

On March 11, 2024, AQ Group AB signed an agreement with JIT Mech se Förvaltning AB and Monen Holding AB to acquire 100% of the shares in JIT Mech se Industri AB with the subsidiaries JIT Mech i Robertsfors AB and JIT Mech i Örnköldsvik AB. The closing took place May 2, 2024. JIT Mech is a leading supplier of large and complex machined and welded components to customers in the electrification, forestry automation and defense industries. The companies have a consolidated turnover for 2023 of approximately SEK 130 m, an operating margin in line with the AQ average, and have 75 employees. Operations are conducted in Robertsfors and Örnköldsvik. The purchase price consists of SEK 40 m in cash at closing, plus an earnout based on the companies' earnings for the years 2024–2026.

The Annual General Meeting, held on April 18, 2024, resolved that the number of shares in the company was to be increased by division of each existing share into five shares, share split 5:1. The share split was carried out in May 2024. As a result of the share split, the total number of shares has increased from 18,294,058 to 91,470,290 and the quota value of the share has changed from SEK 2 to SEK 0.40. As per May 31, 2024, the total number of shares and votes in the company amounts to 91,470,290.

The 2024 Annual General Meeting also resolved on a new round of warrant programs for senior executives and other key employees within AQ. The subscription price was set in May at SEK 760.50 per share (before the split), which after the 5:1 share split was recalculated to SEK 152.10 per share. A total of 13,500 warrants were subscribed for in the three-year warrant program that expires on May 12, 2027. Upon redemption, each option after the share split entitles the holder to five shares. When the average share price during the period is higher than the determined subscription price, the dilution effect for earnings per share is calculated in respect of these warrants.

On July 10, 2024, AQ Group AB acquired and took over Rockford Components Holdings Limited, which manufactures and delivers wiring and electromechanical systems to customers in the defense, aerospace, and general industries. The company had a turnover in 2023 of SEK 95 m, an operating margin below the AQ average and has 112 employees. Operations are conducted in Rendlesham, Workshop and Salisbury in England. The purchase price consists of SEK 18 m in cash at closing and an earn-out based on the company's results for the next 12 months, up to a maximum of SEK 14 m.

On September 26, 2024, the subsidiary of AQ Group, AQ Engineering AB signed an agreement with TechROi AB to acquire 100% of the shares in TechROi Engineering AB and TechROi Scandinavia AB, who develop and construct components and systems to demanding customers within vehicle, aerospace and gas turbine industry. The companies had a turnover of SEK 55 m in 2023, an operating margin below AQ average and have 38 employees. Operations are conducted in Trollhättan and Gothenburg. The purchase price consists of SEK 1 in cash at closing and a debt takeover of approximately SEK 30 m. The transaction is subject to approval by the Swedish Supervisory Authority in accordance with the FDI Act and closing is expected to take place during the fourth quarter of 2024.

### Significant events after the end of the period

No significant events have occurred after the end of the reporting period.

## Goals

The goal of the Group is continued profitable growth. The goal is a profit margin before tax (EBT%) of at least 8%. The Board of Directors is not giving any forecast for turnover or profit. Statements in this report can be perceived as forward looking and the real outcome can be significantly different.

The Board of Directors of AQ Group has set goals for the Group. The goals mean that the Group is managed towards good profit, high quality and delivery precision with strong growth with a healthy financial risk level. The dividend policy is to have dividends corresponding to about 25% of profit after tax over a business cycle. However, the Group's financial consolidation must always be considered.

		Jul-Sep	Jul-Sep	Jan-Sep	Jan-Sep	Full year
	Target	2024	2023	2024	2023	2023
Product quality, %	100	99.5	99.5	99.6	99.6	99.5
Delivery precision, %	98	92.6	90.5	92.6	90.5	90.5
Equity ratio, %	>40	65	61	65	61	63
Profit margin before tax (EBT), %	>8	9.1	9.1	9.6	8.5	8.4
Growth, %	>15	-9.3	25.6	-4.7	32.9	27.2

## Transactions with related parties

The parent company has a related party relationship with its subsidiaries. There are some sales activities concerning goods and services between the operating group companies. The parent company is charging a business support service fee to the subsidiaries. All invoicing is according to market level prices and results in claims and debts between the companies which are settled regularly. There are some long-term loans between the parent company and a few subsidiaries. These loans are given with market level interest rates. Most companies in the Group are also part of a cash pool in the parent company. The companies are charged/given interest rates at market level.

The 2022 Annual General Meeting decided to introduce a warrant-based incentive program for executive officers and other key personnel within AQ. The subscription price was set at SEK 70.24 per share (after the share split). A total of 52,500 warrants were subscribed for in the three-year warrant-based incentive program that expires May 12, 2025. Upon redemption, each warrant entitles to five shares. The 2024 Annual General Meeting decided on a new round of warrant programs for senior executives and other key employees within AQ. The subscription price was set in May at SEK 760.50 per share (before the split), which after the 5:1 share split was recalculated to SEK 152.10 per share. A total of 13,500 warrants were subscribed for in the three-year warrant program that expires on May 12, 2027. Upon redemption, each option after the share split entitles the holder to five shares. When the average share price during the period is higher than the determined subscription price, the dilution effect for earnings per share is calculated in respect of these warrants.

In addition to the above, there are customary remunerations for the board and other senior executives as well as individual related transactions regarding the purchase of products and consulting services which are at market conditions.



## Risks and uncertainty factors

AQ is a global group with operations in sixteen countries. Within the Group there are a number of risks and uncertainties of both operational and financial characteristics, which were more detailed described in the Annual Report of 2023. Pandemics and acts of war cause huge uncertainties in the world with, among other things, increased energy costs, sanctions and other risks and uncertainty factors that can have a significant impact on AQ's customers and suppliers, which in turn affect the actual outcome for AQ. In addition to the commented factors the actual outcome can be affected by for example political events, business cycle effects, currency and interest rates, competing products and their pricing, product development, commercial and technical difficulties, events linked to cyber security and IT infrastructure, delivery problems and large credit losses at our customers.

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

Transactions and assets and liabilities in foreign currency are managed centrally within AQ in order to create balance in the respective currency thereby achieving highest possible levelling effect within the Group in order to minimize currency differences.

AQ is not buying any direct raw material, but only semi-finished products for further production such as sheet metal of steel and aluminum, cables, insulated wire etc. The risk is minimized through customer agreements with price clauses. Raw material price risk refers to the change in the price of material and its impact on earnings. The Group's purchase of materials to different processes is significant. There is a risk of sharp price increases for raw materials where the Group is not able to compensate price increases, which may affect the Group's earnings negatively.

The Group's credit risks are mainly connected to accounts receivable.

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

The parent company is indirectly affected by the same risks and uncertainties.

