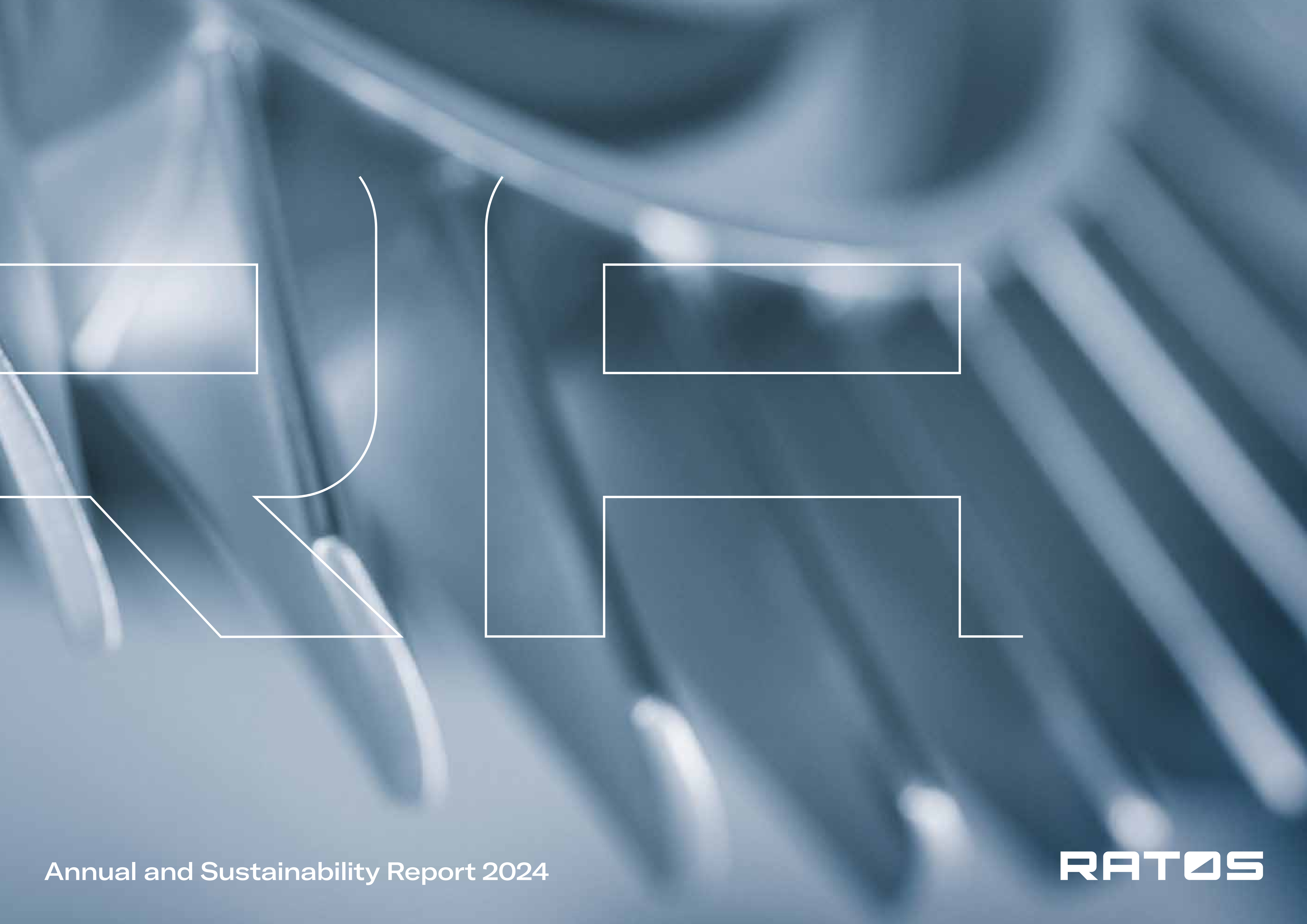

Annual and Sustainability Report 2024

RATOS

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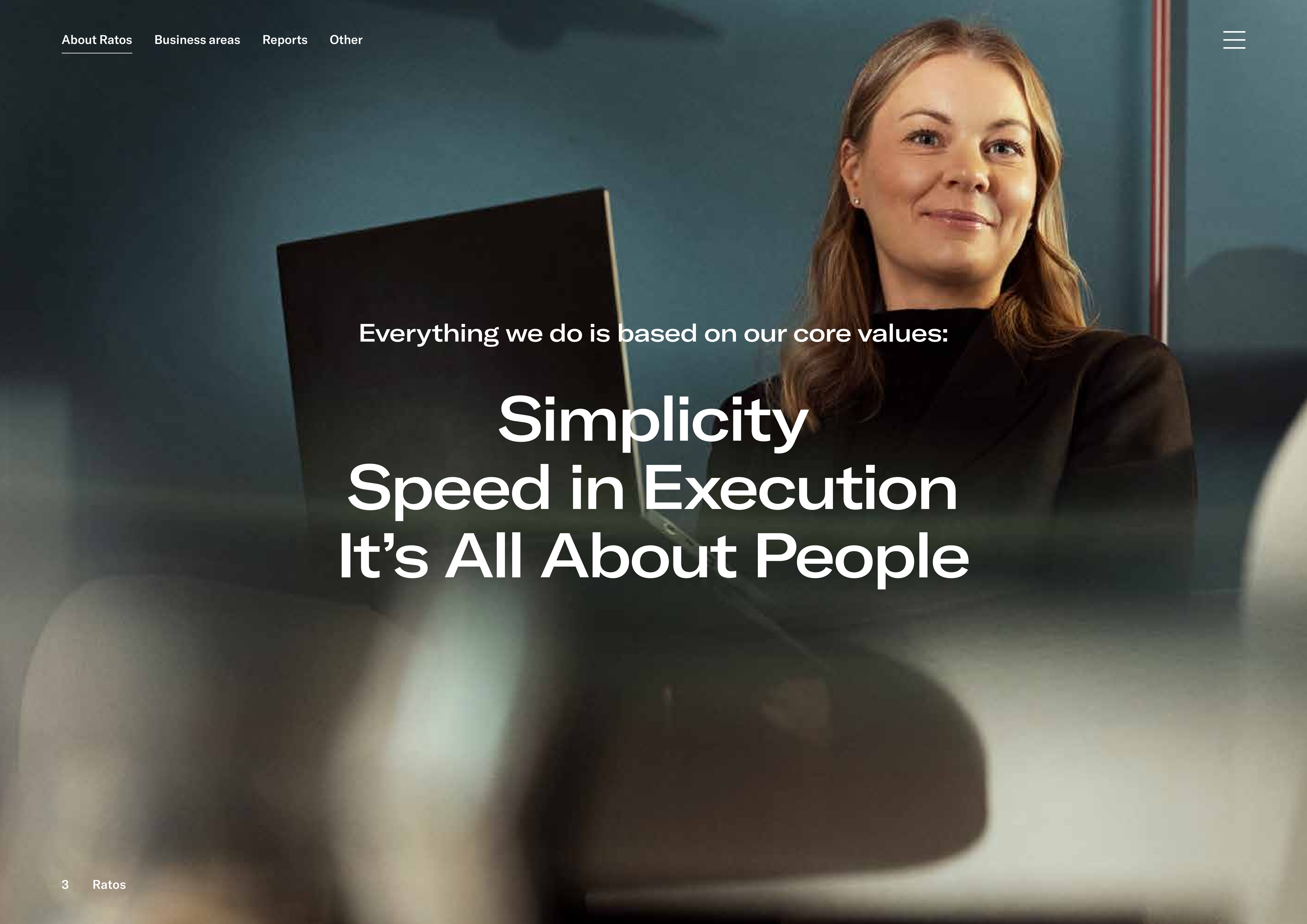


Everything we do is based on our core values:

Simplicity
Speed in Execution
It’s All About People

Focus on technological solutions

By developing leading operations in technological and infrastructure solutions and offering digital services and products that contribute to long-term, sustainable profitability, Ratos creates value both for its shareholders and for society. The strength of Ratos's unique governance model, the Ratos Business System (RBS), which has led to a favourable EBITA performance since it was introduced in 2018, is becoming clear as our companies create synergies amongst themselves. They are doing so on their own initiative, through networks and commercial partnerships and through mergers with industrial synergies.

Ratos is a Swedish Group focused on technological and infrastructure solutions. The Group comprises three business areas – Industry, Construction & Services and Consumer.

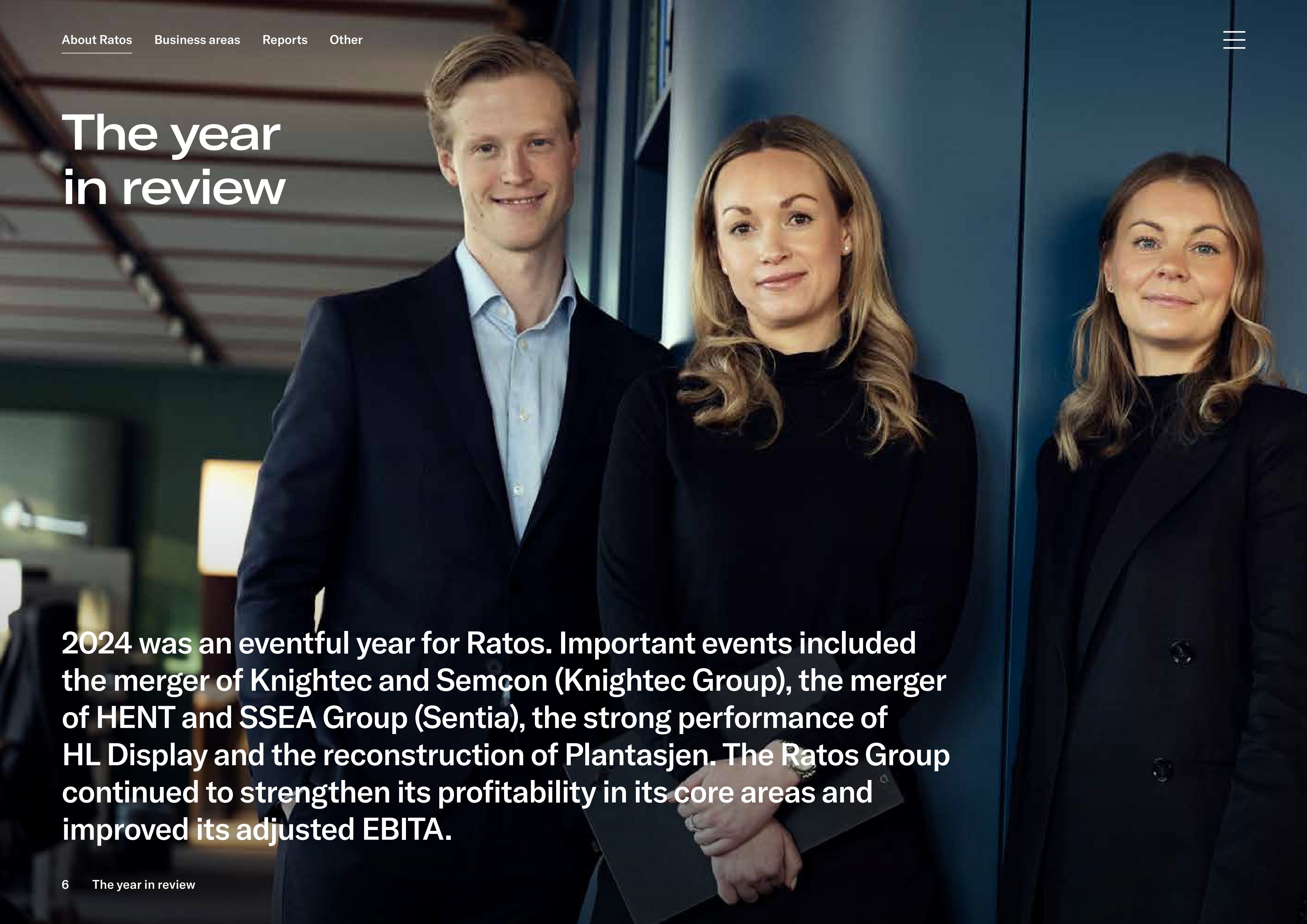
The **Industry** business area comprises two segments – *Product Solutions* and *Industrial Services*, and the companies in the segments focus on technological solutions and product development in industry. Companies in Industry are active in markets with strong growth such as technology consultancy services, energy-efficient lighting, sustainable lightweight structures and renewable energy, modern grocery retail, pharmacology and aftermarket solutions.

The **Construction & Services** business area's focus is on building and maintaining a sustainable society. The business area is also divided into two segments – *Critical Infrastructure*, with a service offering comprising maintenance of road infrastructure, electrification and energy solutions, and *Construction Services*, which focuses on community building. Examples of this are the construction of critical buildings.

Consumer comprises two companies – one in retail and a digital marketplace for used vehicles and machines.

32	2.3	10,900
SEK billion in sales*	SEK billion in adjusted EBITA	employees*

* Excluding Aibel.



The year in review

2024 was an eventful year for Ratos. Important events included the merger of Knightec and Semcon (Knightec Group), the merger of HENT and SSEA Group (Sentia), the strong performance of HL Display and the reconstruction of Plantasjen. The Ratos Group continued to strengthen its profitability in its core areas and improved its adjusted EBITA.

First quarter

HL Display acquires pr trading-Flekota A/S

HL Display acquires pr trading-Flekota A/S, their distribution partner in Denmark. This acquisition expands HL Display's footprint in Europe and further strengthens its position as a leading supplier for in-store merchandising and communication solutions to grocery and non-food retailers in Europe.

Speed Group achieves climate neutrality in 2023 – two years ahead of target

Through a combination of large-scale initiatives and small changes, Speed Group has made great strides towards reducing its carbon footprint and thus contributing to a more sustainable future.

New CEO of LEDiL

Ratos appoints Kimmo Rauhala as the new CEO of LEDiL.

SSEA Group conducts a pilot project in climate-neutral construction

The project, which the construction company SSEA Group is conducting together with MKB Fastighets AB, involves the construction of 12 new apartments in Malmö. MKB Fastighets AB's ambition with the project, known as Rapsen 2, is to enhance its expertise in sustainable construction and test construction methods using a cross-laminated timber frame. The goal is for the project to emit a maximum of 207 kg CO_2 per square metre and thus reach below the LFM30 target limit value for housing, a project with a low climate impact.

HL Display

Second quarter

Aibel and Hitachi Energy sign framework agreement with RWE

The framework agreement, which was signed to accelerate the development of offshore wind power, is an extension of the capacity reservation agreement (CRA) signed in November 2023. It reserves the engineering and manufacturing capacity to develop three major high-voltage direct current (HVDC) projects. The projects will allow electricity transmission from offshore wind farms to onshore connection points.

The Ratos Summit 2024

The Ratos Summit is arranged in Stockholm. Management and the boards of all 17 subsidiaries gather for a full day and evening with a focus on market analysis, inspiration and reflection and to highlight the successes from the past year.

HENT wins a billion-krone contract for the new Bodø airport in Norway

Avinor tasks HENT with building a new passenger terminal and several other operational facilities at the new Bodø airport in Norway. The contract has a ceiling of NOK 2.4 billion.

LEDiL acquires Ingemann Components

LEDiL joins forces with the northern European leader in optical diffusive and reflective components: Ingemann. LEDiL signs an agreement to acquire all the shares of Ingemann, creating a combined company that will serve as a one-stop shop for indoor lighting manufacturers.

Third quarter


Presis Infra

Semcon's climate target is approved by the Science Based Targets initiative

Semcon's near-term climate target, which has been approved by the Science Based Targets initiative (SBTi), is to reduce its absolute Scope 1, 2, and 3 GHG emissions by 50 per cent by 2030 from a 2019 base year.

HENT signs new billion-krone contract

The construction company HENT and Fornebubanen sign an agreement for the construction of two stations on the new Fornebubanen metro line in Oslo, Norway. The contract is valued at NOK 1.67 billion.

Presis Infra secures new contracts amounting to NOK 3 billion

A total of nine new contracts are signed with existing customers in both Norway and Sweden in the first half of 2024, with terms from 2024 to 2030.

SSEA Group secures new contracts

The construction group SSEA Group secures four new contracts in its important geographic regions of Stockholm and Gothenburg in Sweden, of which the largest is worth SEK 800 million and is signed with the municipality of Kungälv in the Gothenburg area. The contract pertains to the development and construction of a new arena area housing various facilities, including a swimming facility and ice rinks. The total value of all four new contracts is approximately SEK 1.1 billion.

Semcon doubles its operations in Brazil

Semcon secures three new orders worth SEK 472 million from a prominent provider in the mobility sector and supports the customer's green transition as a strategic technology partner. The new orders cover services in the areas of e-mobility, production, logistics, and quality management.

Plantasjen files for company reconstruction

These steps are necessary to transform Plantasjen into a financially viable business going forward. The company reconstruction concerns selected legal entities in Sweden, Norway and Finland. The primary objectives of the reconstruction are downsizing the store network, optimising lease contracts, and rightsizing the organization.

Speed Group launches new solution for optimised construction material flows

Speed Group expands its offering to include solutions for complete construction material flows. This not only leads to an optimised use of resources in the construction industry, but also strengthens competitiveness.

New CEO of Aleido

Ratos appoints Anna-Karin Flöjt as the new CEO of Aleido.

Fourth quarter

Knightec and Semcon merge

Ratos-owned Knightec and Semcon, two industry-leading consulting companies, merge and form Knightec Group – a strategic partner for the future of product and digital service development. The merger is expected to be completed in early 2025. The new company will hold a unique position as northern Europe's leading company in product and digital service development.

Ratos restructures rail infrastructure operations

Ratos-owned Expin Group's offering includes project development, contracting and maintenance for railways and rail infrastructure. Its operations are now being restructured to focus on the electrification of rail infrastructure.

HL Display acquires Kost Klip Manufacturing Ltd.

HL Display acquires Kost Klip Manufacturing Ltd. (kostklip), a Canadian manufacturer of in-store communication and shelf management solutions for the retail industry. The acquisition expands HL Display's footprint to North America, further strengthening its position as a leading supplier of in-store merchandising and communication solutions.

Josefine Uppling, Vice President Communication & Sustainability, leaves Ratos

Josefine Uppling, Vice President Communication & Sustainability and a member of the management team, will leave Ratos at her own request for a new assignment outside the Group by April 2025.


Knightec Group

Ratos expands its holding in subsidiary Presis Infra

Ratos acquires KB Gruppen's 24 per cent minority holding in the Norwegian infrastructure maintenance company Presis Infra. With this transaction, Ratos strengthened its holding from 72 per cent to 97 per cent.