## Nomination committee

The Nomination Committee represents the shareholders and consists of members who are appointed by each of the four largest shareholders in terms of votes. The Nomination Committee's term of office extends until a new Nomination Committee has been appointed. The Nomination Committee for the Annual General Meeting 2025 was announced on October 15, 2024, and consists of Björn Henriksson (Nordea Fonder), Hans Christian Bratterud (ODIN Fonder), Per Olof Andersson (own holding) and Claes Mellgren (own holding) with Björn Henriksson as chairman.

## Future reporting dates

Year-end report, 2024	February 13, 2025, at 08:00 CET
Annual Report, 2024	Week 13, 2025
Interim report January-March 2025	April 23, 2025, at 08:00 CEST
Annual General Meeting	April 23, 2025, at 18:00 CEST, in Västerås
Interim report January-June, 2025	July 15, 2025, at 08:00 CEST
Interim report January-September 2025	October 16, 2025, at 08:00 CET

## Other information

The information in this Interim Report contains information that AQ Group AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Swedish Securities Markets Act (2007:528). The information was submitted for publication by James Ahrgren at 08:00 CEST on October 17, 2024.

AQ Group AB (publ) is listed on Nasdaq Stockholm's main market.

Further information can be given by AQ Group AB:

CEO and IR, James Ahrgren, telephone +46 76 052 58 88, james.ahrgren@aqgroup.com

CFO, Christina Hegg, telephone +46 70 318 92 48, christina.hegg@aqgroup.com

Financial reports and press releases are published in Swedish and English. If there are discrepancies between the two, the Swedish version shall prevail. They are available at [www.aqgroup.com](http://www.aqgroup.com).

## Certification

The Chief Executive Officer certify that the interim report gives a true and fair overview of the Group's and the parent company's operations, financial position and performance and describes material risks and uncertainties facing the parent company and the companies that form part of the Group.

Västerås, October 17, 2024

James Ahrgren  
CEO



# Review report

To the board of AQ Group AB (publ)

Corp. id. 556281-8830

## Introduction

We have reviewed the summary interim financial information (interim report) of AQ Group AB (publ) as of 30 September 2024, and the nine-month period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

## Scope of review

We conducted our review in accordance with International Standard on Review Engagements ISRE 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and other generally accepted auditing practices and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, for the Group in accordance with IAS 34 and the Annual Accounts Act, and for the Parent Company in accordance with the Annual Accounts Act.

Västerås, October 17, 2024

Ernst & Young AB

Jennifer Rock-Baley  
Authorized Public Accountant

## Financial reports

### Summary Income Statement for the Group

SEKm	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	R12 Oct 2023 -Sep 2024	Full year 2023
Net sales	2	1,949	2,149	6,428	6,747	8,649	8,968
Other operating income		28	41	98	127	136	165
<b>Total income</b>		<b>1,977</b>	<b>2,190</b>	<b>6,527</b>	<b>6,874</b>	<b>8,785</b>	<b>9,133</b>
Change in inventory and work in progress		13	-3	-40	-77	-24	-61
Raw material and consumables		-952	-1,079	-3,097	-3,405	-4,204	-4,511
Goods for resale		-40	-40	-104	-76	-143	-115
Other external expenses		-188	-226	-609	-706	-839	-936
Personnel costs	3	-536	-547	-1,770	-1,712	-2,374	-2,316
Depreciation and amortization		-75	-74	-222	-216	-294	-288
Other operating expenses		-11	-21	-50	-84	-81	-115
<b>Total expenses</b>		<b>-1,789</b>	<b>-1,989</b>	<b>-5,893</b>	<b>-6,276</b>	<b>-7,959</b>	<b>-8,341</b>
<b>Operating profit</b>		<b>188</b>	<b>201</b>	<b>633</b>	<b>599</b>	<b>827</b>	<b>792</b>
Net financial income/expense	5	-11	-6	-18	-24	-28	-35
<b>Profit before tax</b>		<b>177</b>	<b>195</b>	<b>616</b>	<b>575</b>	<b>798</b>	<b>757</b>
Taxes		-32	-23	-104	-73	-153	-121
<b>Profit for the period</b>		<b>146</b>	<b>172</b>	<b>511</b>	<b>502</b>	<b>645</b>	<b>636</b>
<b>PROFIT FOR THE PERIOD ATTRIBUTABLE TO</b>							
Parent company shareholders		146	171	510	499	644	632
Non-controlling interests		-0	1	1	4	1	4
<b>SHARE-RELATED REPORTING, SEK</b>							
Earnings per share before dilution		1.60	1.87	5.58	5.45	7.04	6.91
Earnings per share after dilution		1.59	1.86	5.56	5.43	7.02	6.89
<b>AVERAGE NUMBER OF SHARES</b>							
Before dilution, thousands		91,470	91,470	91,470	91,470	91,470	91,470
After dilution, thousands		91,733	91,733	91,733	91,733	91,733	91,733

### Statement of comprehensive income for the Group, summary

SEKm	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	R12 Oct 2023 -Sep 2024	Full year 2023
<b>PROFIT FOR THE PERIOD</b>	<b>146</b>	<b>172</b>	<b>511</b>	<b>502</b>	<b>645</b>	<b>636</b>
<b>OTHER COMPREHENSIVE INCOME</b>						
<b>Items that will not be reclassified to the income statement</b>						
Revaluation related to defined benefit pension plans	0	0	0	0	1	1
Revaluation related to defined benefit pension plans, tax effect	-0	-0	-0	-0	-0	-0
<b>Items that subsequently may be reclassified to the income statement</b>						
Translation difference for foreign operations	-51	-108	25	113	-82	6
<b>Other comprehensive income for the period after tax</b>	<b>-51</b>	<b>-108</b>	<b>25</b>	<b>113</b>	<b>-81</b>	<b>7</b>
<b>Comprehensive income for the period</b>	<b>95</b>	<b>64</b>	<b>537</b>	<b>615</b>	<b>564</b>	<b>643</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD ATTRIBUTABLE TO</b>						
Parent company shareholders	96	63	535	611	563	639
Non-controlling interests	-0	0	2	4	1	3