Speed Group acquires Nord Logistics

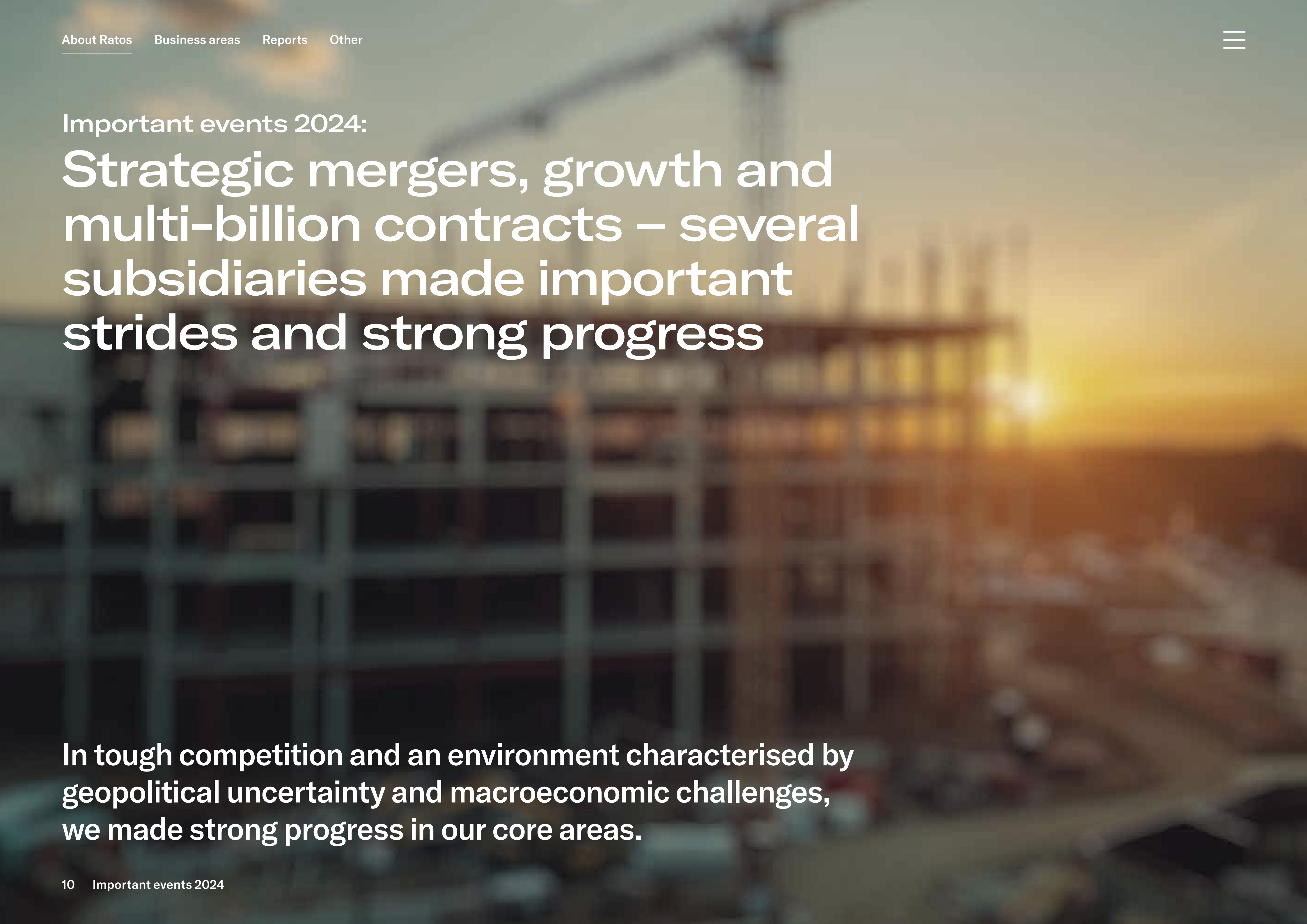
With this acquisition, Speed Group expands its offering of transportation services. The acquisition strengthens Speed Group's position as a global full-service provider and opens up new markets and customer segments.

Speed Group signs new multi-billion contract with Ericsson

After a thorough procurement process, Ericsson reconfirms its confidence in Speed Group, choosing to renew its contract for the management and development of the company's supply hub in Borås, Sweden. The new contract runs for eight years and is estimated to be worth SEK 2.5 billion.

Ratos adopts new sustainability targets and joins the SBTi

Sustainability has been an integrated part of Ratos's business strategy for many years. Ratos is now strengthening its ambitions by introducing new sustainability targets and joining the SBTi.



Important events 2024:

Strategic mergers, growth and multi-billion contracts – several subsidiaries made important strides and strong progress

In tough competition and an environment characterised by geopolitical uncertainty and macroeconomic challenges, we made strong progress in our core areas.

Industry

Technical consultants are crucial to navigating the complexity of sustainability transitions. Their expertise helps organisations implement practical, effective and cost-efficient solutions that both benefit the climate and drive economic, social and operational value. As the world moves towards more sustainable systems, the role of technical consultants in guiding and supporting these transitions is becoming increasingly important.

Knightec Group formed – a leading strategic partner in product and digital service development

In September, it was announced that Knightec and Semcon would merge to create Knightec Group. The new company is expected to have sales of approximately SEK 2.7 billion annually and around 2,400 employees, and will hold a unique position as northern Europe's leading company in product and digital service development. What are the expectations of the new company?

Dimitris Gioulekas, co-founder and former CEO of Knightec, who will become the new CEO of Knightec Group, replies:

"We will challenge and redefine the landscape for product and digital service development. We are gathering the experience and expertise of both companies and creating broader and deeper customer offerings where the industrial and the digital meet, all while improving our delivery capacity and creating opportunities to expand into new markets".

Dimitris also says that one likely scenario is that, within a few years, Knightec Group will have sales of nearly SEK 5 billion and drive profitability in the industry.

Knightec Group has been very well received by customers. Dimitris Gioulekas returns to how important the strategic partnership is. But what does that mean?

"Being a strategic partner means that we work at the intersection between technology development and business, where work takes place in teams and touches on issues and complex challenges that are high on the customer's strategic agenda. The strategic agenda involves the customer's investments and expected revenue for the coming years and which technologies are important for achieving its targets. Working with strategic issues and complex technology projects leads to competence development among Knightec Group's employees, and makes the entire business model less sensitive to economic fluctuations. Strategic projects are also prioritised in tougher times," says Dimitris.

Knightec Group's customers operate in various areas of Swedish industry, in sectors such as engineering, mobility, energy, retail, defence and medtech.

Dimitris Gioulekas,
CEO, Knightec Group

Historic, multi-billion deal for Speed Group

In December, it was announced that Speed Group had secured a new multi-billion contract – the largest in the company's history – having once again been entrusted by Ericsson to manage its logistics hub in Borås, Sweden. The new contract, which runs for eight years, is estimated to be worth SEK 2.5 billion. How did it happen?

Jesper Andersson is CEO and one of the founders of Speed Group:

"I am extremely proud that we were Ericsson's top choice in the toughest possible competition. This is proof that we do a really good job and also shows that we work closely with our customers. We have had the privilege of working with Ericsson since 2010, and we are now looking forward to taking their solution to the next level together".

Several of the logistics industry's largest players participated in the procurement and the contract covers logistics and production services. The new contract is based on expanded automation in order to future-proof Ericsson's solution. An important factor for Ericsson was that Speed Group's logistics hub is their largest, and among the hubs in the world that deliver the absolute highest quality and precise delivery standard.

"This is a huge order and a fantastic milestone for the Speed Group; we are very happy about the renewed trust," continues Jesper Andersson.

Speed Group offers sustainable, flexible and innovative solutions to complex logistics, transportation and personnel challenges. Sustainability permeates the entire operation and the company achieved its goal of being CO_2-neutral by 2025, as early as 2023. Speed Group is a company that shows that the sustainable option is also the long-term profitable option.

Jesper Andersson, CEO and one of the founders of Speed Group (Hans Sahlin replaced Jesper Andersson as CEO of Speed Group on January 8, 2025).

HL Display’s impressive journey of growth continued

Through a combination of add-on acquisitions and organic growth, HL Display delivered another strong year. With a customer base consisting of the world’s largest grocery retailers and brand suppliers, the company is a leader in the European market in its niche. What’s behind HL Display’s impressive growth journey?

Björn Borgman is the CEO of HL Display:

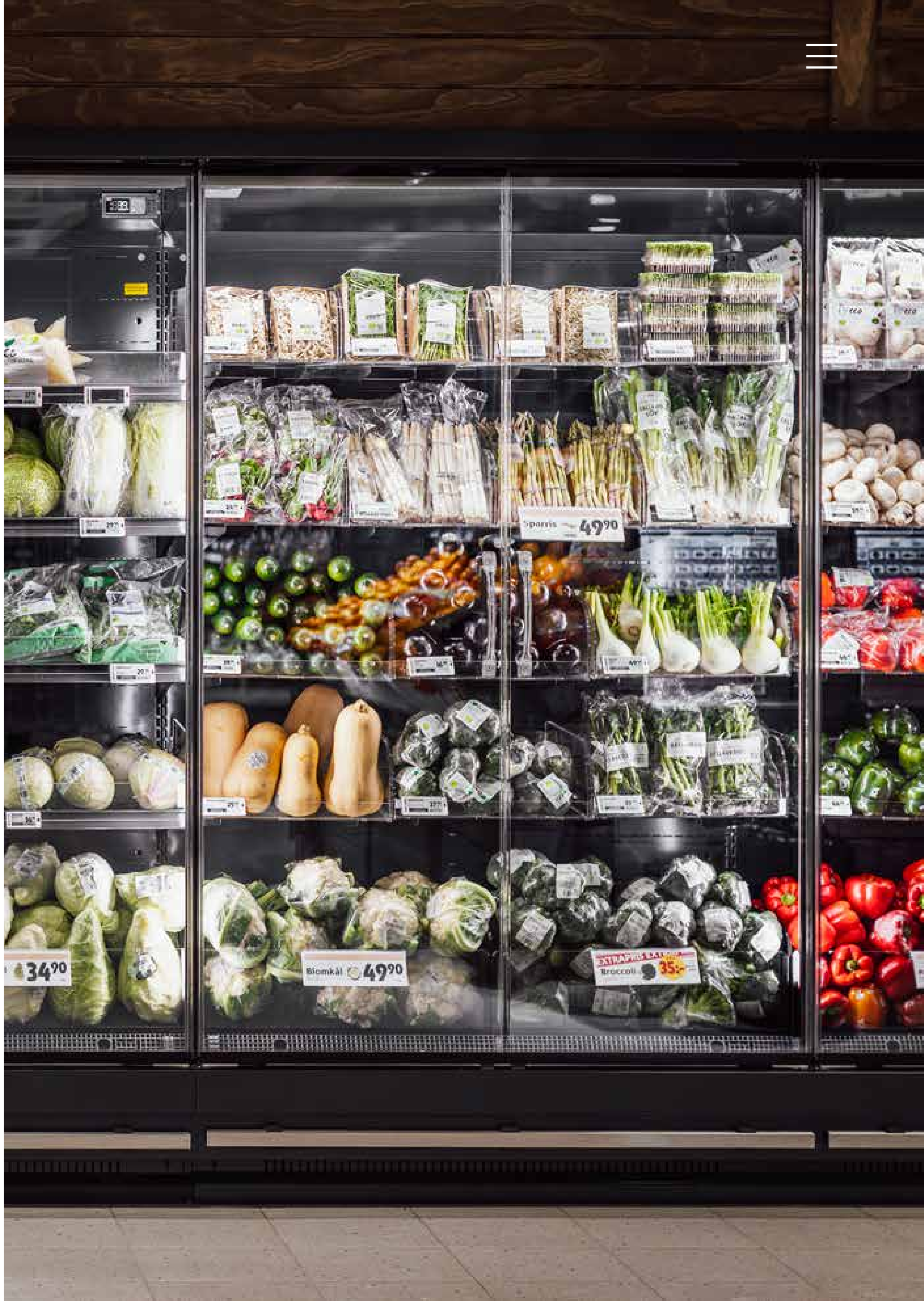
“Our success is based on the fact that we have a leading position in an attractive market. We also have a diversified customer base, built on long-term relationships and joint development of tailored solutions for a better shopping experience and more efficient store operations”.

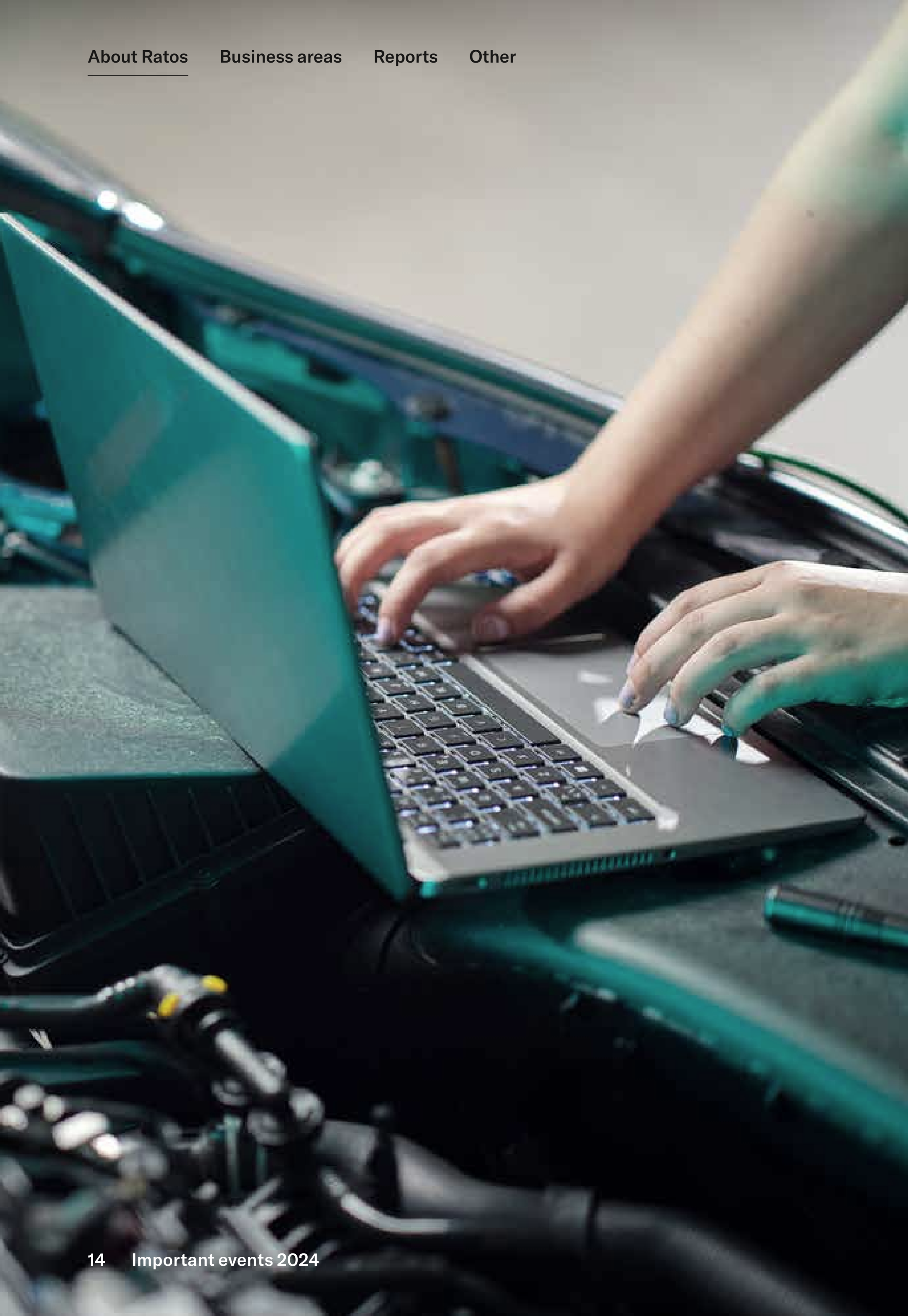
“HL’s integrated model with design, manufacturing, distribution and sales means that growth, both organic and acquired, has a large impact on profitability, which we saw in 2024. It also makes it possible to drive sustainability and efficiency improvements from raw material to final product on the shelf, something that is appreciated by our customers who generally have a strong sustainability and cost focus”.

During the year, HL Display made several successful add-on acquisitions: pr trading-Flekota A/S, which was HL’s distribution partner in Denmark, and kostklip, a Canadian manufacturer of in-store communication and shelf management solutions for the retail industry.

After ten successful acquisitions, HL Display has identified a formula for add-on acquisitions to effectively realize synergies.

Björn Borgman,
CEO of HL Display





Aleido's first year as an independent company

In October, Aleido celebrated its first year as an independent subsidiary in Ratos, following its spin-off from Semcon in October 2023. Aleido is a leader in user-friendly digital information solutions for complex products and educational solutions.

Based on its mission, "to make the advanced simply understood", Aleido provides knowledge to bridge the gap between technology and people. As a global market leader, Aleido also has industry-leading growth and margins, and works with customers such as Volvo Cars, Tetra Pak, Alstom, AGCO and Jaguar Land Rover.

In September 2024, Anna-Karin Flöjt took over as the new CEO:

"Our focus is on three areas: innovation through new technology, to further strengthening our customer relationships, and developing and protecting our employees. We have established a strong employer brand that clearly attracts the right expertise for our business, and I am proud of that".

During the year, Aleido conducted several initiatives in generative AI and automation. The company has developed new tools, and continued to train both its employees and customers in how new technology is streamlining the industry and creating value. In addition, a large and strategically important installation of Aleido's distribution service was carried out, and important collaborations with Knightec Group began – collaborations that are proof that Ratos's subsidiaries are part of something larger where there are significant synergies.

Anna-Karin Flöjt,
CEO of Aleido

Construction & Services

Infrastructure, especially critical buildings, plays a central role in the transition to a more sustainable society. This transition requires a review of the design, operation and purpose of critical infrastructure. By changing how everything from energy systems and transport networks to healthcare and educational facilities are designed, built and operated, we can significantly reduce their environmental impact.

By prioritising sustainability in the construction and management of buildings, we reduce their environmental footprint, improve their resilience to climate change.

HENT – strong year in increasingly tough construction market

The construction industry is facing a challenging period in the wake of the current macroeconomic situation and economy. But Ratos's construction giant HENT delivered yet another strong year. What does its winning concept look like?

During the year, HENT secured several large contracts, including two multi-billion contracts for a new passenger terminal and several other operational facilities at the new Bodø airport in Norway and two stations on the new Fornebubanen metro line in Oslo.

HENT is a community developer in the true sense of the word, and HENT's CEO Jan Jahren explains its success as follows: "Complete participation from idea to handover is one of HENT's hallmarks. Through active participation and integrated project development, we create value for our customers. We have a long history and a high level of trust among our customers. But trust is a perishable commodity, so we never rest on our laurels".

2024 was yet another strong in HENT; one important factor was that the company is based on a sustainable foundation. Jan Jahren adds: "By virtue of our role as a project developer, general contractor and community player, we take our impact on the environment and society seriously. Both in our projects and at the company level, we work systematically with sustainability to limit our carbon footprint. HENT has extensive experience of BREEAM, renewable energy, reducing greenhouse gases and complex energy assessments, which together means that we can and will deliver good sustainable projects".

During December, it was decided that Ratos consolidates its construction operations in HENT and SSEA Group into the leading Nordic construction group Sentia. The news were communicated by Ratos on February 13, 2025.

Jan Jahren,
CEO of HENT

New contracts worth NOK 3 billion for Presis Infra

2024 was another strong year for Presis Infra, which specialises in the maintenance of critical infrastructure including ferry quay operation and maintenance, and rockfall protection in Norway and Sweden. What is the company's foundation for success? Short decision-making pathways, decentralisation and a strong entrepreneurial spirit that permeates the entire company.

A total of nine new contracts were signed with existing customers in both Norway and Sweden in the first half of the year, with terms from 2024 to 2030. The contracts were signed with Norwegian municipalities, the Norwegian Public Roads Administration (NPRA) and the Swedish Transport Administration and are spread throughout Norway and in Järna, Sweden.

The development in Presis Infra has been positive and its establishment in Sweden, which started in 2023, is continuing. Maintenance of critical infrastructure will play an important role in the future of Norway and Sweden, and Presis Infra has what it takes to succeed and the expertise to do so in a cost-efficient and sustainable manner.

"We are proud of the confidence our client has shown in us and look forward to continuing our productive partnership. We are particularly proud that we received such high marks on the mandatory climate components in the procurements we have won. In addition to other must requirements, such as price and project understanding, we are strong at sustainability aspects," says Eivind Iden, CEO, Presis Infra.

Eivind Iden,
CEO, Presis Infra

Consumer

Garden centres and marketplaces for used cars can play an important role in promoting sustainability. Encouraging customers to use sustainable practices in their gardens and crops promotes biodiversity and cuts back on waste. Used car markets contribute to sustainability by extending the life cycle of vehicles. These platforms help to cut down on demand for new car production, which in turn reduces the CO_2 emissions connected with manufacturing and transport.

The reconstruction of Plantasjen went according to plan: lower costs, lower debt and a lower capital requirement.

The decision of the courts gained legal force on 18 February 2025. Accordingly, the reconstruction, which has been ongoing since 22 August 2024, was completed. What has the reconstruction meant for Plantasjen and what kind of company will customers see going forward?

The objective of the reconstruction was to ensure long-term sustainable and profitable operations and to build on Plantasjen's market-leading position in Norway and Sweden. This objective has now been achieved, and the measures taken have significantly improved the company's prospects to ensure greater financial stability through lower costs, lower debt and lower tied-up working capital. One effect of the reconstruction was that all stores in Finland were closed and Plantasjen left the Finnish market.

Plantasjen has reduced its store network by approximately 30 per cent, the number of store employees decreased by 20 per cent and the number of employees in Group functions was reduced by 36 per cent.

The total cost savings from the 2024 cost-saving programme and the measures carried out as part of the reconstruction is estimated at approximately SEK 400m annually. The stores with insufficient profitability that have now been closed, reduces all other things being equal, the turnover in 2025 by approximately SEK 500m. Savings and a more compact store network significantly reduce the working capital requirement going forward. Shorter lease terms and a reduction in the number of stores will also reduce Plantasjen's liabilities for future leasing commitments by approximately SEK 1,500m. The composition dividend amounts to a total payment of approximately SEK 260m. Write-down of external debts and realization of composition gains is calculated at approximately SEK 220m and will be reported as an extraordinary income in 2025. A part of the composition dividend will affect liabilities for future leasing commitments.

"Preparations are under way for our peak season. I would like to thank all of Plantasjen's employees for their fantastic efforts during a challenging time and also our various stakeholders for their contribution to the success of this initiative. Thanks to joint efforts and actions, Plantasjen lives on with a significantly better foundation," concludes Jesper Lien.

In a market dominated by high inflation, which has impacted both cost levels and consumer purchasing power, these measures were necessary. We are now fully focused on the future.

Jesper Lien,
CEO of Plantasjen Group

A significant and financially strong year for Ratos

In 2024, we took important steps with the mergers of Knightec and Semcon (formation of Knightec Group) and of HENT and SSEA Group (formation of Sentia) and with the reconstruction of Plantasjen. Our underlying results are our best to date since Ratos became a profit-driven Group. All segments except Consumer increased their earnings, and cash flow remained strong in a cautious market.

Important steps

The consolidation of Knightec Group and Sentia will continue in 2025 with the aim of creating shareholder value through increased profitability. The mergers are already generating synergies and more are expected in 2025, from knowledge-sharing and improved efficiency to attracting more customers in more complex assignments and projects. The objective of the reconstruction of Plantasjen was achieved, and the measures taken have significantly improved the company's prospects to ensure greater financial stability through lower costs, lower debt and lower tied-up working capital.

Strong financial year

As we now close the books on 2024, we can see that Ratos continued to deliver a good performance, despite a cautious market. EBITA and the return on capital employed and invested capital continued to increase, and our cash flow remained strong. In Ratos's core operations, which exclude the Consumer business area, all segments increased their earnings and profitability improved significantly, not least in the fourth quarter.

Development of Ratos's business areas

In the Industry business area, the product companies in the Product Solutions segment noted lower demand, resulting in marginal sales growth for the segment. However, HL Display reported a strong performance for 2024. A 7 per cent increase in EBITA for the segment is a sign of strength.

Sales in Industry's service companies in the Industrial Services segment decreased 4 per cent due to a weak CRO market for TFS HealthScience. The technology consultancy companies reported an organic increase in both sales and EBITA during the year.

In the Construction & Services business area, the construction and installation companies in the Construction segment, which together with the consumer companies faced a tough market, delivered record-breaking earnings despite lower sales figures. The Critical Infrastructure segment noted favourable demand, with increased sales. Presis Infra and Aibel both reported new record-breaking results for the year.

While the Consumer business area was impacted by a continued challenging consumer market, KVD achieved improved earnings. The reconstruction of Plantasjen resulted in a reduction in operating costs of approximately SEK 400m, while liabilities for future lease commitments were reduced by approximately SEK 1,500m.

The Ratos Business System

The RBS is a systematic process that is used in the Ratos Group to drive continuous improvement of financial performance measures and to create the right culture and long-term profitable growth. It is designed to optimise processes, improve quality and reduce costs. The RBS, which has gradually been implemented since 2018, has become a model for a successful tool for our business areas and their subsidiaries.

Sustainable strategy

Having a sustainable business concept and daily operations is the core of profitable companies. In 2024, Ratos adopted new climate impact and gender equality targets and joined the Science Based Targets initiative (SBTi). We are now setting ambitious, science-based targets to reduce our carbon footprint, while also promoting gender equality throughout our organisation by establishing a target for the share of women and men in senior positions. In 2024, we also continued to adapt to the new sustainability reporting legislation that will apply to Ratos starting in 2025.

Ratos stands strong heading into 2025

The work carried out during the year and our strong financial position lay the foundation for a positive, exciting year in 2025, when we are also seeing indications that the market will improve.

In conclusion, I would like to thank all the employees throughout the Ratos companies for their outstanding efforts during an intense year. I would also like to take this opportunity to thank our customers, who have trusted in the products, solutions and services we delivered.

Jonas Wiström
President and CEO

Targets and target fulfilment

On 8 February 2021, the Board of Ratos decided on financial targets based on the previously announced decision to shift the direction of the business to becoming an operating group.

Financial targets	Targets 2025	Outcomes 2024
EBITA growth	SEK 3 billion EBITA is to amount to at least SEK 3 billion by 2025	SEK 2,329m (Adjusted EBITA)[1]
Leverage	1.5–2.5x Net debt, excluding financial lease liabilities, in relation to EBITDA should normally range from 1.5 to 2.5x.	1.3 (unadjusted) 1.2 (adjusted)
Dividend payout ratio	30–50% The dividend payout ratio should amount to 30–50 per cent of profit after tax attributable to owners of the parent, excluding capital gains and losses	57%

[1] The Group's EBITA adjusted for non-recurring items affecting comparability at the business area level.

On 10 December 2024, Ratos's Board of Directors set new sustainability targets. The new sustainability targets stipulate Ratos's contribution to two of the 17 UN Sustainable Development Goals (SDGs) of the 2030 Agenda – Goal 13: Climate Action and Goal 5: Gender Equality. Long-term, structured and science-based work with shared sustainability targets contributes to future-proofing Ratos.

Sustainability targets	Targets 2030	Targets 2050	Base year 2024
Emissions reduction targets	**Not completed** Under validation by the SBTi. Ratos will communicate its emissions reduction targets in detail as soon as they have been validated by the SBTi.	**Not completed** Under validation by the SBTi. Ratos will communicate its emissions reduction targets in detail as soon as they have been validated by the SBTi.	**979,802** CO_2eq, tonnes. (Scope 1, Scope 2 market-based and Scope 3)
Gender equality target, %	**40/60** Ratos aims to have a 40/60 distribution of women and men in senior positions by 2030. Senior positions refer to the Board members of Ratos AB and 14 of its 15 subsidiaries (Aibel is excluded since it is considered an associate) as well as the management groups of Ratos AB and 14 of its 15 subsidiaries.	**40/60**	Distribution of women/men **43/57** Board of Directors Ratos AB **17/83** Management group Ratos AB **15/85** Boards, subsidiaries of Ratos **24/76** Management groups, subsidiaries incl. parent company

The Ratos Business System

The RBS is a systematic approach that is used in the Ratos Group to drive continuous improvement and to create the right culture and long-term profitable growth. It is designed to optimise processes, improve quality and reduce costs.

The RBS, which has gradually been implemented since 2018, has become a model for successful implementation in our business areas and their subsidiaries.

The RBS comprises the following cornerstones:

A strong decentralised structure. The subsidiaries are to operate close to their customers and decisions are to be made close to the customer. Focus is on understanding the customers' needs and expectations. Satisfied customers are a cornerstone, and the RBS aims to quickly adapt to the customers' constantly changing requirements and needs.

The Ratos culture. Characterised by our core values: Simplicity, Speed in Execution and It's All About People.

Simplicity.
Ratos has a strong decentralised structure and each subsidiary has a large degree of independence. We focus on profitability, sustainable profit growth, cash flows and returns on capital employed and invested capital. We increase our earnings through a combination of focusing on operational profitability, organic growth and industrially sound acquisitions. Sustainability permeates Ratos's entire business model. Long-term sustainability also creates long-term profitability. We take a comprehensive approach, focusing on sustainable strategies rather than sustainability strategies.

Speed in Execution.
With a small and efficient group organisation and leadership with extensive operational experience, we combine the flexibility and speed of a smaller company with the resources, network and stability of a larger group. Our structural capital and model enable us to act quickly in light of market changes and provide us with all of the necessary conditions to create shareholder value. Ratos engages in structured follow-up whereby day-to-day work is conducted through regular contact with its companies, including monthly follow-ups of earnings, balance sheets, cash flow and business-critical key performance indicators (KPIs). The Ratos management team maintains a close collaboration with its subsidiaries through small, committed boards. 90 per cent of the Group's focus is to be placed on execution and the remaining 10 per cent on strategy. It is important for the subsidiaries to have a clear idea about where they are headed, but planning for the future in detail is often a waste of time considering its unpredictability. It is more important to execute the chosen strategy, listen to customers, follow market developments and be quick to adapt to a changing world. Synergies are created between the Group's subsidiaries through, for example, commercial partnerships and functional networks.

It's All About People.
Ratos's role is to enable skilled leaders and employees to excel more rapidly. The Group's network possesses knowledge, experience and capital. We take swift, simple action, and allow the right people to take on a great deal of responsibility. We focus on fundamental improvements that create lasting value. Employee surveys are continuously conducted in our subsidiaries. Our employees are engaged in identifying and solving problems on a daily basis. We are convinced that owners that impose strict requirements, challenge and show respect create the best conditions for their management teams to build subsidiaries capable of achieving long-term industrial success. The single most important task for Ratos is to appoint the leaders for our subsidiaries.

When we attract the best leaders to our companies, they will in turn attract a strong team. Since 2022, a policy has been in place that forms the basis for the work to increase the proportion of female CEOs in our subsidiaries, and since 2024, Ratos's sustainability targets include ensuring that the proportion of women/men in senior positions in the Ratos Group will be 40/60 in both directions by 2030.

The Ratos approach. The main focus is on operational issues, guided by the aim to make continuous improvements. Internal and external benchmarking is carried out continuously, whereby comparisons are made with leading players in each industry to identify improvement areas. The subsidiaries translate overall strategies into targets and specific measures at each organisational level. This process ensures that all employees are focused on the same goal.

Clear targets and monthly financial follow-up. The targets are broken down into various types of measures based on the company's strategy. Long-term and short-term financial targets are set, and KPIs linked to critical success factors are used to track progress and ensure that the targets are achieved. Financial follow-up takes place monthly. We have a shared format for

Simplicity

Speed in Execution

It's All About People

A decentralised structure

- Monthly follow-up in both Ratos and all companies consisting of:
  - Balance sheet, income statement and cash flow statement
  - Development of KPIs over time
  - Forecast ladder
- Decisions are made close to the customer

The Ratos culture

- Synergies are created between the companies through commercial partnerships, functional networks, the Business Executive Leadership Programme (BELP) and the Ratos Summit. The companies in the Ratos Group are part of something larger.

Incentive programmes

- Attracting and retaining the best employees and managers
- Ensuring that key individuals are fully incentivised to maximise value

Central financing

- Allocation of capital to maximise value creation
- Lower cost of capital

M&A

- Within selected segments (asset light) and high growth
- Companies that are or can become niche leaders

Related acquisitions

The Ratos way – 90% operations, 10% strategy

1 Stability
Ability to make forecasts, management, priority business plan

2 Profitability
OpEx and gross margin

3 Growth
Organic (sales, pricing) and acquired

Sustainability

reporting and follow-up of income statements, balance sheets and cash flow. Extensive focus is placed on monitoring the KPIs that are critical to the success of our respective subsidiaries, and we follow the short- and long-term trends for these KPIs. Forecasts are made monthly, and on a rolling 12 month basis, for sales, EBITA and cash flow. Deviations from forecasts are followed up monthly, and corrective measures are introduced in the event of negative deviations. All work is based on facts and analyses, rather than assumptions. Every level in the organisation is responsible for delivering results.

Centralised financing. Ratos has a centralised Treasury function that finances all of the subsidiaries through a cash pool for short-term financing and through long-term loans. Capital is allocated to create maximum value, and central financing enable us to have a low cost of capital. Annual reviews are conducted to ensure that the subsidiaries have an adequate capital structure.

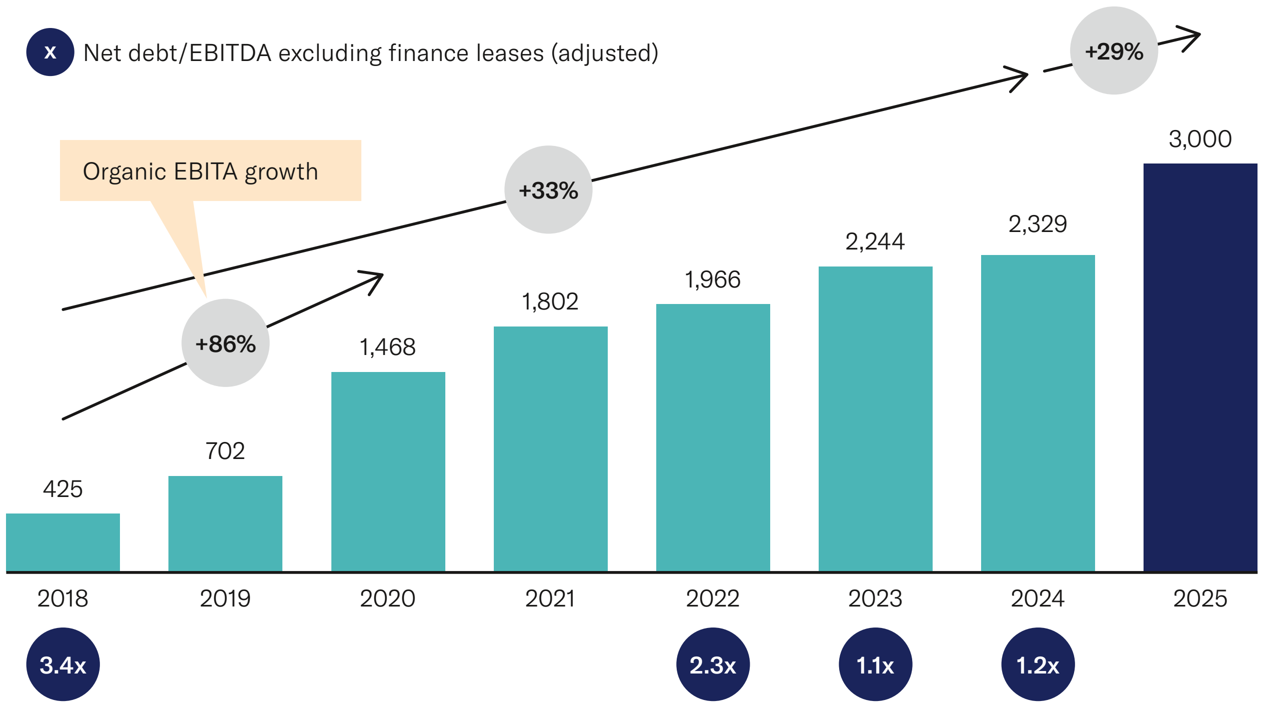
Acquisitions. Ratos focuses on add-on acquisitions in its existing structure. We continuously work with acquisitions. This work is mainly carried out by our subsidiaries and often in bilateral processes. All subsidiaries where acquisitions are on the agenda have updated acquisition lists with potential acquisition candidates. In some cases, we also look at acquisitions of companies that are adjacent to our existing operations. An important criterion is that these companies must fit into our portfolio strategically.

Remuneration philosophy. Our senior executives have a personal remuneration level in the form of fixed and variable salary and shareholdings in the company they work at, which maximises the financial value for Ratos. The remuneration levels should attract the best managers and ensure that we can retain the best employees with a high level of commitment and low employee turnover.

In summary, the RBS is not just a set of tools, but rather a holistic approach that permeates every part of the organisation and drives success.

Ratos is well on its way to achieving its EBITA target of SEK 3 billion by the end of 2025

Adjusted EBITA development over time since the introduction of the RBS in 2018, and EBITA target for 2025 (SEKm)



Ratos's sustainability efforts

We are convinced that having a sustainable business concept and daily operations is the core of profitable companies. This is why sustainability has long been an integrated part of Ratos's business strategy.

Sustainable corporate governance

Ratos's sustainability impact primarily takes place through the subsidiaries and sustainability is integrated into our corporate governance process. Sustainability is also a part of our thorough due diligence when acquiring companies. In our due diligence process, we look at the sustainability-related risks, opportunities, maturity and work of the company in question – but the focus is primarily on the long-term sustainability of the business concept. In Ratos's decentralised ownership model, management teams and boards carry the ultimate responsibility for sustainability work, and sustainability permeates all work in the company.

Sustainability work in 2024

In 2024, Ratos adopted new climate impact and gender equality targets. The climate targets include both near-term emissions reduction targets for 2030 and longer-term targets (2050). In the area of gender equality, the target is a 40/60 balance between women and men in senior positions, including Ratos AB's Board of Directors, Ratos AB's management team and the boards and management groups of the subsidiaries, by 2030. Ratos also joined the SBTi at the end of the year and is now waiting for its emissions reduction targets to be validated.

In 2024, we also continued to adapt to the new sustainability reporting legislation that will apply to Ratos starting in 2025. Our sustainability report can be found on pages 45–69.

"We are now setting ambitious, science-based targets to reduce our carbon footprint, while also promoting gender equality throughout our organisation by establishing a target for the share of women and men in senior positions. We need to work more strategically to reach the entire talent pool when we recruit new employees and ensure that our sustainability targets are in line with the Paris Agreement. Sustainability isn't just a responsibility, it's an important driver of long-term profitability, ensuring that our operations continue to generate returns".

Josefine Uppling, Vice President Communication & Sustainability

Ratos in the community

Golnaz Hashemzadeh Bonde,
CEO, Inkludera

Ratos has a long tradition of social commitment, primarily through support for research and education.

Ratos's principal owners are the Ragnar Söderberg and the Torsten Söderberg Foundations, two of Sweden's largest private investors in scientific research within economics, medicine and law. In 2024, 17 per cent (SEK 69m) of Ratos's dividend went to these research foundations. In the last ten years, the Torsten Söderberg Foundation has granted approximately SEK 85m annually. Since 2012, the Ragnar Söderberg Foundation has granted a total of SEK 592m.

Focus on research, education and social inclusion

Within the framework of Ratos's continued community engagement, focus is placed on three themes: research, education and social inclusion. In 2024, in addition to the dividend to the foundations, Ratos provided support to selected partners, including Inkludera Invest and the Stockholm School of Economics. This support was both financial and through engagement in boards. The Group's annual Christmas donation went to the Red Cross and its crisis relief in Ukraine.

Inkludera – pioneers in social inclusion

Inkludera was founded in 2011, based on the desire to contribute to strengthening Swedish society by combating different kinds of exclusion. Inkludera, which Ratos partnered with for 11 years, is Ratos's main community engagement initiative, based on the conviction that a cohesive, healthy society is a prerequisite for long-term sustainable business.