## Summary Balance Sheet for the Group

SEKm	Note	Sep 30 2024	Sep 30 2023	Dec 31 2023
<b>ASSETS</b>				
Goodwill		413	409	393
Other intangible assets		109	123	110
Right-of-use assets		300	235	262
Tangible assets		1,183	1,127	1,117
Non-current receivables		12	5	11
Deferred tax assets		48	76	55
<b>Total non-current assets</b>		<b>2,064</b>	<b>1,975</b>	<b>1,950</b>
Inventories		1,473	1,543	1,474
Accounts receivable - trade		1,877	1,929	1,879
Current tax assets		26	28	23
Other receivables		104	131	145
Prepaid expenses and accrued income		107	118	63
Cash and cash equivalents		818	436	426
<b>Total current assets</b>		<b>4,404</b>	<b>4,185</b>	<b>4,010</b>
<b>TOTAL ASSETS</b>		<b>6,468</b>	<b>6,160</b>	<b>5,960</b>
<b>EQUITY AND LIABILITIES</b>				
Equity attributable to parent company shareholders		4,157	3,714	3,742
Non-controlling interests		21	20	19
<b>TOTAL EQUITY</b>		<b>4,178</b>	<b>3,734</b>	<b>3,762</b>
Interest-bearing liabilities to credit institutions		591	679	513
Deferred tax liabilities		111	86	95
Provisions for post-employment benefits		21	18	19
Other provisions		8	6	6
Other non-current liabilities		33	-	-
<b>Total non-current liabilities</b>		<b>765</b>	<b>789</b>	<b>633</b>
Interest-bearing liabilities to credit institutions		109	166	204
Provisions		25	22	38
Contract liabilities		130	128	112
Accounts payable - trade		743	817	763
Current tax liabilities		41	30	18
Other current liabilities		132	133	115
Accrued expenses and prepaid income		345	341	315
<b>Total current liabilities</b>		<b>1,526</b>	<b>1,636</b>	<b>1,565</b>
<b>TOTAL LIABILITIES</b>		<b>2,290</b>	<b>2,426</b>	<b>2,198</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,468</b>	<b>6,160</b>	<b>5,960</b>

## Statement of changes in Equity for the Group

SEK M	Equity attributable to parent company shareholders					Non-controlling interests	Total equity
	Share capital	Other contributed capital	Reserves	Retained earnings incl. profit	Subtotal		
<b>Equity, 12/31/2022</b>	<b>37</b>	<b>86</b>	<b>280</b>	<b>2,761</b>	<b>3,164</b>	<b>16</b>	<b>3,180</b>
<b>Profit for the year</b>	-	-	-	<b>499</b>	<b>499</b>	<b>4</b>	<b>502</b>
Translation differences, foreign operations	-	-	113	-	113	1	113
Revaluation of defined benefit pension plans	-	-	-	0	0	0	0
Revaluation of defined benefit pension plans, tax effect	-	-	-	-0	-0	-0	-0
<b>Other comprehensive income for the year after tax</b>	-	-	<b>113</b>	<b>0</b>	<b>113</b>	<b>1</b>	<b>113</b>
<b>Comprehensive income for the year</b>	-	-	<b>113</b>	<b>499</b>	<b>611</b>	<b>4</b>	<b>615</b>
Paid dividend	-	-	-	-61	-61	-	-61
<b>Transactions with shareholders</b>	-	-	-	<b>-61</b>	<b>-61</b>	-	<b>-61</b>
<b>Equity, 09/30/2023</b>	<b>37</b>	<b>86</b>	<b>393</b>	<b>3,198</b>	<b>3,714</b>	<b>20</b>	<b>3,734</b>
<b>Equity, 12/31/2023</b>	<b>37</b>	<b>86</b>	<b>286</b>	<b>3,333</b>	<b>3,742</b>	<b>19</b>	<b>3,762</b>
<b>Profit for the year</b>	-	-	-	<b>510</b>	<b>510</b>	<b>1</b>	<b>511</b>
Translation differences, foreign operations	-	-	28	-3	25	0	25
Revaluation of defined benefit pension plans	-	-	-	0	0	0	0
Revaluation of defined benefit pension plans, tax effect	-	-	-	-0	-0	-0	-0
<b>Other comprehensive income for the year after tax</b>	-	-	<b>28</b>	<b>-3</b>	<b>25</b>	<b>0</b>	<b>25</b>
<b>Comprehensive income for the year</b>	-	-	<b>28</b>	<b>507</b>	<b>535</b>	<b>2</b>	<b>537</b>
Issue of warrants	-	2	-	-	2	-	2
Paid dividend	-	-	-	-122	-122	-	-122
<b>Transactions with shareholders</b>	-	<b>2</b>	-	<b>-122</b>	<b>-120</b>	-	<b>-120</b>
<b>Equity, 09/30/2024</b>	<b>37</b>	<b>88</b>	<b>314</b>	<b>3,719</b>	<b>4,157</b>	<b>21</b>	<b>4,178</b>

All shares, 91,470,290 pcs, are A-shares with equal voting rights and equal rights to the results. Dilution effect has been calculated during the period based on 52,500 warrants.

## Summary Cash flow statement for the Group

SEKm	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	Full Year 2023
Profit before tax		177	195	616	575	757
Adjustment for non cash generating items		66	89	223	226	319
Income tax paid		-20	-17	-71	-71	-98
<b>Cash flow from operating activities before change in working capital</b>		<b>223</b>	<b>267</b>	<b>768</b>	<b>730</b>	<b>978</b>
Change in inventories		-0	31	97	131	166
Change in trade receivables		248	115	68	-140	-141
Change in other receivables		-1	-17	13	-57	-28
Change in trade payables		-55	-42	-60	-38	-64
Change in other liabilities		-50	-15	23	115	70
<b>Change in working capital</b>		<b>141</b>	<b>72</b>	<b>141</b>	<b>12</b>	<b>3</b>
<b>Cash flow from operating activities</b>		<b>363</b>	<b>339</b>	<b>908</b>	<b>742</b>	<b>980</b>
Aquisitions of subsidiaries net of cash acquired and other businesses	4	-19	-	-59	-	-
Acquisition of intangible non-current assets		-1	-0	-1	-2	-4
Acquisition of tangible non-current assets		-54	-58	-140	-190	-251
Sale of intangible non-current assets		-	0	-	0	0
Sale of tangible non-current assets		1	0	6	0	2
Other changes in non-current assets		-	0	0	0	0
<b>Cash flow from investing activities</b>		<b>-73</b>	<b>-59</b>	<b>-194</b>	<b>-191</b>	<b>-252</b>
New borrowings, credit institutions		100	-	160	-	-
Amortization of loans		-36	-98	-256	-202	-358
Payments of lease liabilities		-31	-27	-90	-83	-110
Change in bank overdraft facilities		-1	-2	-14	-5	1
Payment of warrants		-	-	2	-	-
Dividends		-	-	-122	-61	-61
<b>Cash flow from financing activities</b>		<b>32</b>	<b>-127</b>	<b>-320</b>	<b>-351</b>	<b>-528</b>
<b>Change in cash and cash equivalents for the period</b>		<b>323</b>	<b>153</b>	<b>394</b>	<b>200</b>	<b>201</b>
Cash and cash equivalents at the beginning of the year		503	289	426	231	231
Exchange rate difference in cash and cash equivalents		-7	-6	-2	5	-6
<b>Cash and cash equivalents at the end of the period</b>		<b>818</b>	<b>436</b>	<b>818</b>	<b>436</b>	<b>426</b>

## Parent company development

The parent company, AQ Group AB, focuses primarily on managing and developing the Group. As in previous years, the parent company's income consists almost exclusively of the sale of administrative services to subsidiaries. There are no purchases of any substance from subsidiaries.