Golnaz Hashemzadeh Bonde is CEO of Inkludera and was also one of the founders. When asked how the Inkludera started, she answers:

"I met with a lot of people and organisations to understand where the impact was greatest and how I could best contribute to combating exclusion in society. But I saw that the greatest power existed among the enthusiasts, who often experienced challenges themselves. These individuals – entrepreneurs – had developed new solutions, social innovations that were based on an understanding of the actual needs and challenges and had an incomparably strong effect".

The entrepreneurs that Golnaz met created enormous value for individuals with challenges or disadvantages, and thereby for society as a whole. They were experts in their target group and the solution that was required, but they lacked professional organisations, financial sustainability and scalability. The interventions were often local and only continued for short periods of time. What Inkludera saw and did was to professionalise and scale the activities up and secure long-term financing. The solution – and Inkludera's social innovation – was to package the social entrepreneurs' solutions and sell them to the public sector. Today, Inkludera supports a number of organisations, including Maskrosbarn, Kompis Sverige, Passalen, Området and Team Storebror. Social innovation is growing in the public domain and thus creating a better understanding of the target groups and their situation.

Over the years, Inkludera has undergone impressive growth. From unaccustomed municipalities with no previous experience of procuring the types of social services that Inkludera offers to Inkludera now having entered into more than 1,000 agreements with 115 Swedish municipalities.

In 2024, the foundation was laid for a new focus area to prevent children from turning to crime

Golnaz explains why:

"Inkludera has extensive experience of supporting grassroots work, and it has been obvious to us that society doesn't use this enough in the fight against gang crime. In 2024, we therefore devoted special focus to locally based individuals and organisations that have the ability to reach children and prevent them from turning to crime. These people have a lot of trust capital locally, but are rarely reached by society's resources, which instead go to the establishment of larger organisations in the suburbs – organisations that lack trust among local residents and consequently don't reach them. We want to change this system error and ensure that funding reaches strong grassroots activities that work with young people at risk of becoming gang members".

Ratos supports Inkludera with funding and has a representative on its Board of Directors.

Training, networks and perspectives

The subsidiaries in the Ratos Group have an opportunity to benefit from training, partnerships and networks: the Business Executive Leadership Programme (BELP) and Ratos Networks. Leading representatives from companies in the Group are also invited to the annual high-level meeting with perspectives from external speakers: the Ratos Summit.

BELP – Business Executive Leadership Programme

BELP is a leadership programme for managers and leading talent that is customised by the Stockholm School of Economics together with Ratos. During the programme, which runs for one year, participants are able to take part in knowledge-enhancing lectures including academics, practical leadership and exercises based on actual cases from the Ratos companies. The programme also gives the participants the opportunity to exchange best practices, knowledge and experience, and has been held four times to date.

"BELP was very rewarding! It provided not only an opportunity to immerse oneself in relevant topics such as value-based sales, using financial KPIs as a management tool, and leadership, but also a unique opportunity to gain insights and understanding of our sister companies in the Ratos Group. In addition, it provided a broad network throughout the Ratos Group, which is extremely valuable".

Gustav Tempelman, General Manager Sweden, Aleido

Ratos's Networks

The eight function-based networks are run by the companies together with Ratos, gathering employees in the Ratos Group who work in the same area to provide inspiration and enable knowledge sharing. The networks focus on the following areas: HR, communication, sustainability, legal matters, finance, purchasing/procurement and IT/cyber security. The networks engaged in various activity levels during the year and several of them held both physical and digital meetings. In 2024, a network was added with a focus on health, the environment and safety in the construction and infrastructure companies.

"I'm impressed by BELP, which is a unique leadership programme. The training provided me with many new perspectives, lessons and contact networks that I've already benefited from in my role at Semcon, and also as part of the Ratos Group".

Sara Sjögren, Business Unit Manager Compliance & Management, Knightec Group

The Ratos Summit

The Ratos Summit is an annual high-level conference that gathers leading representatives in the Ratos Group for an entire day and evening of high-profile external speakers, in-depth exploration of Ratos's focus areas and external perspectives to collectively improve their understanding of prevailing macro-trends and developments in the world. The Ratos Summit was held in Stockholm in May 2024, with 120 people participating.

The Ratos Summit 2024

The Ratos share

The Ratos share decreased in 2024, with a total return (price development including reinvested dividends) of –10 per cent compared with the SIX Return Index, which was 9 per cent.

Ratos share in brief

Share listing	Nasdaq Stockholm
Total number of shares	327,385,688
Number of shares outstanding	327,385,688
Closing price, 30 Dec 2024	SEK 31.34 (Ratos Class B)
Highest/lowest quotation	SEK 40.72/30.62 (Ratos Class B)
Market capitalisation, 30 Dec 2024	SEK 11 billion

Share price performance

The performance of Ratos's Class B shares was –13 per cent compared with the OMXSPI, which was 6 per cent in the same period. The highest quotation during the year (SEK 40.72) occurred in May and the lowest (SEK 30.62) in December. The closing price on 30 December was SEK 31.34. The total return (price development including reinvested dividends) for Ratos's Class B shares in 2024 amounted to –10 per cent compared with the SIX Return Index, which was 9 per cent during the same period.

Dividend

The Board of Directors proposes an ordinary dividend for the 2024 financial year of SEK 1.35 per Class A and B share and a total divided of SEK 442m. The dividend yield amounts to 4.3 per cent based on the closing price at year-end.

Ownership structure

The ten largest shareholders accounted for 80 per cent of the voting rights and 52 per cent of the share capital. The proportion of shares owned by physical or legal entities outside Sweden amounted to 13 per cent. The US, Switzerland, Norway and Canada account for the largest shareholdings outside Sweden.

Employee ownership in Ratos

The incentive programmes for key persons at Ratos is connected to performance for shareholders. Read more in the Directors' Report on pages 40–43 and on Ratos's website.

Purchases of treasury shares

The 2024 Annual General Meeting renewed the mandate for the company to acquire own shares. The holding of treasury shares may not exceed 10 per cent of the total number of shares in the company. There were no purchases of treasury shares in 2024.

Shareholder statistics

Number of shares	Number of shareholders	Share of capital, %
1–500	39,468	1.79
501–1,000	7,947	1.94
1,001–5,000	9,994	7.09
5,001–10,000	1,653	3.75
10,001–15,000	470	1.82
15,001–20,000	293	1.62
20,001–	683	81.98
Total	**60,508**	**100**

Breakdown by class of share

Share class	Number of shares	% of voting rights	% of capital
Class A	84,637,060	77.7	25.9
Class B	242,748,628	22.3	74.1
Total	**327,385,688**	**100**	**100**

Source: Monitor by Modular Finance AB. Data collected and processed from Euroclear, Morningstar, the Swedish Financial Supervisory Authority and other sources.

Issue of Class B shares

Since the 2009 Annual General Meeting, there has been a decision that Ratos, in connection with acquisitions, may issue Class B shares in Ratos through offset issues, non-cash issues or for cash payment. This mandate was renewed at the 2024 Annual General Meeting and applies for a maximum of 35 million Class B shares.

Analysts who monitor Ratos

A current list of analysts who monitor Ratos is available on the website under Investors/Share information/Analysts and target price.

Data per share*

Data per share*	2024	2023	2022	2021	2020
Earnings per share before dilution, SEK	0.76	3.73	1.69	8.17	2.17
Dividend per Class A and B share, SEK	1.35 [1]	1.25	0.84	1.20	0.95
Dividend per Class A and B share as % of earnings per share	178 [1]	34	50	15	44
Dividend per Class A and B share as % of equity	4 [1]	3	2	3	3
Equity, SEK [2]	37	38	38	37	29
Closing market price, Class B share, SEK	31.34	36.08	41.49	57.95	38.48
Market price/equity, %	84	96	110	158	131
Dividend yield, Class B share, %	4.3 [1]	3.5	2.0	2.1	2.5
Total return, Class B share, %	–10	–11	–27	54	17
P/E ratio	41.2	9.7	24.6	7.1	17.7
Highest/lowest price paid, Class B share, SEK	40.72 / 30.62	45.76 / 28.96	58.75 / 36.64	62.95 / 37.20	39.46/16.40

Key figures*

Key figures*	2024	2023	2022	2021	2020
Market capitalisation, SEKm [3]	10,612	11,880	13,704	19,192	12,260
Number of shareholders	60,508	65,536	70,908	73,741	53,357
Average number of Class A and B shares outstanding before dilution	327,182,990	326,042,022	325,223,889	322,945,842	319,014,634
Number of outstanding Class A and B shares at year-end	327,385,688	326,516,488	325,898,988	324,676,320	319,014,634
Dividend, SEKm [4]	442 [1]	408	274	390	303

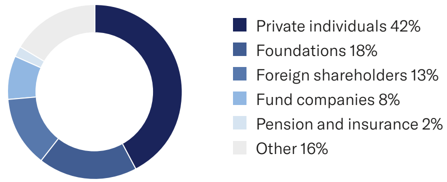
* Relates to Class B shares unless specified otherwise.
[1] Proposed dividend.
[2] Equity attributable to owners of the parent divided by the number of outstanding ordinary shares at the end of the period.
[3] Refers to shares outstanding.
[4] Dividend refers to ordinary shares.

Ratos's shareholders

31 Dec 2024	Number: Class A shares	Number: Class B shares	Share of capital, %	Share of votes, %
Söderberg family with companies, etc.	48,560,320	15,832,770	19.67	46.04
Torsten Söderberg Foundation	12,056,186	16,063,900	8.59	12.54
Ragnar Söderberg Foundation	17,235,241	10,093,088	8.35	16.75
Spiltan Fonder	0	11,105,169	3.39	1.02
Dimensional Fund Advisors	0	8,807,007	2.69	0.81
Avanza Pension	95,208	8,172,477	2.53	0.84
Vanguard	0	7,350,841	2.25	0.67
Quartile Fonder	0	6,261,172	1.91	0.57
LGT Capital Partners	0	4,730,000	1.45	0.43
BlackRock	0	4,163,006	1.27	0.38
Others	6,690,105	150,169,198	47.91	19.93
Total	**84,637,060**	**242,748,628**	**100**	**100**

Source: Monitor by Modular Finance AB. Data collected and processed from Euroclear, Morningstar, the Swedish Financial Supervisory Authority and other sources.

Breakdown of Ratos's shareholders, % of capital

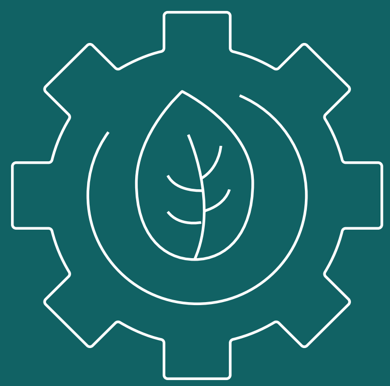


Source: Monitor by Modular Finance AB. Data collected and processed from Euroclear, Morningstar, the Swedish Financial Supervisory Authority and other sources.

Business areas

Industry

The business area focuses on technological solutions in the form of product and digital solution development in industry. Companies in the business area are divided into the segments Product Solutions and Industrial Services and are exposed to markets with strong growth such as renewable energy, grocery retail, pharmacology and aftermarket solutions.



About the business area

Companies in Industry are exposed to markets with strong growth such as energy-efficient lighting, sustainable lightweight material and renewable energy, modern grocery retail, pharmacology and aftermarket solutions. Technology consultants and aftermarket solutions will play important roles in the transition to a more sustainable society. Engineers and new technology offer many solutions for accelerating the transition, creating profitable prospects for companies that are correctly positioned. The business area is divided into two segments in which the following companies are included: Product Solutions (Diab, HL Display, LEDiL and Oase Outdoors) and Industrial Services (Knightec Group, Aleido, Speed Group and TFS). The formation of the Knightec Group through the merger of Knightec and Semcon was announced in September, creating a leading partner in product and digital service development.

Financial performance

The business area's net sales for the full year amounted to SEK 10,414m, a year-on-year decrease of 1 per cent. Organic growth was negative and amounted to –5 per cent. Both segments, Industrial Services and Product Solutions, displayed negative organic growth during the year. However, organic growth for the technology consultancy companies was favourable and amounted to 4 per cent for full-year 2024. The market for clinical trials remained weak during the year. Completed add-on acquisitions had a positive impact of 4 per cent on sales. Synergistic add-on acquisitions were made during the year in HL Display, LEDiL and Speed Group. Adjusted EBITA for the business area amounted to SEK 1,045m and the EBITA margin for the full year was 10.0 per cent. The increase in earnings was primarily attributable to earnings improvements in HL Display and Knightec Group. For Diab, demand in the wind segment remained very weak during the year. HL Display completed three add-on acquisitions during the year.

President Business Area:
Anders Slettengren

Sales	SEK 10,414m (10,563)
Sales growth	–1% (36%)
Adjusted EBITA	SEK 1,045m (963)
Adjusted EBITA margin	10.0% (9.1%)
Return on capital employed	11.4% (10.9%)

Construction & Services

The business area's focus is on building and maintaining a sustainable society. The service offering primarily comprises maintenance of critical infrastructure within railway, road and energy solutions (Critical Infrastructure), and the construction of new critical buildings such as hospitals, schools, police stations and governmental buildings in the Nordics (Construction Services).



About the business area

The business area's operations benefit from current social developments and trends such as urbanisation, growing populations, the need for renewable energy and efficient resource management. As in our other business areas, the focus is on leading margins and strong cash flows combined with a decentralised corporate culture focused on profitability and a business model built on long-term sustainability.

The business area is divided into two segments in which the following companies are included: Critical Infrastructure (Aibel, Expin Group and Presis Infra) and Construction Services (airteam and Sentia). In December, SSEA Group and HENT merged to form the leading Nordic construction group: Sentia.

Financial performance

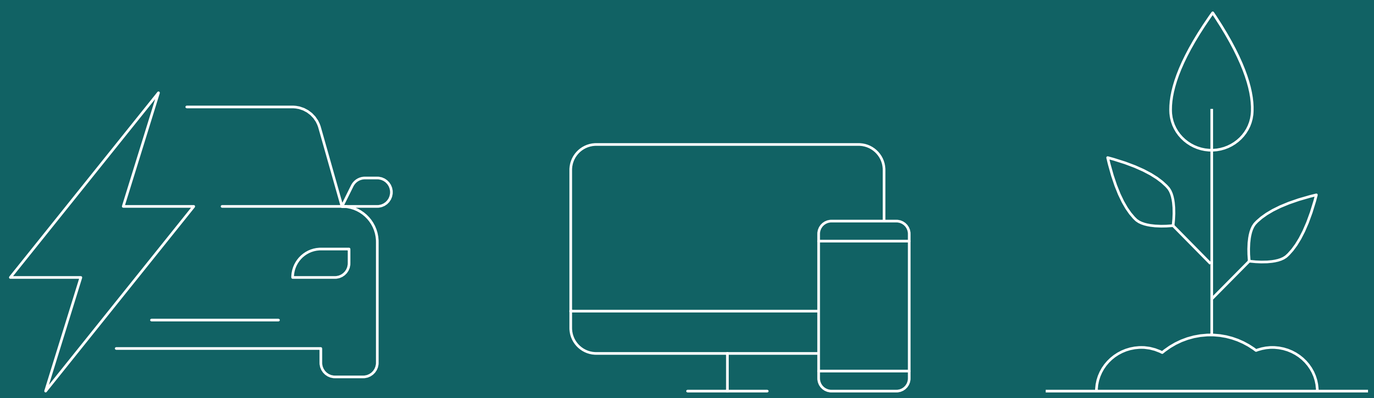
Net sales for the full year amounted to SEK 16,375m, a year-on-year decrease of 5 per cent. The decrease was attributable to a temporarily weaker construction market for Sentia. Presis Infra reported strong organic growth during the year. Adjusted EBITA for the full year amounted to SEK 1,366m, up 6 per cent. The adjusted EBITA margin was 8.3 per cent. This earnings improvement was attributable to a positive trend in the operations focused on critical infrastructure, while earnings in the construction companies decreased as a result of a temporarily weaker construction market. Demand in critical infrastructure remained favourable. In construction, the market remained weak, partly affected by higher interest rates. The construction operations have good order backlogs and mainly construct properties for the state, municipalities and private companies with strong capital, which reduces the business area's risk exposure. Aibel reported record-breaking operating profit during the year, driven by a strong project portfolio. The business area's reported EBITA was positively impacted in the previous year by the reversal of the previous impairment of the holding in Aibel totalling SEK 1,656m.

President Business Area:
Christian Johansson Gebauer

Sales	SEK 16,375m (17,298)
Sales growth	–5% (10%)
Adjusted EBITA	SEK 1,366m (1,291)
Adjusted EBITA margin	8.3% (7.5%)
Return on capital employed	19.0% (17.2%)

Consumer

Companies in the Consumer business area work to simplify and improve life for consumers. To us, simplifying and improving life means, for example, making promoting sustainability and saving time.



About the business area

The business area consists of companies that are well positioned in relation to retail trends such as outdoor living, home furnishings, plants, and purchasing and selling used vehicle. The companies hold leading positions in their respective segments in the market and consist of well-known brands. The business area includes KVD and Plantasjen. In August, it was announced that Plantasjen had filed for reconstruction. The aim of the reconstruction was to downsize the store network, optimise lease contracts, and rightsize the organisation. The decision of the courts in Norway and Sweden gained legal force in both countries on 18 February 2025 and the reconstruction has now been completed.

Financial performance

Net sales for the full year amounted to SEK 5,337m, a year-on-year decrease of 9 per cent. Organic growth was negative and amounted to –7 per cent. The decrease was mainly attributable Plantasjen, whose sales were negatively affected by the reconstruction of the company, which was initiated in August, and clearance sales on goods at low margins at stores that were closed during the year. 11 stores in Finland were closed in the third quarter and some 25 additional unprofitable stores in Norway and Sweden were closed in the fourth quarter. Adjusted EBITA for the business area amounted to SEK 60m and the EBITA margin was 1.1 per cent. The decrease in earnings was attributable to Plantasjen and the aforementioned clearance of sales of goods at low gross margins in stores that were closed during the year and to a continued challenging consumer market. The cost-saving programme in Plantasjen continued with better-than-expected results and had a positive impact on profit for the year.

President Business Area:
Anders Slettengren

Sales	SEK 5,337m (5,888)
Sales growth	–9% (–8%)
Adjusted EBITA	SEK 60m (136)
Adjusted EBITA margin	1.1% (2.3%)
Return on capital employed	–7.1% (–1.3%)

Reports

Directors' Report

The Board of Directors and the CEO of Ratos AB (publ), 556008-3585, hereby submit the 2024 Annual Report for the parent company and the Group. The registered office of the Board is in Stockholm, Sweden.

The company's activities

Ratos is a Swedish group focused on technological and infrastructure solutions. Ratos has its roots in Söderberg & Haak – Sweden's first wholesaler of iron and iron products – which was formed on 5 May 1866. In 1934, the assets were placed in an investment company under the name Ratos, as in Ragnar and Torsten Söderberg. Ratos was listed in 1954. The business direction has changed a few times over the years, but the connecting thread throughout Ratos's history is entrepreneurship, business development and community involvement.

As of 31 December 2024, 21 people worked at Ratos's head office. The Ratos Group is divided into three business areas: **Construction & Services**, comprising the two segments *Construction* and *Critical Infrastructure*; **Industry**, comprising the two segments *Industrial Services* and *Product Solutions*; and **Consumer**. As of 31 December 2024, Ratos's business areas included 15 companies headquartered in the Nordic region.

Financial targets

In 2021, the Board of Ratos decided on new financial targets based on the previously announced decision to shift the direction of the operations towards a more long-term group.

Ratos decided on the following financial targets:

EBITA growth
Target: EBITA is to amount to at least SEK 3 billion by 2025.

Net leverage
Target: Net debt, excluding financial lease liabilities, in relation to EBITDA should normally range from 1.5 to 2.5x.

Dividend payout ratio
Target: The dividend payout ratio should amount to 30–50 per cent of profit after tax attributable to owners of the parent, excluding capital gains and losses.

The Ratos Business System

The Ratos Group's operational model is built on Ratos's core values: Simplicity, Speed in Execution and It's All About People.

Process for value creation

Ratos's process for value creation is based on stability, profitability, growth and add-on acquisitions. Ratos is on a journey with the objective of creating an operating group focused on technological and infrastructure solutions. To create shareholder value, we focus on value-creating measures in the subsidiaries supplemented with an active acquisition agenda. Acquisitions that create sound industrial synergies are an important part of Ratos's strategy of creating long-term profit growth and shareholder value. Ratos's stable balance sheet and strong focus on cash flow advance its position, thereby enabling Ratos to take advantage of the opportunities that arise. Ratos's overall goal is to increase its EBITA, continually and in the long term, with an attractive return on equity. The RBS is a central method for creating value at Ratos.

Events during the year

2024 was another eventful year at Ratos. Ratos continued to strengthen its profitability in its core areas and reduced its debt through strong cash flows.

Two mergers were completed towards the end of the year: Knightec and Semcon formed Knightec Group, and HENT and SSEA were merged to form the joint parent company Sentia.

At the beginning of the third quarter, Plantasjen filed for reconstruction, and the operations in Finland and a number of stores in Sweden and Norway were subsequently closed. At the end of December, Plantasjen submitted proposals for debt settlements with its creditors.

Ratos acquired KB Gruppen's 24 per cent minority holding in the Norwegian infrastructure maintenance company Presis Infra. With this transaction, Ratos strengthened its holding from 72 to 97 per cent.

The 2024 Annual General Meeting resolved on a dividend of SEK 1.25 (0.84) per share for the 2023 financial year, with the record date set as 28 March and the dividend paid on 4 April.

For descriptions of the business areas, see pages 32–37.

Acquisitions and divestments 2024

No platform acquisitions or divestments were carried out in Ratos AB in 2024. A number of add-on acquisitions and divestments took place in our business areas and are reported in Note 4 on pages 102–103.

Sustainability

Long-term value is created by developing sustainable companies. Having a sustainable business concept and daily operations is the core of profitable companies. This is why sustainability is an integrated part of Ratos's business strategy. This applies to both Ratos's parent company and the work carried out as an active owner. Ratos's greatest contribution to society is acting as an active and responsible owner which builds long-term successful and sustainable companies that create jobs, respect humanity and the environment, and deliver high-quality products and services. Ratos also makes a difference in that our principal owners are foundations that promote research and, with it, positive community development.

There are 21 employees at Ratos's head office and a total of 10,900 employees in our companies (excluding Aibel). Through active ownership, Ratos acts as a driving force in ensuring that the operations of the subsidiaries are sustainable. The Ratos Group Sustainable Business Policy (SBP), which serves as Ratos's policy framework, was updated during the year to align with the requirements in the CSRD/ESRS. The SBP was adopted by the Board of Ratos AB on 21 October 2024 and replaced the following documents: the Code of Conduct, the Owner Policy, the Environmental Policy and the Policy for Sustainability, Corporate Responsibility and Responsible Investments (all adopted by the Board of Ratos AB on 26 March 2024).

The SBP is a framework for sustainable enterprise and Ratos Group praxis. It lays out the expectations for the operations of Ratos AB as well as Ratos AB's expectations of its subsidiaries, stipulating that sustainability is to be integrated into their business operations in terms of governance, risk management and daily operations. The framework also reflects the interests of key stakeholders and defines the minimum standards that apply for Ratos AB as well as its subsidiaries. The SBP is available in its entirety on Ratos AB's external website and is distributed to stakeholders. Ratos is committed to allocating the financial, human and technological resources necessary to create the conditions for implementing its sustainability strategy and managing the material impacts, risks and opportunities across the entire Group.

Ratos AB has committed to follow the principles of the UN Global Compact. The SBP is aligned with these commitments as well as the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the ILO Ten Fundamental Conventions, the UN Universal Declaration of Human Rights, the ILO Conventions on Human Rights at Work, the Rio Declaration on Environment and Development, and the UN Convention against Corruption.

Ratos's CEO has overall responsibility for the Group-wide strategy and sustainability initiatives as well as responsible investments. All business area managers at Ratos are responsible for ensuring that sustainability is included on the agenda of each company's management and board. The CEO and management of each company have operational responsibility for the company's sustainability efforts through direct delegation from Ratos's management. For more information, see pages 25–27 and 45–69 for the statutory sustainability report in accordance with the Swedish Annual Accounts Act.

Ratos's material environmental impacts take place through the subsidiaries and sustainability is integrated into our corporate governance process. Sustainability is also a part of our thorough due diligence when acquiring companies. Ratos requires every company to identify its environmental impact, contribute to meeting the Group-wide sustainability targets and follow the SBP. Aggregated climate impacts for the entire Ratos Group are found in the climate report (see pages 54–55). Ratos AB's direct environmental and climate impact is limited and primarily comprises the energy consumption of the head office and travel. Ratos uses climate compensation for its business travel.

Consolidated earnings

Operating profit for the year amounted to SEK 1,670m (3,010). The decline in profit was primarily due to non-recurring costs of SEK 535m that were mainly attributable to the reconstruction of Plantasjen and a positive non-recurring effect in the preceding year regarding the reversal of a previous impairment in Aibel. Adjusted for items affecting comparability, operating profit increased compared with the preceding year, which was primarily due to higher earnings in the Construction & Services and Industry business areas and pertained to organic and acquired growth. Earnings in the Consumer business area declined during the period due to a weaker performance in Plantasjen. The reversal of impairment in Aibel and impairment of goodwill in Expin Group and Plantasjen had a positive impact of SEK 882m on operating profit in the preceding year.

Net financial items amounted to SEK –650m (–737). Net interest to banks amounted to SEK –224m (–264), interest expenses for finance leases to SEK –274m (–276), currency effects (including currency derivatives) to SEK –16m (–70), and other financial items to SEK –136m (–127).

Profit before tax for the year amounted to SEK 1,020m (2,273). The tax expense for the year amounted to SEK –358m (–267). The effective tax rate for the period was 35 per cent (12). Adjusted for the impairment of goodwill (SEK –246m) and items affecting comparability (SEK –289m), the effective tax rate was 23 per cent and was mainly due to the impact of the reconstruction of Plantasjen. Profit for the period amounted to SEK 662m (2,006).

Consolidated cash flow

Cash flow from operating activities amounted to SEK 3,445m (4,275). Cash flow from investing activities amounted to SEK –972m (–542) and cash flow from financing activities to SEK –2,618 (–3,798). Cash flow for the period amounted to SEK –145m (–65). The change in cash flow for the year pertained primarily to the change in cash flow from operating activities of SEK 3,445m (4,275), add-on acquisitions of SEK –608m (–333), acquisitions of minority holdings of SEK –949m (–34) and changes in external loans of SEK 2m (–2,294). During the year, a new loan of SEK 3,300m was raised and two existing loans of SEK 3,246m were repaid.

Financial position and leverage

The Group's cash and cash equivalents at the end of the period amounted to SEK 2,186m (2,360) and interest-bearing net debt excluding financial lease liabilities totalled SEK 2,815m (2,720). The Group's leverage excluding financial lease liabilities at the end of the period amounted to 1.3x (0.7x). Leverage in the preceding year was positively impacted by a reversal of impairment totalling SEK 1,656m pertaining to the holding in Aibel. The Group's interest-bearing net debt including financial lease liabilities totalled SEK 6,820m (8,118). The Group's leverage including financial lease liabilities at the end of the period amounted to 1.9x (1.5x). The total translation effect of currency tied to interest-bearing liabilities amounted to SEK 12m, of which SEK 14m related to liabilities to credit institutions and SEK –2m to financial lease liabilities.

At the end of the year, the Group's interest-bearing liabilities to credit institutions amounted to SEK 4,506m (4,509).

Credit facilities and new issue mandate

The parent company has a bond loan (term loan) of SEK 4,450m. In addition, the parent company has a revolving credit facility (committed credit facility) of SEK 3,000m, with a remaining maturity of 1.7 years, and a bank overdraft facility of SEK 150m. The facilities are to be used if necessary to finance existing subsidiaries and new acquisitions. It also has a variable interest rate and a margin based on the Group's debt ratio.

At year-end, the parent company's unutilised credits amounted to SEK 3,150m. In addition, there is also a mandate from the 2024 Annual General Meeting to issue a maximum of 35 million Ratos Class B shares in conjunction with agreements on acquisitions.

Parent company

The parent company's operating loss amounted to SEK –142m (–142) for the year. The parent company's profit before tax amounted to SEK 50m (217) and the preceding year was positively impacted by dividends from Group companies of SEK 192m. Cash and cash equivalents in the parent company amounted to SEK 246m (876).

The Ratos Group is financed centrally, with the parent company's own cash and with borrowed funds from external banks. The aim is to achieve greater efficiency in the Group.

Events after the end of the reporting period

The reconstruction of Plantasjen gained legal force in Norway and Sweden on 18 February 2025 and is thus completed. Shorter lease terms and a reduction in the number of stores will reduce Plantasjen's debt for future lease commitments by approximately SEK 1,500m. The proceeds from the reconstruction total approximately SEK 260m, which will partially impact the company's debt for future lease commitments. Impairment of external liabilities and thus the gains from the reconstruction amounted to approximately SEK 220m.

In January 2025, it was announced that two changes will be made to Ratos's management team: Anna Vilogorac will replace CFO Jonas Ågrup, who will retire, and Katarina Grönwall will become Vice President Communication & Sustainability and replace Josefine Uppling, who will leave Ratos for a new role outside the company.

Future outlook

Going forward, Ratos will focus on technological and infrastructure solutions (including community building), which are markets with strong underlying growth. Increasingly rapid technological advances are a prerequisite for a more sustainable society from all perspectives, and our engineers will play an important role. Acquisitions and divestments will remain important to achieving our target structure.

Risks and uncertainties

Operations at Ratos Group include inherent risks attributable to both the parent company and the subsidiaries. These mainly comprise market, operational and transaction risks and can include both general risks, such as external factors and macroeconomic development as well as company and sector-specific risks.

The financial risks consist of liquidity risk, interest rate risk, credit risk and currency risk. There are several financial risks to which the majority of the companies are exposed, primarily related to loans, trade receivables, trade payables and derivative instruments. The risks to which the companies are exposed are managed by each individual company.

Ratos AB is exposed to financial risks, mainly in terms of value changes in the companies and liquidity risk. Ratos's future earnings development is dependent on the success of its subsidiaries, which is determined by how successful each company's management group and board of directors are at developing the company and implementing value-adding initiatives.

Ratos performs an annual mapping and risk assessment and risk management of the companies and Ratos's parent company which is compiled and assessed by the management and boards of the companies and Ratos. The company's risk management takes a broad approach and includes external, strategic, financial and operational risks as well as risks related to regulatory compliance and sustainability. Also refer to Ratos's Corporate Governance Report. From time to time, Ratos and its respective companies become party to legal processes, the outcome of which may be uncertain. Current disputes, and provisions attributable to them, are continuously monitored and followed up by Ratos's audit committee.

Ratos's Board approves the financial strategy for the parent company while the Group company or associate boards adopt financial strategies for each company. The parent company's financial policy, which provides guidelines for management of financial risks, is adopted annually by Ratos's Board. The Board evaluates and where necessary proposes changes to the financial policy. The Group has a central treasury function that finances the Group's companies, assists in financial matters. Each Group company prepares its own financial policy to suit the company's operations and risks. For further information, refer to Note 25 Financial risks and risk policy.

The Corporate Governance Report includes a report on the work of the Board. See pages 72–79.

Guidelines for remuneration to senior executives

The guidelines cover members of the board of directors, the CEO and other senior executives in Ratos's management group. The guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed. The current guidelines were adopted by the 2022 Annual General Meeting. The guidelines do not apply to any remuneration decided or approved by the Annual General Meeting. The Board proposes that no adjustments be made to the guidelines for 2025.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Information regarding the company's business strategy and long-term interests, including its sustainability efforts, is available on the company's website www.ratos.com.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the senior executives a competitive total remuneration.

Long-term share-related incentive programmes have been implemented in the company. Such plans have been resolved by the general meeting and are therefore excluded from these guidelines. For more information about these programmes, see www.ratos.com.

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

Types of remuneration, etc.

The remuneration to senior executives shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration may amount to not more than 100 per cent of the total fixed annual cash salary. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 25 per cent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the compensation committee.

For the CEO, pension benefits, including health insurance (Sw: sjukförsäkring), shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 per cent of the fixed annual cash salary.

For other senior executives, pension benefits, including health insurance, shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 per cent of the fixed annual cash salary.

Other benefits may include, for example, reimbursements for dental care and health care (including medication), medical insurance (Sw: sjukvårdsförsäkring) and company cars. For the CEO, such benefits may be paid out to a customary limited extent.

Termination of employment

Upon termination of an employment, the notice period may not exceed 12 months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for six months for the CEO and 12 months for other senior executives. Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income, amount to not more than 60 per cent of the fixed monthly cash salary at the time of termination of employment, shall only be paid in so far as the previously employed senior executive is not entitled to severance pay and be paid during the time the non-compete undertaking applies, however not for more than 12 months following termination of employment for senior executives. When termination is made by the senior executive, the notice period may not exceed six months, without any right to severance pay.

Criteria for awarding variable cash remuneration, etc.

The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may be individualised, quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development. The proportion of variable cash remuneration varies depending on the senior executive's position in the company. The portion of the variable cash remuneration linked to the outcome of financial criteria is normally 100 per cent for the CEO and the CFO, approximately 80–90 per cent for the Business Area Presidents and approximately 75 per cent for other senior executives, even if the portion can be larger or smaller depending on the specific circumstances, and shall be dependent on (i) EBITA growth in the Ratos Group, and (ii) growth in earnings before tax (EBT) for the Ratos Group.

As a general rule, variable cash remuneration is paid out in an amount of 50 per cent in the year after the remuneration is earned and 50 per cent in the year thereafter. However, up to 100 per cent of the variable cash remuneration may be paid out the year after it was earned, provided that the entire portion of the variable cash remuneration received that exceeds 50 per cent is invested in instruments in Ratos's long-term incentive programme.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The Board of Directors is responsible for the evaluation so far as it concerns variable remuneration to the CEO, based on a proposal from the compensation committee. For variable cash remuneration to other senior executives, the CEO is responsible for the evaluation. For financial objectives, the starting point for the evaluation shall be the latest financial information made public by the company.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the compensation committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to the senior executives and remuneration to other employees will be disclosed in the remuneration report.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a compensation committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The compensation committee shall also monitor and evaluate programmes for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The members of the compensation committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the compensation committee's tasks include preparing the board of directors' resolutions in remuneration-related matters.

Ratos share data

Total number of Class A shares at year-end	84,637,060
Total number of Class B shares at year-end	242,748,628
Total number of shares	327,385,688

Class A shares carry entitlement to one vote per share and Class B shares to one-tenth of a vote per share. Class A shares can be issued in a maximum number that corresponds to 27 per cent of the share capital and Class B shares in a number that corresponds to 100 per cent of the share capital. At year-end, the Söderberg family with companies owned shares corresponding to 19.13 per cent of the capital and 44.01 per cent of the voting rights. The Ragnar Söderberg Foundation had 8.37 per cent of the capital and 16.77 per cent of the voting rights. The Torsten Söderberg Foundation had 8.61 per cent of the capital and 12.55 per cent of the voting rights.

The company knows of no agreements between shareholders that might lead to restrictions in the right to transfer shares.

Number of shares and shares repurchased/sold

During 2024, 869,200 new Class B shares were issued in connection with the exercise/conversion of warrants and a convertible debenture. On 31 December 2024, the total number of shares in Ratos (Class A and B shares) amounted to 327,385,688, as did the number of shares outstanding. The number of votes was 108,911,923.

Proposed distribution of profit

	SEK
Share premium reserve	203,031,070
Retained earnings	8,116,031,714
Profit for the year	97,720,702
Total	**8,416,783,486**
The Board of Directors proposes the following distribution of profit:	
Dividend to holders of Class A and B shares, SEK 1.35 per share[1]	441,970,679
To be carried forward	**7,974,812,807**

[1] Based on the number of shares outstanding on 31 December 2024.

Sustainability Report

General disclosures

About Ratos's sustainability report
Ratos is conducting ongoing work to adapt and develop its reporting to ensure that it meets the expanded sustainability reporting requirements that will apply to Ratos and that have been enacted in the Swedish Annual Accounts Act effective from the 2025 financial year. The updated requirements represent an enactment of the EU Corporate Sustainability Reporting Directive (CSRD) and the accompanying European Sustainability Reporting Standards (ESRS). For 2024, Ratos's sustainability report has been structured based on the CSRD and ESRS, and the content is inspired by the ESRS. While the sustainability report meets the requirements in the Swedish Annual Accounts Act, the content has been expanded to align with the ESRS. For the 2024 reporting, Ratos has chosen to exclude value chain datapoints as sufficient data is not available. Full sustainability reporting in accordance with the updated Swedish Annual Accounts Act will be conducted in 2025.

Basis for preparation

BP-1 General basis for preparation of sustainability statements
About the 2024 sustainability report
Ratos's sustainability report was prepared in accordance with Chapter 6, Sections 10–14 and Chapter 7, 31a–c of the Swedish Annual Accounts Act. The report, including indicators and datapoints, refers to the 2024 financial year unless otherwise stipulated. The sustainability report was prepared on a consolidated basis. The principles applied for consolidtion are the same as those used in the financial statements. Associates that are reported according to the equity method in the financial statements have been excluded from the sustainability reporting for this year.

Ratos's sustainability report includes a sustainability overview and model for company development (pages 22–25), accounts of material sustainability matters in its capacity of an active responsible owner, including policies and processes for managing these, and an account of the results. In addition to Ratos's sustainability report, large majority-owned companies (meaning companies that independently qualify for sustainability reporting in accordance with the EU directive as adopted in national legislation or the equivalent) have prepared their own sustainability reports. The companies' individual sustainability reports will be published on Ratos's website during the second quarter of 2025.

Adapting to new legal requirements
Ratos is conducting ongoing work to adapt and develop its reporting to ensure that it meets the expanded sustainability reporting requirements that will apply to Ratos and that have been enacted in the Swedish Annual Accounts Act effective from the 2025 financial year. The updated requirements represent an enactment of the EU Corporate Sustainability Reporting Directive (CSRD) and the accompanying European Sustainability Reporting Standards (ESRS).

BP-2 Disclosures in relation to specific circumstances
The sustainability report includes information from other legislation that requires sustainability information disclosures, the Taxonomy Regulation and its complementary delegated acts and the GRI content index.

Governance

GOV-1 The role of the administrative, management and supervisory bodies and GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies
Ratos's Board is ultimately responsible for the Group-wide strategy and sustainability initiatives, while operational responsibility rests with Ratos's CEO. All business area managers at Ratos are responsible for ensuring that sustainability is included on the agenda of each company's management and board. The CEO and management of each company have operational responsibility for the company's sustainability efforts through direct delegation from Ratos's management. See Ratos's Corporate Governance Report on pages 72–79.

Ratos's Sustainable Business Policy (SBP), which serves as Ratos's policy framework, was updated during the year to align with the requirements in the CSRD/ESRS. The SBP was adopted by the Board of Ratos AB on 21 October 2024 and replaced the following documents: the Code of Conduct, the Owner Policy, the Environmental Policy and the Policy for Sustainability, Corporate Responsibility and Responsible Investments (all adopted by the Board of Ratos AB on 26 March 2024). A further description of Ratos's SBP is presented under GOV-5.