### Summary income statement for the Parent company

SEKm	Note	Jul-Sep 2024	Jul-Sep 2023	Jan-Sep 2024	Jan-Sep 2023	R12 Oct 2023 -Sep 2024	Full year 2023
Net sales		20	16	51	42	66	57
Other operating income		0	1	1	2	1	2
<b>Total income</b>		<b>21</b>	<b>17</b>	<b>52</b>	<b>44</b>	<b>68</b>	<b>59</b>
Other external expenses		-7	-7	-21	-19	-28	-26
Personnel costs		-10	-8	-30	-24	-41	-35
Depreciation and amortization		-0	-0	-0	-0	-0	-0
Other operating expenses		-1	-0	-1	-0	-2	-1
<b>Total expenses</b>		<b>-18</b>	<b>-15</b>	<b>-53</b>	<b>-43</b>	<b>-71</b>	<b>-62</b>
<b>Operating profit</b>		<b>3</b>	<b>3</b>	<b>-0</b>	<b>1</b>	<b>-3</b>	<b>-3</b>
Net financial items	5	3	35	85	119	87	121
<b>Earnings after net financial items</b>		<b>6</b>	<b>38</b>	<b>84</b>	<b>119</b>	<b>83</b>	<b>118</b>
Appropriations		-	-	-	-	50	50
<b>Profit before tax</b>		<b>6</b>	<b>38</b>	<b>84</b>	<b>119</b>	<b>133</b>	<b>168</b>
Taxes		1	-3	2	-3	-8	-13
<b>Profit for the period</b>		<b>7</b>	<b>34</b>	<b>86</b>	<b>117</b>	<b>125</b>	<b>155</b>
<b>STATEMENT OF COMPREHENSIVE INCOME</b>							
Profit for the period		7	34	86	117	125	155
Other comprehensive income for the period after tax		-	-	-	-	-	-
<b>Comprehensive income for the period</b>		<b>7</b>	<b>34</b>	<b>86</b>	<b>117</b>	<b>125</b>	<b>155</b>

### Third quarter

Revenues during the third quarter amounted to SEK 20 m (16) and mainly pertained to internal services. Net financial items amounted to SEK 3 m (35). The profit for the period amounted to SEK 7 m (34).

### First nine months

Revenues during the first nine months amounted to SEK 51 m (42) and mainly pertained to internal services. Net financial items amounted to SEK 85 m (119). The profit for the period amounted to SEK 86 m (117).



## Summary balance sheet for the Parent company

SEKm	Note	Sep 30 2024	Sep 30 2023	Dec 31 2023
<b>ASSETS</b>				
Tangible assets		0	0	0
Participations in group companies		1,317	1,227	1,227
Receivables from group companies		113	184	147
<b>Total non-current assets</b>		<b>1,431</b>	<b>1,411</b>	<b>1,374</b>
Receivables from group companies		243	370	409
Current tax asset		9	7	0
Other receivables		1	1	0
Prepaid expenses and accrued income		4	4	4
Cash and cash equivalents		523	194	192
<b>Total current assets</b>		<b>780</b>	<b>575</b>	<b>604</b>
<b>TOTAL ASSETS</b>		<b>2,210</b>	<b>1,986</b>	<b>1,978</b>
<b>EQUITY AND LIABILITIES</b>				
Restricted equity		38	38	38
Non-restricted equity		739	734	773
<b>TOTAL EQUITY</b>		<b>776</b>	<b>772</b>	<b>810</b>
<b>Untaxed reserves</b>		<b>22</b>	<b>8</b>	<b>22</b>
<b>Provisions</b>	<b>4</b>	<b>41</b>	<b>-</b>	<b>-</b>
Interest-bearing liabilities to credit institutions		368	508	334
<b>Total non-current liabilities</b>		<b>368</b>	<b>508</b>	<b>334</b>
Interest-bearing liabilities to credit institutions		-	59	90
Interest-bearing liabilities to group companies		973	612	689
Accounts payable - trade		4	4	4
Liabilities to group companies		-	0	1
Current tax liability		-	-	1
Other current liabilities		9	9	9
Accrued expenses and deferred income		16	15	17
<b>Total current liabilities</b>		<b>1,002</b>	<b>699</b>	<b>811</b>
<b>TOTAL LIABILITIES</b>		<b>1,371</b>	<b>1,206</b>	<b>1,146</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,210</b>	<b>1,986</b>	<b>1,978</b>

The non-restricted equity amounts to SEK 739 m. The changes since 31 December 2023 consist of the profit for the period of SEK 86 m, paid dividend of SEK -122 m and additional paid in capital related to the subscription of warrants of SEK 2 m.

## Notes to the financial statements in summary

### Note 1. Accounting principles

The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and applicable parts of the Swedish Annual Accounts Act. Information according to IAS 34.16A are presented in the financial reports and their notes as well as in other parts of the interim report. The interim report for the parent company has been prepared in accordance with Swedish Annual Accounts Act, chapter 9 Interim report. For the Group and the parent company the accounting and valuation principles applied are the same as used in the latest annual report.

Unless otherwise stated, all amounts are rounded to the nearest million. The total sum in tables and calculations do not always sum up of the parts due to rounding differences. The objective is that every interim row shall conform with the original source, which can result in rounding differences.

### Note 2. Segment reporting and breakdown of revenue

The Group operates in two business segments: *Component*, which produces transformers, wiring systems, mechanical components, punched sheet metal and injection-molded thermoplastics and *System*, which produces systems, power and automation solutions and assembles complete machines in close collaboration with the customers. There are no breakdown or analysis of assets and liabilities per segment.

#### SEGMENT REPORTING

##### Third quarter

For the segment Component, the total net sales for the third quarter was SEK 1,805 m (1,865), of which SEK 1,668 m (1,714) is external sales. The decrease of the external sales was SEK 45 m.

For the segment System, the total net sales for the third quarter was SEK 303 m (487), of which SEK 281 m (436) is external sales. The decrease of the external sales was SEK 154 m.

Operating profit (EBIT) in the third quarter was SEK 147 m (174) for Component, corresponding to a decrease of SEK 27 m compared to same period previous year. Operating profit (EBIT) for System was SEK 23 m (37), corresponding to a decrease of SEK 13 m compared to same period previous year.