Ratos does not differentiate between financial- and sustainability-related risks. Sustainability risks are therefore managed like any other risk in the company. Ratos also places stringent requirements on the implementation of good business conduct and proactive anti-corruption initiatives in its companies. Sustainability is an integrated part of Ratos's corporate governance. Ratos imposes requirements on active, commercial sustainability work and transparent sustainability reporting that drives the core business of our subsidiaries.

Sustainability aspects in Ratos's investment process
Sustainability is a part of Ratos's thorough due diligence when acquiring companies. In its due diligence process, Ratos looks at the sustainability-related risks, opportunities, maturity and work of the company in question – but the focus is primarily on the long-term sustainability of the business concept. The assessment forms part of Ratos's documentation ahead of the investment decision and provides a recommendation for continued corporate governance. Ratos does not invest in companies that do not comply with international conventions, that contribute to environmental damage, that produce or actively supply pornography, or that manufacture tobacco products. Nor does Ratos invest in companies that contribute to violating human rights, the fundamental rights of workers or corruption. Ratos actively seeks to invest in companies that support the transition to a more sustainable society through measures such as reducing their carbon footprint, new technology and tangible contributions to the energy transition.

Due diligence ahead of acquisitions includes a customary financial review of the company in question, reviewing current policies and governance documents, and extended interviews with individuals in key positions.

GOV-3 Integration of sustainability-related performance in incentive schemes
Following a decision by the Board at the Annual General Meeting and a decision by the board of each subsidiary, a small number of senior executives at Ratos AB and at Ratos's subsidiaries were given an

opportunity to participate in incentive programmes that allow a certain portion of annual remuneration to be variable. There is currently no link between variable remuneration and sustainability-related targets/outcomes. However, the possibility of partially linking parts of the incentive programmes to sustainability targets is a recurring topic discussed by Ratos's Board and Remuneration Committee.

GOV-4 Statement on due diligence

In 2025, Ratos will work to update its processes to identify, prevent, mitigate and account for how its addresses its actual and potential negative impacts on the environment and people connected with its own operations and along the value chain. Some parts of the project are already under way, while others will begin in 2025. Due diligence is an ongoing practice that reflects and may (will, as necessary) trigger changes in Ratos's strategy, business model, activities, business relationships, functions, assets and sales. The processes are designed according to the international instruments of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Ratos is striving to become a more uniform group focused on technological and infrastructure solutions. As this work continues, the complexity (and risks) associated with having highly diversified activities in many different industries and markets will decrease.

See the description of Ratos's double materiality assessment under IRO-1.

GOV-5 Risk management and internal controls over sustainability reporting

Ratos's SBP (see the description under GOV-1, GOV-2) is a framework for sustainable enterprise and Ratos Group praxis. It lays out the expectations for the operations of Ratos AB as well as Ratos AB's expectations of its subsidiaries, stipulating that sustainability is to be integrated into their business operations in terms of governance, risk management and daily operations. The framework also reflects the interests of key stakeholders and defines the minimum standards that apply for Ratos AB as well as its subsidiaries. The SBP is available in its entirety on Ratos AB's external website and is distributed to stakeholders. Ratos is committed to allocating the financial, human and technological resources necessary to create the conditions for implementing its sustainability strategy and managing the material impacts, risks and opportunities across the entire Group.

Ratos's subsidiaries are to follow the minimum requirements in the SBP.

An internal control process for sustainability reporting in the Group is under development and will be refined and implemented in 2025.

Strategy

SBM-1 Strategy, business model and value chain

Ratos is a Swedish Group focused on technological and infrastructure solutions. By developing leading operations in technology and infrastructure and offering digital services and products that contribute to long-term, sustainable profitability, Ratos creates value both for its shareholders and for society at large. The strength of Ratos's unique governance model, the Ratos Business System (RBS), which is described on page 22 and has led to a favourable EBITA performance since it was introduced in 2018, is becoming clear as our companies create synergies amongst themselves. They are doing so on their own initiative, through networks and commercial partnerships and through mergers with industrial synergies.

See the Directors' Report on pages 40–43.

Assumptions and guidelines that govern sustainability work

Ratos's sustainability agenda is based on international sustainability networks and guidelines, with the aim of supporting the UN SDGs. It is also based on the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the UN Convention on the Rights of the Child, the UN Convention against Corruption, the ILO Core Conventions and the OECD Guidelines for Multinational Enterprises.

Ratos also expects that the companies that the Group – whether the parent company or the subsidiaries – have business relationships with support the same principles.

Value chain

Long-term value is created by developing sustainable companies. Having a sustainable business concept and daily operations is the core of profitable companies, and sustainability is thus an integral part of Ratos's business strategy. This applies to both Ratos's parent company and the work carried out as an active owner. Ratos's greatest contribution to society is acting as an active and responsible owner which builds long-term successful and sustainable companies that create jobs, respect humanity and the environment, and deliver high-quality products and services. Ratos also makes a difference in that our principal owners are foundations that promote research and, with it, positive community development.

In 2025, Ratos will continue to update its processes for mapping Ratos's value chain. The processes are designed according to the international guidelines as set forth in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

SBM-2 Interests and views of stakeholders

Ratos's most material sustainability matters are identified through intelligence gathering, industry analysis, risk mapping and stakeholder dialogues.

Stakeholders	Method of interaction [1]
Employees at Ratos	• Interviews with representatives in connection with stakeholder dialogues • Staff meetings, performance reviews • Structured discussion groups focusing on Ratos's values, corporate culture, processes and future development
Employees of Ratos's companies	• Interviews with representatives in connection with stakeholder dialogues • Meetings within Ratos's annual functional forum (CEO, CFO, HR, Sustainability, etc.)
The companies' management groups and board members	• Interviews with representatives in connection with stakeholder dialogues • Group-wide assessment of the work of the boards
Owners and investors	• Interviews with representatives in connection with stakeholder dialogues • Participation in surveys from/or dialogues with organisations such as CDP, RobecoSAM, Vigeo and Sustainalytics • AGM • Dialogues and individual meetings
Experts	• Interviews in connection with stakeholder dialogues • Discussions as needed

1) A total of 26 individuals were interviewed during stakeholder dialogues in 2023.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Ratos has identified the matters where, through its own operations or through its subsidiaries, the Group has a material impact on the economy, the climate and communities/people. Ratos's material impacts, including the parts deemed most material and the parts that can be excluded, are presented in Ratos's double materiality assessment. The assessment is described in general terms in this report and is available in its entirety on Ratos's external website. For more information about the materiality assessment, see IRO-1. Since the entire stakeholder dialogue from 2023 was still deemed relevant for 2024, no full update has been carried out for 2024.

An annual update to the double materiality assessment and the entire stakeholder dialogue will be carried out in 2025 and work to map and act on the Group's risks and opportunities is continuously adapted to the current Group and subsidiary structure.

Impact, risk and opportunity management

IRO-1 Description of the process to identify and assess material impacts, risks and opportunities

Disclosures on the 2024 materiality assessment process

To prepare for reporting in accordance with the requirements of the CSRD and to comply with the GRI Standards 2021, Ratos updated its double materiality assessment in spring and summer 2024. No major structural changes took place within Ratos in 2024. The materiality assessment aims to identify Ratos's material matters, based on the company's most significant impact on the environment and on people, including their human rights, as well as the most significant financial risks and opportunities for Ratos with regard to sustainability. In this process, Ratos's actual and potential, negative and positive impacts, risks and opportunities were mapped out and several stakeholder perspectives were included. The process of identifying the material matters involved the following steps:

Step 1: Mapping of Ratos's sustainability context

To understand its actual and potential impact on the world, Ratos mapped out its value chain, activities and business relationships. The aim of this step was to gain a more in-depth understanding of the industries in which Ratos's companies operate, the industries and materials in the companies' value chains, and the challenges that exist in these industries and in society as a whole. This mapping also provided a basis for understanding Ratos's sustainability-related business risks and opportunities.

Step 2: Identification of actual and potential impacts, risks and opportunities – summary

The double materiality assessment process used information from Ratos's subsidiaries concerning their impacts, risks and opportunities. The subsidiaries conduct different types of activities, are active in different geographic markets and have different types of business relationships. They have drawn on these specific circumstances and other factors in their efforts to identify negative and positive impacts. To produce a gross list of the Ratos Group's actual and potential impacts, risks and opportunities, a desktop analysis was conducted based on the industries and value chains relevant to Ratos. The analysis was based on a review of internal documentation and external sources. Sources included interviews, sustainability reports from Ratos's companies, extensive public information and policies for the Ratos Group, the final version of the ESRS for the 2024 update of the materiality assessment, industry-based standards issued by the Sustainability Accounting Standards Board (SASB) relevant to the industries in which Ratos's companies operate. The structure of the ESRS was used to develop the gross list of sustainability-related business risks and opportunities.

Step 3: Assessment of significance of impacts, risks, and opportunities – summary

The mapping and stakeholder dialogue resulted in a gross list, based on the ESRS, of Ratos's actual and potential, positive and negative impacts that Ratos has, or could have, on the environment, economy and people, including human rights. Ratos's different types of impacts were compared with each other and negative impacts and positive impacts were analysed separately. The significance of negative impacts was assessed based on severity, a combination of scale, scope and irremediable character. The significance of positive impacts was assessed based on scale and scope. For potential impacts, likelihood was also taken into account. Risks of negative impacts on human rights were assessed on the basis that severity be considered over likelihood.

The assessment was performed in quantitative terms using agreed levels of scale, scope, irremediable character, likelihood and financial impact. In assessing severity – based on scale, scope and irremediable character – factors that may give rise to an increased risk of negative impacts have been considered. More specifically, the industries and geographical areas in which the investments operate have been taken into account. In some cases, company-specific factors have been taken into consideration in the assessment. Ratos's subsidiaries participated in the first step of the risk and opportunity assessment through a questionnaire in which respondents made a numerical assessment of likelihood and financial impact according to predefined levels. The results were weighed against the companies' respective impact on Ratos's total financial result measured as the impact on the investments' aggregated EBITDA. This was based on the assumption that the size of a company's EBITDA corresponds to its influence on Ratos in terms of risks and opportunities. (For example, if energy is deemed a business risk for one Ratos company and health and safety a risk for another company with twice the EBITDA of the first, then – all else being equal – the financial impact of the health and safety risk will be given twice the weight of the energy risk.) Senior executives at Ratos's subsidiaries participated in workshops to ensure that they correctly understood and weighted the material matters identified, and to ensure that the matters were still relevant since the 2024 update to the materiality assessment was based on the 2023 version. The weighted results were then validated by Ratos representatives.

Step 4: Prioritisation of impacts, risks and opportunities and validation

Based on the analysis in step 3, it was determined whether each impact and each risk and opportunity should be considered significant or not. The threshold for the materiality of impacts was whether the impact on people or the environment, or from a governance perspective, is sufficiently significant to require action (for example, separate monitoring of the matter) by Ratos, or sufficiently significant for Ratos from a reporting perspective. The threshold for financial materiality was whether the impact on Ratos is sufficiently significant to require action (for example, separate monitoring of the topic) by Ratos, or sufficiently significant for Ratos from a reporting perspective.

Decision-making process, integration and input parameters

The main responsibility for identifying, assessing, prioritising, managing and monitoring potential and actual impacts on people and the environment lies with the individual subsidiaries. The level of maturity in ensuring sustainability due diligence varies between companies. The double materiality assessment was coordinated by Ratos's sustainability function, with participation from the companies. Final decisions regarding materiality were made by Ratos's management. The material matters have been validated by Ratos's Board. The double materiality assessment is used as part of Ratos's overall risk management and influences its overall business planning.

Updates, modifications and future revisions

The identification, assessment and prioritisation of material matters took place according to the double materiality method for the first time in 2022.

Updates for 2023 mainly included:

- Updating the EBITDA, sales and holdings of the companies, taking name changes and structural changes into account.
- Exclusion of data and issues related to Aibel since Ratos is not the majority shareholder and Aibel's financial results are therefore not consolidated in Ratos's annual report. Aibel will prepare its own sustainability report in line with the CSRD/ESRS and Ratos will participate in the stakeholder dialogue.
- The 2023 update resulted in a smaller number of consolidated matters, while taking into account all material impacts, risks and opportunities.

Updates for 2024 mainly included:

- Workshops with all of the subsidiary CEOs, CFOs and other senior executives were added to the process to ensure accurate interpretation, weighting, relevance and actuality with respect to the material matters.
- The structure regarding material matters was updated to further align the format with the forthcoming coming CSRD/ESRS requirements. This entailed a revised description of the material matters based on the ESRS.
- Ratos introduced an updated model and method to make the analysis as specific and relevant as possible given the complexity and breadth of the industries where Ratos's subsidiaries operate.

A renewed materiality assessment and stakeholder dialogue are planned for in 2025 for the 2025 financial year.

Overview of material standards for Ratos

Standard	Disclosure	Material
ESRS 2	General disclosures	Mandatory
MDR	Minimum disclosure requirement	Mandatory
E1	Climate change	Yes
E2	Pollution	No
E3	Water and marine resources	No
E4	Biodiversity and ecosystems	No
E5	Resource use and circular economy	No
S1	Own workforce	Yes
S2	Workers in the value chain	Yes[1]
S3	Affected communities	No
S4	Consumers and end-users	No
G1	Business conduct	Yes

1) Material matter for Ratos but omitted from this year's reporting since Ratos deemed that reliable data is not available.

IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

See the sustainability statements in the Directors' Report on pages 40–41.

Environmental information

Reporting according to the EU Taxonomy Regulation

The EU Taxonomy is a key part of the EU's strategy to direct capital flows towards sustainable investments and to facilitate the transition to a climate-neutral economy. No material updates were made to the Taxonomy in 2024. The Taxonomy continues to include six environmental objectives: (i) climate change mitigation, (ii) climate change adaptation, (iii) the sustainable use and protection of water and marine resources, (iv) the transition to a circular economy, (v) pollution prevention and control, (vi) the protection and restoration of biodiversity and ecosystems.

For the 2024 financial year, non-financial undertakings are to report both the proportion of their activities that are Taxonomy-eligible and the proportion that are also Taxonomy-aligned. This section describes Ratos's assessment process, which activities are Taxonomy-eligible and the main conclusions about which activities are Taxonomy-aligned.

Assessment process

Ratos's Taxonomy reporting covers the full Group structure, including all subsidiaries except for Aibel, which is an associate and not a subsidiary. Each subsidiary analysed its financial activities with support from Ratos and an independent external party, after which the information was compiled and quality assured at the Group level. Ratos continued to provide the subsidiaries with training and individual guidance to ensure uniform and correct application of the Taxonomy. This approach will continue in 2025 to strengthen the Group's Taxonomy reporting and to ensure the framework is consistently implemented. Ratos has concluded that none of the Group's subsidiaries are covered by the Delegated Regulation as regards economic activities in certain energy sectors, since they do not conduct or finance such activities, nor are they exposed to them.

Taxonomy-eligible activities

Eight of the Group's companies have identified Taxonomy-eligible activities. In the Construction & Services business area, the largest proportion of Taxonomy-eligible turnover, CapEx and OpEx are attributable to the companies HENT, airteam and Expin Group. During the year, HENT conducted several projects where the company met the technical screening criteria for Taxonomy alignment under the activities “Renovation of existing buildings” and “Construction of new buildings”. Turnover from these activities amounted to SEK 589m, while CapEx was SEK 2m.

Parts of Expin Groups turnover, CapEx and OpEx are eligible under “Infrastructure for rail transport”. All revenue for airteam is generated from “Installation, maintenance and repair of energy efficiency equipment”. Furthermore, airteam also has eligible CapEx and OpEx under the same activity. Diab, Semcon, and Oase conduct some Taxonomy-eligible activities within the Industry business area. Diab's provision of core material for wind turbine blades remains Taxonomy-eligible. In addition to Taxonomy-eligible turnover from the activity “Professional services related to energy performance of buildings”, Semcon has identified itself as eligible according to the activity “Provision of IT/OT data-driven solutions and software”. Oase's activities include “Sale of second-hand goods,” since the company generates a certain amount of turnover through the sale of second-hand goods.

A large portion of KVD's activities in the Consumer business area are also linked to “Sale of second-hand goods”. A new assessment of KVD's activities in relation to the Taxonomy was carried out in 2024 to better align with the framework. As a result, the previously reported activities “Transport by motorbikes, passenger cars and light commercial vehicles” and “Installation, maintenance and repair of charging stations for electric vehicles in buildings” have been excluded.

Taxonomy-aligned activities

Ratos's assessment is that the Group still cannot count any of the turnover, CapEx or OpEx for 2024 as Taxonomy-aligned, since the complete processes for achieving the minimum safeguards are not currently in place at the Group. However, several of the Group's companies are already aligned with the technical screening criteria for making a substantial contribution to “climate change mitigation”. This provides favorable conditions during the coming year to increase the proportion of Taxonomy-aligned activities by developing processes and strengthening due diligence procedures.

Outlook

The Taxonomy assessment for 2024 provides a good basis for further developing the processes related to the Taxonomy criteria. During 2025, Ratos will continue to develop its Taxonomy reporting process and provide training and guidance to its subsidiaries.

	Proportion of turnover/ Total turnover	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	35%
CCA	0%	0%
WTR	0%	0%
CE	0%	31%
PPC	0%	0%
BIO	0%	0%

	Proportion of CapEx/ Total CapEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	10%
CCA	0%	0%
WTR	0%	0%
CE	0%	5%
PPC	0%	0%
BIO	0%	0%

	Proportion of OpEx/ Total OpEx	
	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	3%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

CCM: Climate Change Mitigation
CCA: Climate Change Adaptation
WTR: Water and Marine Resources
CE: Circular Economy
PPC: Pollution Prevention and Control
BIO: Biodiversity and ecosystems

Turnover

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	Code	Turnover	Proportion of Turnover, 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, 2023	Category enabling activity	Category transitional activity
		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
N/A																			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%																
Of which Enabling		0	0%																
Of which Transitional		0	0%																
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of renewable energy technologies	CCM 3.1	163	0.5%	EL															
Provision of data-driven IT/OT solutions and software	CE 4.1	15	0.0%					EL											
Sale of second-hand goods	CE 5.4	1,239	3.9%					EL											
Infrastructure for rail transport	CCM 6.14	669	2.1%	EL															
Construction of new buildings	CCM 7.1/CE 3.1	8,312	25.9%	EL				EL											
Renovation of existing buildings	CCM 7.2/CE 3.2	530	1.7%	EL				EL											
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	1,714	5.3%	EL															
Professional services related to energy performance of buildings	CCM 9.3	2	0.0%	EL															
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		12,644	39.4%														46.6%		
A. Turnover of Taxonomy eligible activities (A.1+A.2)		12,644	39.4%														46.6%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		19,481	60.6%																
Total		32,125	100.0%																

CapEx

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria (“Does Not Significantly Harm”)									
Economic Activities	Code	CapEx	Proportion of CapEx, 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2023	Category enabling activity	Category transitional activity
		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
N/A																			
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%																
Of which Enabling		0	0%																
Of which Transitional		0	0%																
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Sale of second-hand goods	CE 5.4	11	1.0%					EL											
Manufacture of renewable energy technologies	CCM 3.1	3	0.2%	EL															
Infrastructure for rail transport	CCM 6.14	38	3.3%	EL															
Construction of new buildings	CCM 7.1/CE 3.1	47	4.1%	EL				EL											
Renovation of existing buildings	CCM 7.2/CE 3.2	2	0.1%	EL				EL											
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	20	1.8%	EL															
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		122	10.5%														13.6%		
A. CapEx of Taxonomy eligible activities (A.1+A.2)		122	10.5%														13.6%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		1,032	89.5%																
Total		1,154	100.0%																

OpEx

Financial year 2024	2024			Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities	Code	OpEx	Proportion of OpEx, 2024	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2023	Category enabling activity	Category transitional activity
		SEKm	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
N/A																			
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%																
Of which Enabling		0	0%																
Of which Transitional		0	0%																
A.2. Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Manufacture of renewable energy technologies	CCM 3.1	20	1.8%	EL															
Infrastructure for rail transport	CCM 6.14	1	0.1%	EL															
Sale of second-hand goods	CE 5.4	2	0.2%					EL											
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	15	1.4%	EL															
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		38	3.5%														9.1%		
A. OpEx of Taxonomy eligible activities (A.1+A.2)		38	3.5%														9.1%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		1,068	96.5%																
Total		1,106	100.0%																

ESRS E1 Climate change

Ratos complies with relevant environmental legislation and international standards, and assesses and addresses sustainability impacts, risks and opportunities across the entire value chain, both upstream and downstream activities.

Ratos prioritises resource efficiency, including responsible management of energy and water. Climate measures focus on reducing CO_2 emissions as well as the challenges associated with climate change adaptation. The subsidiaries are to promote solutions that support and accelerate the transition from fossil fuels as well as the transition to a sustainable environment.

Impact, risk and opportunity management

E1-2 Policies related to climate change mitigation and adaptation

Environment and Climate Policy

Environmental work at Ratos's subsidiaries is based on the SBP. Since the operations of Ratos's parent company are primarily conducted in an office environment, the company's direct environmental impact is limited and mainly attributable to business trips, especially with air travel. The ambition is to reduce emissions from travel, for example, through the use of digital meetings and guidelines when choosing a means of transport. Ratos's environmental impact primarily takes place through the operations of its subsidiaries, and Ratos expects the subsidiaries to follow the minimum requirements for environmental impact outlined in the SBP.

Metrics and targets

In 2024, Ratos joined the Science-Based Targets initiative (SBTi). The Board of Ratos adopted new sustainability targets for climate and gender equality.

For its climate targets, Ratos has set both a near-term (by 2030) and a long-term (by 2050) target for reducing CO_2 emissions. The targets apply for the entire Group and cover 14 of 15 subsidiaries (Aibel is excluded since it is an associate). Ratos will communicate its emissions reduction targets in detail as soon as they have been validated by the SBTi.

Joining the SBTi means that all of the subsidiaries are obligated to calculate their climate impact in Scopes 1–3 and to set targets in line with the Paris Agreement (limiting global warming to 1.5°C) and in line with Net-Zero. Each subsidiary is responsible for implementing strategies to achieve these targets and ensuring that their operations contribute to achieving the UN SDGs.

The Ratos Group's climate measures are to focus on increasing the use of renewable energy and taking targeted climate change adaptation actions to manage changing climate risks. These measures are to be integrated into the core business of each company as a primary driver, not simply as an item to report alongside operations.

E1-5 Energy consumption and mix

Methodologies and assumptions

The share of non-renewable energy consumption and energy production is presented in the following tables.

The energy used in the Group comes from various types of energy sources, both fossil and renewable, as well as a small amount of nuclear energy. Energy consumption is expressed in thousands of MWh, 1,000 MWh. To calculate the Group's total energy consumption, the combustion of sources in other units, such as litres of crude oil, has been converted into MWh.

Energy consumption and mix

1,000 MWh	2024
Fossil energy consumption in high climate impact sectors (HCIS)	
Coal and coal products	0
Crude oil and petroleum products	14
Natural gas	20
Other fossil sources	1
Purchased or acquired electricity, heat, steam, or cooling from fossil sources	40
Total fossil energy consumption in HCIS	**75**
Total fossil energy consumption in non-HCIS	**41**
Total fossil energy consumption	**118**
Share of fossil sources in total energy consumption (%)	**48**
Consumption from nuclear sources	**6**
Share of consumption from nuclear sources in total energy consumption (%)	**2**
Renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	6
Purchased or acquired electricity, heat, steam, and cooling from renewable sources	113
Self-generated non-fuel renewable energy	1
Total renewable energy consumption	**121**
Share of renewable sources in total energy consumption (%)	**50**
Total energy consumption	**245**

The self-generated renewable energy is produced by the subsidiary Speed Group, which has one of the largest rooftop solar panel systems in the Nordic region installed at its facility in Borås.

Energy intensity based on net revenue

MWh/SEKm	2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	8

The companies in the Ratos Group are active in different business areas, which means that the companies operate in different high climate impact sectors (HCIS). Energy intensity has been calculated based on companies that are mainly included in the following HCISs: C Manufacturing, F Construction, G Wholesale and retail trade, and H Transporting and storage.

Connectivity of energy intensity based on net revenue with financial reporting information

SEKm	2024
Net revenue from activities in high climate impact sectors used to calculate energy intensity	18,902
Net revenue (other)	13,223
Total net revenue (Financial statements)	**32,125**

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Methodologies and assumptions

GHG emissions are expressed in carbon dioxide equivalents (CO_2eq). To calculate the Group's total GHG emissions, emissions of different greenhouse gases are converted into CO_2eq.

Ratos has compiled climate data for 2024 from its subsidiaries and expanded its climate reporting to include Scope 1, Scope 2 and Scope 3. The majority (81 percent) of the subsidiaries performed their own climate calculations. The remaining three companies reported fuel and energy consumption in MWh, which was then used in the calculations for the Ratos Group's climate reporting. Progress at the subsidiaries has been uneven in terms of preparing a complete climate report that includes Scope 3 emissions. In 2024, Ratos carried out its first Scope 3 screening based on data from 2023. An update was then made for full-year 2024, forming the basis of the complete climate report presented by Ratos. The climate report has identified four categories as material to the Group: category 1 Purchased goods and services, category 4 Upstream transportation and distribution, category 9 Downstream transportation and category 11 Use of sold products.

As of 2025, Ratos is covered by the CSRD/ESRS, and for 2024 Ratos has chosen to report taking inspiration from the ESRS requirements.

The quality of the data used for climate reporting varies within the Group. The quality of the data reported by the companies that performed their own calculations is considered good. Three of the Group's subsidiaries reported emissions data for the first time last year. Some uncertainties remain since portions of the calculations are based on spend and estimates but follow established calculation methods. Overall, the data quality within the Group has improved.

Scope 2 GHG emissions are presented according to both location-based and market-based calculation methods.

GHG intensity per net revenue

tCO_2eq/SEKm	2024
Total GHG emissions (location-based) per net revenue.	30
Total GHG emissions (market-based) per net revenue.	30

Connectivity of GHG intensity based on net revenue with financial reporting information

SEKM	2024
Net revenue used to calculate GHG intensity	32,125
Net revenue (other)	0
Total net revenue (Financial statements)	**32,125**

Total GHG emissions disaggregated by Scopes 1 and 2 and significant Scope 3

	2024					2023				
			Business area					Business area		
CO_2eq, tonnes	Group	Ratos AB	Construction & Services	Industry	Consumer	Group	Ratos AB	Construction & Services[1]	Industry	Consumer
Scope 1 GHG emissions										
Gross Scope 1 GHG emissions (tCO_2eq)	14,848	0	8,386	5,518	943	60,757	0	53,684	5,653	1,420
Scope 2 GHG emissions										
Gross location-based Scope 2 GHG emissions (tCO_2eq)	27,566	3	624	25,537	1,402	94,952	3	72,150	20,479	2,320
Gross market-based Scope 2 GHG emissions (tCO_2eq)	52,437	2	11,366	18,067	23,002	1,335,478	3	1,297,548	15,762	22,165
Significant Scope 3 GHG emissions										
Total gross indirect (Scope 3) GHG emissions (tCO_2eq)	912,518	67	537,242	227,607	147,601	–	–	–	–	–
1 Purchased goods and services	723,378	–	–	–	–	–	–	–	–	–
4 Upstream transportation and distribution	37,652	–	–	–	–	–	–	–	–	–
9 Downstream transportation	29,527	–	–	–	–	–	–	–	–	–
11 Use of sold products	66,674	–	–	–	–	–	–	–	–	–
Other categories	55,287	–	–	–	–	–	–	–	–	–
Total GHG emissions										
Total GHG emissions (location- based) (tCO_2eq)	954,931	70	546,253	258,663	149,946	155,709	3	125,834	26,132	3,740
Total GHG emissions (market- based) (tCO_2eq)	979,802	69	556,994	251,192	171,546	1,396,235	3	1,351,232	21,415	23,585

[1] Comparative figures are impacted by varying data quality in the Construction & Services business area, which mainly affected market-based Scope 2 emissions. Data quality improved in 2024.

Social information

ESRS S1 Own workforce

Attractive workplace

For Ratos to be able to achieve its goals, it is important that Ratos and its subsidiaries are responsible and attractive workplaces with the ability to recruit, retain and develop employees and leaders with the right expertise. One of Ratos's three core values is "It's All About People," which reflects Ratos's view that the employees in the Ratos Group and workers in other parts of the value chain are important focus areas.

Leadership

Recruiting the right people for senior positions is one of Ratos's most important duties as an owner. Every subsidiary must have clear processes in place for identifying, developing and rewarding leading talents. A policy has been in place for CEO recruitment within Ratos's subsidiaries since 2022. The policy states that the final candidates for CEO positions must always include one woman and one man. In 2024, the policy was used in dialogues with recruitment agencies. Increasing the share of women in senior positions is a priority. One of the two sustainability targets that the Board of Ratos adopted in 2024 aims to achieve a 40/60 distribution between women and men in senior positions in the Ratos Group by no later than 2030.

Gender equality and diversity

Ratos works to promote diversity and gender equality, both in its own organisation and in its subsidiaries. In addition to valuing gender equality and diversity from a human rights and democratic perspective, we are also convinced that these elements help to strengthen our long-term profitability and competitiveness. Recruitment and career development at Ratos should be based on relevant merits and skills. Pay gaps without any just reason must be avoided. This view should also be held in Ratos's subsidiaries.

As of 2024, one of Ratos's sustainability targets has focused on the share of women/men in senior positions, with the aim of having a 40/60 distribution between women and men in senior positions by 2030. Senior positions refer to the Board members of Ratos AB and 14 of its 15 subsidiaries (Aibel is excluded since it is considered an associate) as well as the management groups of Ratos AB and 14 of its 15 subsidiaries.

A description of Ratos's work in the areas of gender equality and diversity is presented the SBP, which is available on Ratos's external website.

Health and safety

Ratos strives to create a positive work environment that promotes health and well-being for the Ratos Group's employees. Based on identified risks, the companies implement relevant guidelines and processes, and pursue a systematic and preventive health and safety agenda. Some companies, particularly in Construction & Services and Industry, have operations that put employees at a greater risk of personal injury. It is the utmost priority of these companies to make their employees aware of and provide training in workplace risks. The companies are responsible for investigating and following up any incidents or accidents. Incidents and accidents are prioritised performance measures that are reported to Ratos on a monthly basis. In some companies, there is a risk of skill shortages, high employee turnover and a dependence on key individuals, which is monitored by the companies' management teams and boards.

In 2024, the Swedish Work Environment Authority conducted a workplace inspection at Ratos's head office in Stockholm without any remarks.

Metrics and targets

S1-6 Characteristics of the undertaking's employees

Methodologies and assumptions

Data from the individual subsidiaries is collected and consolidated through an external system. The quality of the data is assured by Ratos.

Data on the number of employees indicates the number of employees at the end of the reporting period, meaning the head count as of 31 December 2024, or in full-time equivalents. Full-time equivalents is defined as follows: Total number of hours worked during the period restated as full-time positions. Data is presented as the head count as of 31 December 2024, unless otherwise stated.

While Ratos has a wide geographic spread, with employees in large parts of the world, the majority of the Group's employees are employed in Sweden and Norway. In the table, employee head count is broken down by the countries where the company has at least 50 employees representing at least 10 per cent of its total number of employees, criteria that are only met in Sweden and Norway.

The vast majority of the Group's employees have permanent or equivalent contracts. The breakdown of employees by contract type varies between subsidiaries with essentially exclusively permanent employees and those with temporary and non-guaranteed hours employees due to the impact of seasonal variations or time-limited projects on their operations.

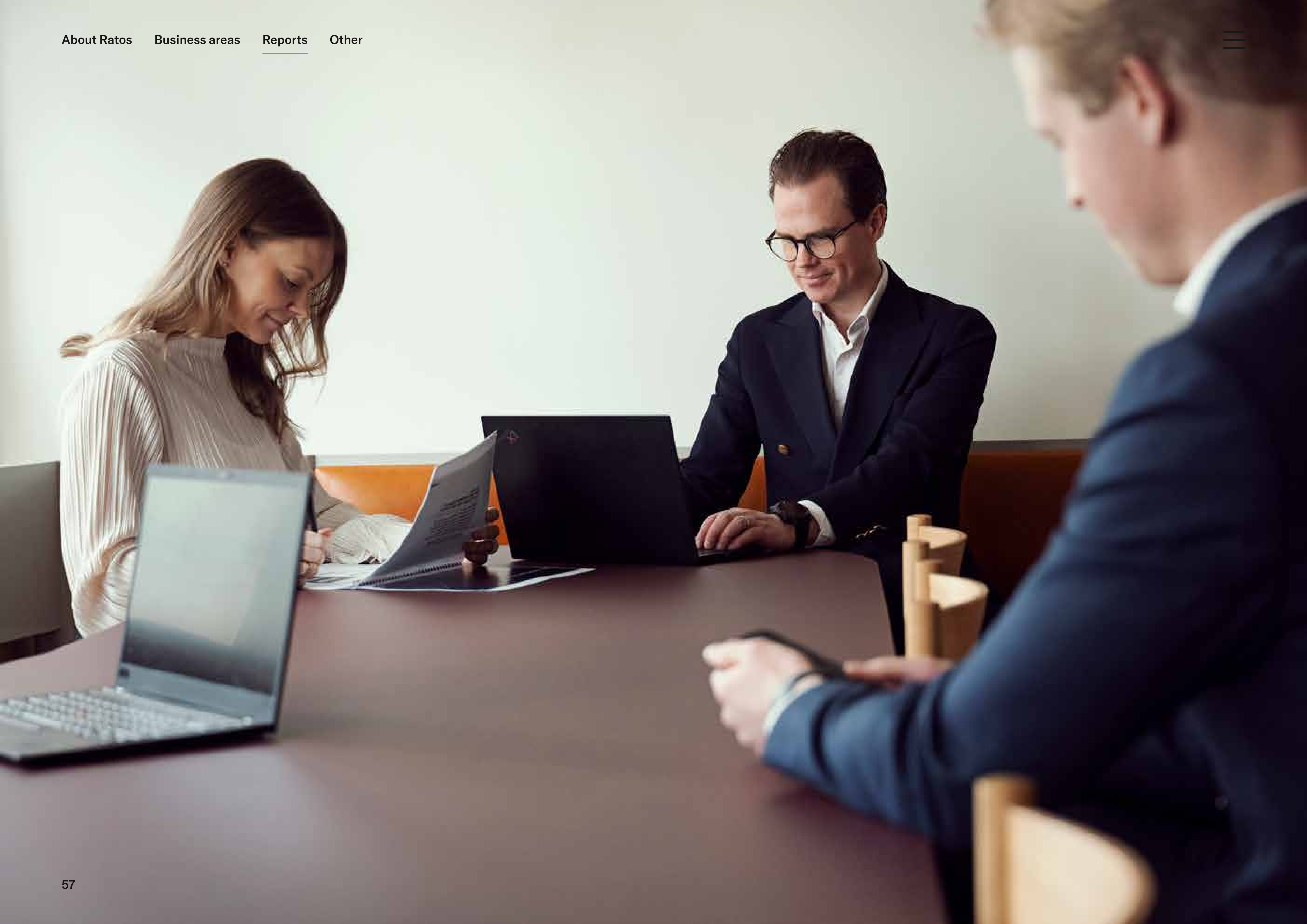
When considering employee turnover information, consideration should be taken to the fact that Ratos's operations span a wide variety of activities and industries. Additionally, two companies (Presis Infra and Plantasjen) have a high share of seasonal workers. In 2024, employee turnover was particularly affected by the reconstruction of Plantasjen, which also filed for bankruptcy for its Finnish subsidiary in September as a result of the reconstruction. Expin Group also filed for bankruptcy for four companies in 2024 due to its ongoing restructuring.

Gender distribution

Number of employees	2024
Male	7,574
Female	4,744
Total employees	**12,318**

Employee head count in countries where the undertaking has at least 50 employees representing at least 10% of its total number of employees

Number of employees	2024
Sweden	5,093
Norway	3,338
Other countries	3,887
Total employees	**12,318**



Employees by contract type, broken down by gender

FTEs	Female	Male	Total
Number of permanent employees (head count)	3,712	7,050	10,762
Number of temporary employees (head count)	37	100	137
Number of non-guaranteed hours employees (head count)	15	24	39
Total	**3,765**	**7,173**	**10,938**

Employee turnover in the Group amounts to 25 per cent. Note that this figure includes employee changes as a result of the reconstruction of Plantasjen and bankruptcies in subsidiaries in Expin Group.

S1-7 Characteristics of non-employees in the undertaking's own workforce

Methodologies and assumptions

When necessary, the Ratos Group contracts personnel ("non-employees") to carry out tasks that would otherwise be performed by employees at one of the Group companies. This includes temporary hires to replace employees on parental leave or to cover a role that has recently been vacated and not yet filled. Ratos's assessment is that this only occurs to a limited extent, and that the number of non-employees in its own workforce is not significant in relation to the Group as a whole. The need to use non-employees varies and is greatest in personnel-intensive companies with seasonal variations.

S1-8 Collective bargaining coverage and social dialogue

Methodologies and assumptions

Data from the individual subsidiaries is collected and consolidated through an external system. The quality of the data is assured by Ratos.

54 per cent of employees in the Group are covered by collective bargaining agreements. Collective bargaining coverage in the EEA is presented for countries where the company has a significant[1] number of employees.

Collective bargaining coverage, employees – EEA[1]

Coverage rate	2024
0–19%	
20–39%	
40–59%	
60–79%	Sweden, Norway
80–100%	

[1] For countries with >50 employees representing >10 per cent of total employees.

Social dialogue, workplace representation (EEA only)[1]

Coverage rate	2024
0–19%	
20–39%	
40–59%	Sweden
60–79%	Norway
80–100%	

[1] For countries with >50 employees representing >10 per cent of total employees.

S1-9 Diversity metrics

Methodologies and assumptions

Data from the individual subsidiaries is collected and consolidated through an external system. The quality of the data is assured by Ratos.

As of 2024, one of Ratos's sustainability targets focuses on the share of women/men in senior positions, with the aim of having a 40/60 distribution between women and men in senior positions by 2030. Senior positions refer to the Board members of Ratos AB and 14 of its 15 subsidiaries (Aibel is excluded since it is considered an associate) as well as the management groups of Ratos AB and 14 of its 15 subsidiaries.

Gender distribution at top management

	2024	
	Number[1]	Share, %
Top management parent company		
Male	5	83
Female	1	17
Total	**6**	**100**
Total Group, including parent company		
Male	78	76
Female	25	24
Total	**103**	**100**

[1] FTEs.

Age distribution

	2024		
	Under 30 years old	30–50 years old	Over 50 years old
Number of employees	2,854	6,280	3,184
Share of employees, %	23	51	26

S1-10 Adequate wages

Methodologies and assumptions

Data from the individual subsidiaries is collected and consolidated through an external system. The quality of the data is assured by Ratos.

Based on the data received from the subsidiaries, Ratos's assessment is that the employees within the Group have adequate wages that, at a minimum, meet the statutory requirements in each country and/or the wage level set in collective bargaining agreements where they exist. Wages for interns and apprentices are not included in the calculation of the lowest pay category.

S1-13 Training and skills development metrics

Methodologies and assumptions

Data from the individual subsidiaries is collected and consolidated through an external system. The quality of the data is assured by Ratos.

Training and skills development is followed up annually through dialogues and performance reviews between managers and employees. In addition to continuous follow-up and planning, basic training on the CSRD/ESRS was held in 2024 with Board members of the parent company and Ratos AB's Group management as well as with Board members and senior executives at Ratos's subsidiaries.