In the column "Unallocated" there are items which have not been allocated to the two segments, parent company and group eliminations.

Jul-Sep 2024, SEKm	Component	System	Unallocated	Group
Net sales, external	1,668	281	-	1,949
Net sales, internal	137	22	-159	-
<b>Total net sales</b>	<b>1,805</b>	<b>303</b>	<b>-159</b>	<b>1,949</b>
Material costs, excl. purchases own segment	-902	-188	110	-980
Depreciation	-69	-6	-0	-75
Other operating expenses/income	-688	-85	67	-706
<b>Operating profit</b>	<b>147</b>	<b>23</b>	<b>18</b>	<b>188</b>
Net financials items	-	-	-11	-11
<b>Profit before tax</b>	<b>147</b>	<b>23</b>	<b>8</b>	<b>177</b>
Taxes	-	-	-32	-32
<b>Profit for the period</b>	<b>147</b>	<b>23</b>	<b>-24</b>	<b>146</b>

Jul-Sep 2023, SEKm	Component	System	Unallocated	Group
Net sales, external	1,714	436	-	2,149
Net sales, internal	151	51	-202	-
<b>Total net sales</b>	<b>1,865</b>	<b>487</b>	<b>-202</b>	<b>2,149</b>
Material costs, excl. purchases own segment	-928	-359	164	-1,122
Depreciation	-67	-7	-0	-74
Other operating expenses/income	-696	-85	28	-753
<b>Operating profit</b>	<b>174</b>	<b>37</b>	<b>-10</b>	<b>201</b>
Net financial items	-	-	-6	-6
<b>Profit before tax</b>	<b>174</b>	<b>37</b>	<b>-15</b>	<b>195</b>
Taxes	-	-	-23	-23
<b>Profit for the period</b>	<b>174</b>	<b>37</b>	<b>-39</b>	<b>172</b>

### First nine months

For the segment Component, the total net sales for the first nine months was SEK 5,793 m (5,819), of which SEK 5,371 m (5,387) is external sales. The decrease of the external sales was SEK 16 m.

For the segment System, the total net sales for the first nine months was SEK 1,157 m (1,518), of which SEK 1,057 m (1,360) is external sales. The decrease of the external sales was SEK 303 m.

Operating profit (EBIT) in the first nine months was SEK 518 m (508) for Component, corresponding to an increase of SEK 10 m compared to same period previous year. Operating profit (EBIT) for System was SEK 132 m (147), corresponding to a decrease of SEK 15 m compared to same period previous year.

In the column "Unallocated" there are items which have not been allocated to the two segments, parent company and group eliminations.

Jan-Sep 2024 SEKm	Component	System	Unallocated	Group
Net sales, external	5,371	1,057	-	6,428
Net sales, internal	422	100	-522	-
<b>Total net sales</b>	<b>5,793</b>	<b>1,157</b>	<b>-522</b>	<b>6,428</b>
Material costs, excl. purchases own segment	-2,896	-746	401	-3,241
Depreciation	-204	-18	-0	-222
Other operating expenses/income	-2,176	-261	106	-2,332
<b>Operating profit</b>	<b>518</b>	<b>132</b>	<b>-16</b>	<b>633</b>
Net financial items	-	-	-18	-18
<b>Profit before tax</b>	<b>518</b>	<b>132</b>	<b>-34</b>	<b>616</b>
Taxes	-	-	-104	-104
<b>Profit for the period</b>	<b>518</b>	<b>132</b>	<b>-138</b>	<b>511</b>

Jan-Sep 2023, SEKm	Component	System	Unallocated	Group
Net sales, external	5,387	1,360	-	6,747
Net sales, internal	432	158	-590	-
<b>Total net sales</b>	<b>5,819</b>	<b>1,518</b>	<b>-590</b>	<b>6,747</b>
Material costs, excl. purchases own segment	-2,961	-1,072	475	-3,558
Depreciation	-196	-20	-0	-216
Other operating expenses/income	-2,155	-280	59	-2,376
<b>Operating profit</b>	<b>508</b>	<b>147</b>	<b>-56</b>	<b>599</b>
Net financial items	-	-	-24	-24
<b>Profit before tax</b>	<b>508</b>	<b>147</b>	<b>-80</b>	<b>575</b>
Taxes	-	-	-73	-73
<b>Profit for the period</b>	<b>508</b>	<b>147</b>	<b>-152</b>	<b>502</b>

## SALES DIVIDED BY SEGMENT AND GEOGRAPHICAL MARKETS

### Third quarter

The net sales divided among geographical markets in the third quarter; Sweden 25% (24), other European countries 56% (57) and other countries 19% (19).

Jul-Sep 2024, SEKm	Component	System	Unallocated	Group
Sweden	353	154	20	527
Other European countries	1,086	114	-	1,200
Other countries	367	35	-	402
<b>Net sales</b>	<b>1,805</b>	<b>303</b>	<b>20</b>	<b>2,128</b>
Internal sales, eliminations	-	-	-179	-179
<b>Total net sales</b>	<b>1,805</b>	<b>303</b>	<b>-159</b>	<b>1,949</b>

Jul-Sep 2023, SEKm	Component	System	Unallocated	Group
Sweden	338	218	16	572
Other European countries	1,167	189	-	1,356
Other countries	359	80	-	439
<b>Net sales</b>	<b>1,865</b>	<b>487</b>	<b>16</b>	<b>2,368</b>
Internal sales, eliminations	-	-	-218	-218
<b>Total net sales</b>	<b>1,865</b>	<b>487</b>	<b>-202</b>	<b>2,149</b>

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

### First nine months

The net sales divided among geographical markets in the first nine months; Sweden 27% (26), other European countries 56% (57) and other countries 17% (17).

Jan-Sep 2024, SEKm	Component	System	Unallocated	Group
Sweden	1,173	656	51	1,880
Other European countries	3,567	349	-	3,916
Other countries	1,054	152	-	1,206
<b>Net sales</b>	<b>5,793</b>	<b>1,157</b>	<b>51</b>	<b>7,002</b>
Internal sales, eliminations	-	-	-574	-574
<b>Total net sales</b>	<b>5,793</b>	<b>1,157</b>	<b>-522</b>	<b>6,428</b>

Jan-Sep 2023, SEKm	Component	System	Unallocated	Group
Sweden	1,103	752	42	1,898
Other European countries	3,633	553	-	4,186
Other countries	1,083	213	-	1,295
<b>Net sales</b>	<b>5,819</b>	<b>1,518</b>	<b>42</b>	<b>7,379</b>
Internal sales, eliminations	-	-	-632	-632
<b>Total net sales</b>	<b>5,819</b>	<b>1,518</b>	<b>-590</b>	<b>6,747</b>

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

### Note 3. Personnel

Number of employees (full time yearly equivalents) in the Group divided per country:

Country	Jan-Sep 2024	Jan-Sep 2023	Jan-Sep 2022
Bulgaria	1,547	1,565	1,369
Poland	1,355	1,330	1,136
Lithuania	1,257	1,236	946
Sweden	975	866	847
China	437	591	708
Estonia	583	602	568
Hungary	496	481	481
Mexico	295	333	347
Finland	208	209	187
India	175	193	173
Canada	180	192	161
USA	208	153	162
Great Britain	108	0	0
Germany	15	16	21
Italy	17	17	18
Brazil	5	6	9
Serbia	0	0	9
<b>Total</b>	<b>7,861</b>	<b>7,790</b>	<b>7,140</b>

### Note 4. Business acquisitions

AQ's strategy is to grow in both segments. In May, the JIT Mech group was acquired and in July 2024 Rockford Components Limited was acquired. Both acquisitions will be included in the Component segment. No divestments have been made. No acquisitions were made in 2023.

#### Acquisitions during the first nine months

##### JIT Mech group

On May 2, 2024, AQ Group AB completed the transaction with JIT Mech se Förvaltning AB and Monen Holding AB to acquire 100% of the shares in JIT Mech se Industri AB with the subsidiaries JIT Mech i Robertsfors AB and JIT Mech i Örnköldsvik AB. The companies have been renamed after the acquisition to AQ JIT Mech AB, AQ JIT Mech Robertsfors AB and AQ JIT Mech Örnköldsvik AB. Operations are conducted in Robertsfors and Örnköldsvik. At the time of the acquisition, approximately 75 employees were taken over.

The purpose of the acquisition is to expand AQ's customer base and broaden the offering within sheet metal processing. JIT Mech is a leading supplier of large and complex machined and welded components to customers in the electrification, forestry automation and defense industries.

The purchase price amounted to SEK 40 m in cash on the day of acquisition, plus an earnout based on the companies' earnings over the next three years (estimated at SEK 25 m). Acquisition analysis has been prepared which shows consolidated surplus values of SEK 25 m divided into customer relations SEK 17 m, technologies SEK 3 m, goodwill SEK 9 m and a deferred tax liability of SEK 4 m. The depreciation rate is estimated at 10 years for customer relationships and 7 years for technologies. The goodwill value of SEK 9 m includes synergy effects in the form of more efficient production processes and the employees' technical knowledge. The acquisition analysis is preliminary due to the fact that a short time has elapsed since the acquisition.

External acquisition-related expenses in connection with the acquisition amounted to SEK 0.4 m, which are included in the Group's other external costs. Operating receivables are stated at gross value, as

there are no accounts receivable provisions, which corresponds to fair value. The acquisition was financed partly with own funds and partly with a new bank loan.

During the period May to September, the acquired business contributed SEK 79 m to the Group's revenues and SEK 9 m to the Group's profit after tax, taking into account consolidated acquisition depreciation. The contribution to the Group's profit after tax without regard to consolidated acquisition depreciation is SEK 10 m.

If the acquisition had occurred as of January 1, 2024, ie. including January to April, the company management estimates that the Group's revenues would have been SEK 84 m higher and the profit after tax for the period with regard to consolidated acquisition depreciation would have been SEK 10 m higher for the period January-June 2024. The contribution to the Group's profit after tax without regard to consolidated acquisition depreciation would have been SEK 10 m higher.

### **Rockford**

On July 10, 2024, AQ Group AB acquired and took over Rockford Components Holdings Limited, which manufactures and delivers wiring and electromechanical systems to customers in the defense, aerospace, and general industries. The company had a turnover in 2023 of SEK 95 m, an operating margin below the AQ average and has 112 employees. Operations are conducted in Rendlesham, Workson and Salisbury in England. The purchase price consists of SEK 18 m in cash at closing and an earn-out based on the company's results for the next 12 months, up to a maximum of SEK 16 m. The company has after the acquisition been renamed to AQ Wiring Systems Rockford Ltd.

Acquisition analysis has been prepared which shows consolidated surplus values of SEK 18 m divided into customer relations SEK 9 m, rent rebate SEK 6 m, goodwill SEK 7 m and a deferred tax liability of SEK 4 m. The depreciation rate is estimated at 10 years for customer relationships and 3 years for the rent rebate. The goodwill value of SEK 7 m includes synergy effects in the form of more efficient production processes and the employees' technical knowledge. The acquisition analysis is preliminary due to the fact that a short time has elapsed since the acquisition.

During the period July to September, the acquired business contributed SEK 37 m to the Group's revenues and SEK 2 m to the Group's profit after tax, taking into account consolidated acquisition depreciation. The contribution to the Group's profit after tax without regard to consolidated acquisition depreciation is SEK 3 m.

If the acquisition had occurred as of January 1, 2024, ie. including January to July 10, the company management estimates that the Group's revenues would have been SEK 52 m higher and the profit after tax for the period with regard to consolidated acquisition depreciation would have been SEK 5 m lower for the period January-June 2024. The contribution to the Group's profit after tax without regard to consolidated acquisition depreciation would have been SEK 5 m lower.

### **TechRoi**

On September 26, 2024 the subsidiary of AQ Group, AQ Engineering AB signed an agreement with TechROi AB to acquire 100% of the shares in TechROi Engineering AB and TechROi Scandinavia AB, who develop and construct components and systems to demanding customers within vehicle, aerospace and gas turbine industry. The companies had a turnover of SEK 55 m in 2023, an operating margin below AQ average and have 38 employees. Operations are conducted in Trollhättan and Gothenburg. The purchase price consists of SEK 1 in cash at closing and a debt takeover of approximately SEK 30 m. The transaction is subject to approval by the Swedish Supervisory Authority in accordance with the FDI Act and closing is expected to take place during the fourth quarter of 2024



#### Acquired net assets at the time of acquisition:

SEK m	JIT Mech	Rockford	Total
Tangible assets, incl IFRS 16	36	9	45
Inventories	47	39	85
Operating receivables	31	22	53
Operating liabilities	-42	-21	-63
Liquid funds	0	2	2
Provisions	-5	-	-5
Net loans, incl IFRS 16	-27	-33	-61
<b>Acquired net assets</b>	<b>40</b>	<b>17</b>	<b>57</b>
Customer relations	17	9	26
Technologies	3	-	3
Rent rebate	-	6	6
Deferred tax on surplus values	-4	-4	-8
Goodwill	9	7	16
<b>Purchase price net assets</b>	<b>65</b>	<b>34</b>	<b>99</b>
Debt purchase price	-25	-16	-41
<b>Cash flow effect</b>			
Cash paid	-40	-18	-58
Acquisition costs	-0	-3	-3
Liquid funds in acquired company	0	2	2
<b>Total cash flow effect</b>	<b>-40</b>	<b>-19</b>	<b>-59</b>

#### Note 5. Financial instruments

Financial instruments that are shown in the balance sheet include on the assets side mainly cash or cash equivalents, accounts receivable and other receivables. On the liabilities side they consist mainly of accounts payable, other payable, credit debts and provisions for additional purchase price.

Fair value is not separately shown as it is our assessment that the values shown are an acceptable estimation of the real value because of the short terms. Fair value of assets is established from market prices where those are available. Fair value is based on the listing at brokers. Similar contracts are being traded on an active market and the prices are reflecting actual transactions of comparable instruments.

The Group exceptionally uses derivatives, forward exchange agreement, to reduce currency risks. Per September 30, 2024, there are no remaining derivatives. The same applies to the corresponding period of the previous year.

#### Note 6 Significant events after the end of the period

No significant events have occurred after the end of the reporting period.

## Key figures

SEKm unless otherwise stated	2024				2023				
	Q1	Q2	Q3	YTD	Q1	Q2	Q3	Q4	Full year
<b>Operating margin, (EBIT %)</b>									
Operating profit	223	222	188	633	194	203	201	193	792
Net sales	2,225	2,254	1,949	6,428	2,253	2,345	2,149	2,221	8,968
Operating margin	10.0	9.8	9.6	9.9	8.6	8.7	9.3	8.7	8.8
<b>EBITDA</b>									
Profit before tax	223	222	188	633	194	203	201	193	792
Depreciations/amortisations	-73	-75	-75	-222	-70	-72	-74	-72	-288
EBITDA	296	297	263	856	264	276	275	265	1,079
<b>Profit margin before tax, (EBT %)</b>									
Profit before tax	221	218	177	616	184	195	195	182	757
Net sales	2,225	2,254	1,949	6,428	2,253	2,345	2,149	2,221	8,968
Profit margin before tax, %	9.9	9.7	9.1	9.6	8.2	8.3	9.1	8.2	8.4
<b>Liquid ratio, %</b>									
Trade receivables	2,145	2,126	1,877	1,877	1,966	2,098	1,929	1,879	1,879
Other current receivables	210	227	236	236	248	270	277	231	231
Cash and cash equivalents	488	503	818	818	352	289	436	426	426
Current liabilities	1,743	1,645	1,526	1,526	1,761	1,751	1,636	1,565	1,565
Liquid ratio, %	163	174	192	192	146	152	161	162	162
<b>Debt/equity ratio, %</b>									
Total equity	4,082	4,083	4,178	4,178	3,391	3,671	3,734	3,762	3,762
Total assets	6,367	6,385	6,468	6,468	6,125	6,300	6,160	5,960	5,960
Debt/equity ratio, %	64	64	65	65	55	58	61	63	63
<b>Return on total assets, %</b>									
Profit before tax, rolling 12 months	794	816	798	798	550	637	711	757	757
Financial expenses, rolling 12 months	-51	-36	-39	-39	-52	-56	-39	-50	-50
Total equity and liabilities, opening balance for 12 months	6,125	6,300	6,160	6,160	4,920	5,165	5,392	5,704	5,704
Total equity and liabilities, closing balance	6,367	6,385	6,468	6,468	6,125	6,300	6,160	5,960	5,960
Total equity and liabilities, average	6,246	6,342	6,314	6,314	5,522	5,732	5,776	5,832	5,832
Return on total assets, %	13.5	13.4	13.3	13.3	10.9	12.1	13.0	13.8	13.8
<b>Return on equity after tax, %</b>									
Profit for the period after tax, rolling 12 months	662	671	645	645	479	564	636	636	636
Total equity, opening for 12 months	3,391	3,671	3,734	3,734	2,756	2,865	3,010	3,180	3,180
Total equity, closing	4,082	4,083	4,178	4,178	3,391	3,671	3,734	3,762	3,762
Total equity, average	3,737	3,877	3,956	3,956	3,074	3,268	3,372	3,471	3,471
Return on equity after tax, %	17.7	17.3	16.3	16.3	15.6	17.3	18.9	18.3	18.3
<b>Net cash / Net debt</b>									
Cash and cash equivalents	488	503	818	818	352	289	436	426	426
Non-current interest bearing liabilities	419	512	591	591	860	765	679	513	513
Current interest bearing liabilities	195	119	109	109	181	175	166	204	204
Total interest bearing liabilities	614	631	701	701	1,041	940	845	717	717
Net cash / Net debt	-126	-128	117	117	-689	-651	-409	-291	-291
<b>Growth, %</b>									
<b>Organic growth</b>									
Net sales	2,225	2,254	1,949	6,428	2,253	2,345	2,149	2,221	8,968
- Effect of changes in exchange rates	25	12	-47	-11	94	139	144	76	454
- Net sales for last year	2,253	2,345	2,149	6,747	1,646	1,721	1,711	1,974	7,053
- Net sales for acquired companies	-	39	76	115	-	-	-	-	-
= Organic growth	-53	-142	-229	-424	512	485	294	170	1,461
Organic growth divided by last year net sales, %	-2.3	-6.1	-10.6	-6.3	31.1	28.2	17.2	8.6	20.7
<b>Growth through acquisitions</b>									
Net sales for acquired companies divided by last year net sales, %	0.0	1.7	3.5	1.7	0.0	0.0	0.0	0.0	0.0

## Definitions

### Alternative key figures that are not defined according to IFRS

The interim report includes certain key figures which are not defined according to IFRS. AQ's view is that the presented key figures are essential for investors, securities analysts, and other stakeholders. Furthermore, the operating margin, cash liquidity and solidity are important measures in terms of AQ's monitoring of results, position, and liquidity. AQ's key figures not calculated in accordance with IFRS are not necessarily comparable to similar measures presented by other companies and have certain limitations as an analytical tool. They should therefore not be considered in isolation from, or as a substitute for, AQ's financial information prepared in accordance with IFRS.

#### Operating margin, EBIT %

Calculated as operating profit divided by net sales.

This key figure shows the achieved profitability in the operative business of the company. Operating margin is a useful measure to follow up profitability and efficiency of the business before deduction of tied up capital. The figure is used internally for controlling and managing the business as well as a benchmark towards other companies in the industry.

#### Profit margin before tax, EBT%

Calculated as profit before tax divided by net sales.

This key figure shows the profitability of the business before tax. Profit margin before tax is a useful measure to follow up profitability and efficiency including tied up capital. The figure is used internally for controlling and managing the business as well as a benchmark towards other companies in the industry.

#### Liquid ratio, %

Calculated as current assets (excl. inventory) divided by current liabilities.

This key figure reflects the company's short-term solvency as it sets the company's current assets (except inventory) in relation to the short-term liabilities. If the liquid ratio exceeds 100%, it means that the assets exceed the liabilities in question.

#### Debt/Equity ratio, %

Calculated as adjusted equity divided by balance sheet total.

This key figure reflects the company's financial position and its long-term solvency. To have a good equity ratio and thus a strong financial position is important for being able to manage business cycles with varying sales. To have a strong financial position is also important for managing growth.

#### Return on total assets, %

Calculated as profit/loss after financial items plus financial costs divided by the average balance sheet total.

This key figure also shows the achieved profitability in the operative business. This number complements the operating margin as it includes tied up capital. It means that the number gives information on the return the business is given in relation to the capital tied in it. (Financial investments and cash and cash equivalents are also considered and the profit they give in the form of financial income.)

#### Return on equity after tax, %

Calculated as profit/loss after tax divided by average equity including minority interest.

This is a key figure showing the return of the capital that the owners have invested in the company (including retained earnings) after other stakeholders have received their dividends. This key figure shows how profitable the company is for its owners. This return also has significance for the company's opportunities to grow in a financial balance.

#### Operating profit (EBIT), SEKm

Calculated as the profit before tax and financial items.

Operating profit shows the result generated by the operative business and is used together with operating margin and return on total assets for evaluating and managing the operative business.

#### Profit before tax / Profit after financial items (EBT), SEKm

Calculated as the profit before tax.

The key figure shows the result generated by the operative business and financial income taking into account payments to creditors for the capital they are contributing to finance the business. The figure shows remaining profit to the owners taking into account that part of it will be deducted for tax payments.

#### EBITDA

Calculated as the period's net operating profit with the addition of depreciations and amortization of tangible and intangible assets. The measure is used in the calculation of covenants towards the bank. EBITDA stands for "earnings before interest, taxes, depreciation and amortization".

#### Net cash/Net debt, SEKm

Calculated as the difference between interest bearing debts and cash and cash equivalents.

This key figure is reflecting how much interest-bearing debts the Group has taking into account in cash and cash equivalents. The figure gives a good picture of the debt situation. Net cash means that cash and cash equivalents exceed interest bearing debts. Net debt means that interest bearing debts exceed cash and cash equivalents.

**Growth, %**

The company is using two key figures to describe growth; 1) organic growth and 2) growth through acquisitions. Organic growth is calculated as the difference between the net sales of the current period and the net sales of the previous period, excluding currency effect and net sales of acquired units. Organic growth in % is calculated as the organic growth divided by the net sales in the same period in the previous year. Growth through acquisitions is calculated as net sales of acquired companies divided by the net sales in the same period in the previous year.

Growth is an important component in the company's strategy as growth is required to be a leading actor in the markets where the company is operating. Growth is partly through acquisition and partly organic. It's important to follow up and to present the different ways of achieving growth as it is two different ways to grow. Acquisitions are done when opportunities are given to expand the business in a certain geographic market or in a certain product area (in line with the company's strategic plan). Organic growth often has the character of a continued expansion within the existing operations.

**Dividend per share, SEK**

Dividend per share is decided at the Annual General Meeting where the annual report is approved for the fiscal year. Number of shares are the thousands of shares issued at the set date for payment of dividends.

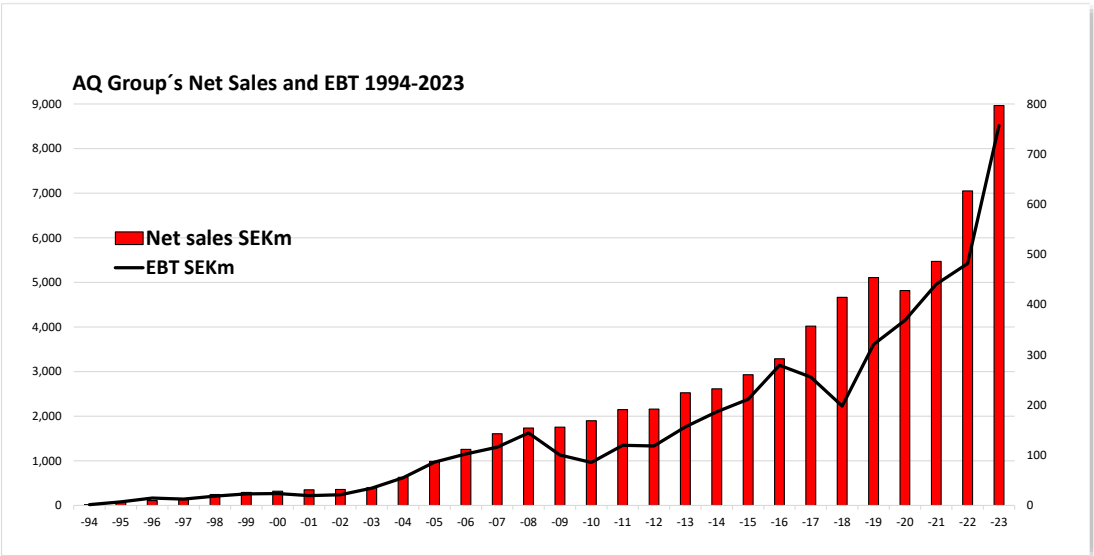
**Earnings per share, before/after dilution, SEK**

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

AQ in brief

AQ is a global manufacturer of components and systems to demanding industrial customers and is listed on Nasdaq Stockholm's main market. The Group consists mainly of operating companies each of which develop their special skills and in cooperation with other companies, striving to provide cost effective solutions in close cooperation with the customer.

The Group headquarter is in Västerås, Sweden. AQ has 8,000 employees in Bulgaria, Poland, Lithuania, Sweden, China, Estonia, Hungary, Mexico, Finland, India, Canada, USA, Germany, Italy, Brazil and England. In 2023 AQ had net sales of SEK 9 billion, and the Group has since its start in 1994 shown profit every quarter.



# WE ARE RELIABLE

## Customer focus

### **Customers always come first.**

By making our customers' life easy and by giving the "little extra" we will create a long term partnership.

## Simplicity

We do our daily work without complexity and bureaucracy. Everything we do adds customer value.

## Entrepreneurial business

Companies within the AQ Group shall, based on AQ core values, run their business as entrepreneurs and strive for profitability and growth.

## Courage and respect

We have the courage to go our own way, we stand up for our positions, are prepared to make tough decisions, give constructive feedback and admit own mistakes. We treat others as we like to be treated ourselves.

## Cost efficiency

We use the most cost efficient way to fulfill our customers' demands and work with continuous improvements. Our business is production, we have a long term view and we fully commit ourselves to live up to customer expectations for quality, delivery performance, technological development and service.