The data used to calculate the total number of training hours in the Group varies between recorded training hours and estimates depending on the type of activity.

Percentage of employees that participated in regular performance and career development reviews by gender

Share, %	2024
Male	90
Female	93
Total	**91**

Average number of training hours per employee

	2024
Male	14
Female	11
Total	**12**

S1-14 Health and safety metrics

Methodologies and assumptions

Data from the individual subsidiaries is collected and consolidated through an external system. The quality of the data is assured by Ratos.

Ensuring a good work environment and safe workplace for all employees in the Group is of the utmost importance. Several companies, particularly in Construction & Services (construction operations and infrastructure maintenance) and Industry (manufacturing and factory work), have operations that put employees at a greater risk of personal injury. It is the utmost priority of these companies to make their employees aware of and provide training in workplace risks. The subsidiaries are responsible for investigating and following up any incidents or accidents. Incidents and accidents are prioritised performance measures that are reported to Ratos on a monthly basis. In 2025, work will begin to standardise incident reporting in all companies at a higher risk of personal injury. It is of the utmost importance for Ratos that reporting is consistent and comparable throughout the entire Group so that appropriate measures can be taken in cases of heightened risk.

The table presents health and safety data related to the Group's own workforce. The rate of recordable work-related accidents is calculated by dividing the number of recordable work-related accidents by the total number of hours worked by people in the Group's own workforce multiplied by one million. The rate of work-related accidents thus represents the number of respective cases per one million hours worked. The rate varies within the Group due to the different business areas in which the companies operate. Subsidiaries in the consulting industry have a lower rate of work-related accidents than companies in the construction and manufacturing industries.

When calculating the number of hours worked in the Group, estimates have been made on the basis of standard hours of work, taking into account entitlements to periods of paid leave of absence from work, such as paid vacations, public holidays and paid sick leave.

No employee in the Ratos Group has lost their life due to a work-related injury or work-related ill health. Work-related ill health includes health problems caused or aggravated by work conditions or practices. These include musculoskeletal disorders as well as mental illnesses. In S1-14, work-related musculoskeletal disorders are covered under work-related ill health and not injuries.

Health and safety

	2024
Percentage of people in own workforce who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines, %	93
Number of fatalities as a result of work-related injuries and work-related ill health	0
Number of recordable work-related accidents	396
Rate of recordable work-related accidents	22.6
For the company's employees, the number of cases of recordable work-related ill health, in accordance with legal restrictions on data collection	40
For the company's employees, the number of days lost due to work-related injuries and fatalities due to work-related accidents, work-related ill health and fatalities due to ill health	1,816

S1-15 Work-life balance metrics

Methodologies and assumptions

Data from the individual subsidiaries is collected and consolidated through an external system. The quality of the data is assured by Ratos.

All employees of Ratos, both Ratos AB and its respective subsidiaries, regardless of geographical location, are entitled to family-related leave, such as parental leave and care for close relatives, whether through national legislation, collective bargaining agreements or policies. In addition to the benefits for parental leave and care for close relatives required by law, Ratos AB offers extra compensation for parental leave.

Percentage of employees entitled to take family-related leave

Share, %	2024
Male	100
Female	100
Total	**100**

Percentage that took family-related leave[1)]

Share, %	2024
Male	16
Female	14
Total	**15**

1) Percentage of those employees entitled to take family-related leave.

Governance information

ESRS G1 Business conduct

Impact, risk and opportunity management

G1-1 Business conduct policies and corporate culture
Ratos is a Swedish business group focused on technological and infrastructure solutions.

Core values
Ratos has adopted three core values to guide us in how we work and act, both internally and externally. These core values are:
- Simplicity
- Speed in Execution
- It's All About People

Ratos's governance model establishes clear areas of responsibility and roles for the Group's majority-owned subsidiaries. While the subsidiaries operate with a high degree of independence, the entire Group follows a shared business and sustainability strategy. Ownership is exercised through board representation, whereby Ratos, as an owner, places stringent requirements on the implementation of sound business conduct and proactive anti-corruption initiatives in its companies. The Ratos Group has zero tolerance for corruption, including bribery and money laundering. The management groups of Ratos AB and each of its subsidiary regularly analyse corruption and money laundering risks and provide and oversee action programmes pertaining to anti-corruption and anti-money laundering. The CEOs of the parent company and each subsidiary are responsible for conducting these analyses. The results of anti-corruption measures are reported to the parent company and the boards of the individual subsidiaries every two years.

Sustainability has been an integral part of Ratos's corporate governance for many years, with Ratos placing requirements on active sustainability work and transparent sustainability reporting. In addition to working to reduce its climate and environmental impact, Ratos's material matters include working actively to counteract corruption and bribery, working to promote gender equality among senior executives and working with data and IT security, including privacy issues.

Whistleblowing system
All companies in the Group have an external whistleblowing system that enables anonymous reporting of misconduct and irregularities. At Ratos AB, the whistleblowing function is managed by the external supplier Whistle B. Whistle B guarantees full anonymity, and the service does not store IP addresses or other data that could be used to track and identify a whistleblower. The whistleblowing function is available on Ratos's external website. In 2024, no whistleblowing incidents reported through Ratos AB's whistleblowing function have required further actions.

Investment criteria
Neither Ratos AB nor its subsidiaries invest in companies that manufacture tobacco products where the key commodity is tobacco leaf, that supply pornography or that contribute to serious environmental damage. Furthermore, Ratos AB and its subsidiaries do not invest in the development, production or sale of weapons that violate international conventions (such as cluster bombs, landmines, chemical or biological weapons) or nuclear weapons.

A description of business conduct in the Group is described in Ratos's SBP. The SBP covers all areas of the operations and describes the management of corruption and bribery, human rights, transparent accounting of the company's financial statements, climate issues, and customer and supplier relationships. See GOV-1 and GOV-2 as well as the SBP on Ratos's external website for a more detailed description.

A full description of Ratos's corporate governance is presented in the Corporate Governance Report on pages 72–79.

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

The table below shows the datapoints in ESRS 2 and the topical ESRS that derive from other EU legislation. The table is a mandatory appendix under the ESRS. The table is designed based on the ESRS and will be complemented with full references in the 2025 reporting.

Disclosure requirement	Datapoint	Name datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page
ESRS 2 GOV-1	21 (d)	Board's gender diversity	X		X		Targets and target fulfilment, Sustainability Report	21, 25, 56
ESRS 2 GOV-1	21 (e)	Percentage of Board members who are independent			X		Corporate Governance Report	75
ESRS 2 GOV-4	30	Statement on due diligence	X				Sustainability Report	45
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	X	X	X		Not relevant	
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	X		X		Not relevant	
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	X		X		Not relevant	
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			X		Not relevant	
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				X	Not reported	
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		X	X		Not relevant	
ESRS E1-4	34	GHG emission reduction targets	X	X	X		Not reported	
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	X				Sustainability Report	54
ESRS E1-5	37	Energy consumption and mix	X				Sustainability Report	54
ESRS E1-5	40–43	Energy intensity associated with activities in high climate impact sectors	X				Sustainability Report	54
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	X	X	X		Sustainability Report	55
ESRS E1-6	53–55	Gross GHG emissions intensity	X	X	X		Sustainability Report	55
ESRS E1-7	56	GHG removals and carbon credits				X	Not reported	
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			X		Not reported	
ESRS E1-9	66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk		X			Not reported	
ESRS E1-9	66 (c)	Location of significant assets at material physical risk		X			Not reported	
ESRS E1-9	67 (c)	Breakdown of the carrying amount of its real estate assets by energy-efficiency classes		X			Not reported	
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			X		Not reported	

Disclosure requirement	Datapoint	Name datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	X				Not material	
ESRS E3-1	9	Water and marine resources	X				Not material	
ESRS E3-1	13	Dedicated policy	X				Not material	
ESRS E3-1	14	Sustainable oceans and seas	X				Not material	
ESRS E3-4	28 (c)	Total water recycled and reused	X				Not material	
ESRS E3-4	29	Total water consumption in m^3 per net revenue on own operations	X				Not material	
ESRS 2 SBM 3 – E4	16 (a) i		X				Not reported	
ESRS 2 SBM 3 – E4	16 (b)		X				Not reported	
ESRS 2 SBM 3 – E4	16 (c)		X				Not reported	
ESRS E4-2	24 (b)	Sustainable land / agriculture practices or policies	X				Not material	
ESRS E4-2	24 (c)	Sustainable oceans / seas practices or policies	X				Not material	
ESRS E4-2	24 (d)	Policies to address deforestation	X				Not material	
ESRS E5-5	37 (d)	Non-recycled waste	X				Not material	
ESRS E5-5	39	Hazardous waste and radioactive waste	X				Not material	
ESRS 2 SBM3 – S1	14 (f)	Risk of incidents of forced labour	X				Not reported	
ESRS 2 SBM3 – S1	14 (g)	Risk of incidents of child labour	X				Not reported	
ESRS S1-1	20	Human rights policy commitments	X				Sustainability Report	45
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			X		Sustainability Report	46
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	X				Not reported	
ESRS S1-1	23	Workplace accident prevention policy or management system	X				Sustainability Report	56, 59
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	X				Not reported	
ESRS S1-14	88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	X		X		Sustainability Report	59
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	X				Sustainability Report	59
ESRS S1-16	97 (a)	Unadjusted gender pay gap	X		X		Not reported	
ESRS S1-16	97 (b)	Excessive CEO pay ratio	X				Not reported	
ESRS S1-17	103 (a)	Incidents of discrimination	X				Not reported	
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	X		X		Not reported	

Disclosure requirement	Datapoint	Name datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Section	Page
ESRS 2 SBM3 – S2	11 (b)	Significant risk of child labour or forced labour in the value chain	X				Not reported	
ESRS S2-1	17	Human rights policy commitments	X				Not reported	
ESRS S2-1	18	Policies related to value chain workers	X				Not reported	
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	X		X		Not reported	
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			X		Not reported	
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	X				Not reported	
ESRS S3-1	16	Human rights policy commitments	X				Not material	
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	X		X		Not material	
ESRS S3-4	36	Human rights issues and incidents	X				Not material	
ESRS S4-1	16	Policies related to consumers and end-users	X				Not material	
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	X		X		Not material	
ESRS S4-4	35	Human rights issues and incidents	X				Not material	
ESRS G1-1	10 (b)	United Nations Convention against Corruption	X				Sustainability Report	60
ESRS G1-1	10 (d)	Protection of whistle-blowers	X				Sustainability Report	60
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	X		X		Not reported	
ESRS G1-4	24 (b)	Standards of anti-corruption and anti-bribery	X				Not reported	

GRI content index

Ratos's sustainability report covers the calendar year 2024. The figures reported are from 1 January 2024 until 31 December 2024 unless otherwise specified. This report has been prepared with reference to the GRI Sustainability Reporting Standards (GRI Standards). The requirements and principles for the use of GRI Standards (GRI 1) used are GRI 1: Foundation 2021. No GRI sector standard is applicable. This is Ratos's ninth sustainability report using the GRI standards and Ratos intends to report annually. The disclosures on the management of the topics encompass both the parent company and holdings. All calculations regarding energy and CO_2 emissions are comparisons between the financial years 2018 and 2022, the base year for environmental data is 2016. The data is provided by third-party providers, unless specified otherwise. All calculations regarding the environment are based on the GHG Protocol. Ratos has signed the UN Global Compact (UNGC). This means that Ratos annually reports on its work with the Global Compact's ten principles (Communication on Progress, COP). The COP information is derived from Ratos's Annual Report 2024.

GRI content index

			Omission				
Standard and disclosure		Location	Disclosure omitted in GRI Standards 2021	Reason for omission	Required explanation	Comments	Global Compact principle
GRI 2: GENERAL DISCLOSURES 2021							
2-1	Organizational details	5, 40, 104, 142	Not applicable				
2-2	Entities included in the organization's sustainability reporting	94, 137–138	Not applicable				
2-3	Reporting period, frequency and contact point	45, 143, 156	Not applicable				
2-4	Restatements of information	GRI content index	Not applicable			No changes	
2-5	External assurance	Auditor's report	Not applicable				
2-6	Activities, value chain and other business relationships	32–37					
2-7	Employees	5, 56, 58–59, 104					
2-8	Workers who are not employees	58					
2-9	Governance structure and composition	72–79					
2-10	Nomination and selection of the highest governance body	74–75					
2-11	Chair of the highest governance body	75					
2-12	Role of the highest governance body in overseeing the management of impacts	22–24, 45, 47, 60					
2-13	Delegation of responsibility for managing impacts	41–42, 46, 47, 60					
2-14	Role of the highest governance body in sustainability reporting	41, 60					
2-15	Conflicts of interest	75					
2-16	Communication of critical concerns	60					
2-17	Collective knowledge of the highest governance body	60, 75					
2-18	Evaluation of the performance of the highest governance body	72–75					
2-19	Remuneration policies	42, 72, 76					
2-20	Process to determine remuneration	42, 72, 76					

GRI content index, cont.

Standard and disclosure		Location	Omission: Disclosure omitted in GRI Standards 2021	Omission: Reason for omission	Omission: Required explanation	Comments	Global Compact principle
2-21	Annual total remuneration ratio		2-21: a, b, c	Incomplete information	Remuneration ratios are not available.	Remuneration ratios are not available.	
2-22	Statement on sustainable development strategy	19, 65					
2-23	Policy commitments	25, 45–46, 60					7
2-24	Embedding policy commitments	45–46, 54, 60					
2-25	Processes to remediate negative impacts	41, 45–48					
2-26	Mechanisms for seeking advice and raising concerns	60					
2-27	Compliance with laws and regulations	60					
2-28	Membership associations	GRI content index				The Confederation of Swedish Enterprise	
2-29	Approach to stakeholder engagement	46					
2-30	Collective bargaining agreements	58					3

Material topics

Standard and disclosure		Location	Omission: Disclosure omitted in GRI Standards 2021	Omission: Reason for omission	Omission: Required explanation	Comments	Global Compact principle
GRI 3: MATERIAL TOPICS 2021							
3-1	Process to determine material topics	47–48	Not applicable				
3-2	List of material topics	48					
BUILDINGS							
GRI 3: Material Topics 2021							
3-3	Management of material topics	15	3-3: a, b, c, d, e, f	Incomplete information	Management does not yet fully address all requirements of the GRI Standards 2021 for 3-3. For this disclosure, efforts to improve management are ongoing.		8–9
CLIMATE CHANGE & ENERGY							
GRI 3: Material Topics 2021							
3-3	Management of material topics	54–55					8–9
GRI 305: Emissions 2016							
305-1	Direct (Scope 1) GHG emissions	55					8
305-2	Energy indirect (Scope 2) GHG emissions	55					8
305-3	Other indirect (Scope 3) GHG emissions	55					8
305-5	Reduction of GHG emissions	55					8
ECOSYSTEMS							
GRI 3: Material Topics 2021							
3-3	Management of material topics	60					8
GRI 413: Local Communities 2016							
413-2	Operations with significant actual and potential negative impacts on local communities	26	413-2: a	Incomplete information	Reported information does not fully address the requirements of the GRI Standards 2021 for 413-2. For this disclosure, efforts to improve management are ongoing.		8
WATER							
GRI 3: Material Topics 2021							
3-3	Management of material topics	54	3-3: a, b, c, d, e, f	Incomplete information	Management does not yet fully address all requirements of the GRI Standards 2021 for 3-3. For this disclosure, efforts to improve management are ongoing.		8
MIGRANT WORKERS							
GRI 3: Material Topics 2021							
3-3	Management of material topics	56, 58–59	3-3: a, b, c, d, e, f	Incomplete information	Management does not yet fully address all requirements of the GRI Standards 2021 for 3-3. For this disclosure, efforts to improve management are ongoing.		1–6

Material topics, cont.

Standard and disclosure		Location	Omission: Disclosure omitted in GRI Standards 2021	Omission: Reason for omission	Omission: Required explanation	Comments	Global Compact principle
OCCUPATIONAL HEALTH & SAFETY							
GRI 3: Material Topics 2021							
3-3	Management of material topics	56, 59					1–6
GRI 403: Occupational Health and Safety 2018							
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	56, 59					
QUALITY & SAFETY OF PRODUCTS & SERVICES							
GRI 3: Material Topics 2021							
3-3	Management of material topics	4	3-3: a, b, c, d, e, f	Incomplete information	Management does not yet fully address all requirements of the GRI Standards 2021 for 3-3. For this disclosure, efforts to improve management are ongoing.		1–6
WORKING CONDITIONS							
GRI 3: Material Topics 2021							
3-3	Management of material topics	56					1–6
GRI 401: Employment 2016							
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	56, 58–59					
401-3	Parental leave	59					
GRI 405: Diversity and Equal Opportunity 2016							
405-1	Diversity of governance bodies and employees	58, 104					
TALENT ATTRACTION & RETENTION							
GRI 3: Material Topics 2021							
3-3	Management of material topics	58					
GRI 404: Training and Education 2016							
404-2	Non-compliance with laws and regulations in the social and economic area	58					6
404-3	Percentage of employees receiving regular performance and career development reviews	58					6
CORRUPTION & BRIBERY							
GRI 3: Material Topics 2021							
3-3	Management of material topics	60					10
GRI 205: Anti-corruption 2016							
205-2	Communication and training about anti-corruption policies and procedures	60					10

Material topics, cont.

Standard and disclosure		Location	Omission: Disclosure omitted in GRI Standards 2021	Omission: Reason for omission	Omission: Required explanation	Comments	Global Compact principle
DATA SECURITY & INTEGRITY							
GRI 3: Material Topics 2021							
3-3	Management of material topics	46, 60	3-3: a, b, c, d, e, f	Incomplete information	Management does not yet fully address all requirements of the GRI Standards 2021 for 3-3. For this disclosure, efforts to improve management are ongoing.		2
IT, AUTOMATION & DIGITALISATION							
GRI 3: Material Topics 2021							
3-3	Management of material topics	45	3-3: a, b, c, d, e, f	Incomplete information	Management does not yet fully address all requirements of the GRI Standards 2021 for 3-3. For this disclosure, efforts to improve management are ongoing.		
SUPPLY CHAIN CONSTRAINTS							
GRI 3: Material Topics 2021							
3-3	Management of material topics	46	3-3: a, b, c, d, e, f	Incomplete information	Management does not yet fully address all requirements of the GRI Standards 2021 for 3-3. For this disclosure, efforts to improve management are ongoing.		

Corporate governance

Chairman's letter

Another intense and eventful year has passed at Ratos – a fast-paced year dominated by numerous activities, decisions and measures. While a great deal of progress has been made, the last few years have also brought about changes in some of our operations. The effects of these changes, while necessary to continue creating shareholder value going forward, may at times overshadow the Group's positive underlying performance, with stable, strong cash flows.

Closing the books on another year also gives cause for reflection, not least from a historical perspective. Ratos has undergone significant changes over its almost 160-year history. In the 1970s, the company left its core business in wholesale. In the 1980s, Ratos developed into a diversified investment company. Then, in the 1990s, the Group positioned itself as an alternative to mutual funds. In the 2000s, Ratos became a listed private equity company, and now, in the 2020s, we have grown into an operating and business group consisting of 15 companies.

The current ambition of the Board and management is to build a strong group with a more concentrated number of companies – a group that will develop and grow over a long period of time, well into future decades. Our work in recent years has focused on creating better order in our subsidiaries and improving their profitability. Our hope is that 2025 and beyond will bring further consolidation and a reduction in the number of companies in the Group.

Our journey of change is continuing full steam ahead, and our aim remains unchanged: to create long-term value for all of our stakeholders. We have a clear vision for how the Group will be shaped, yet are humbly aware that sustainable change takes time. Our core business performed well in 2024, and we continue to see good potential going forward.

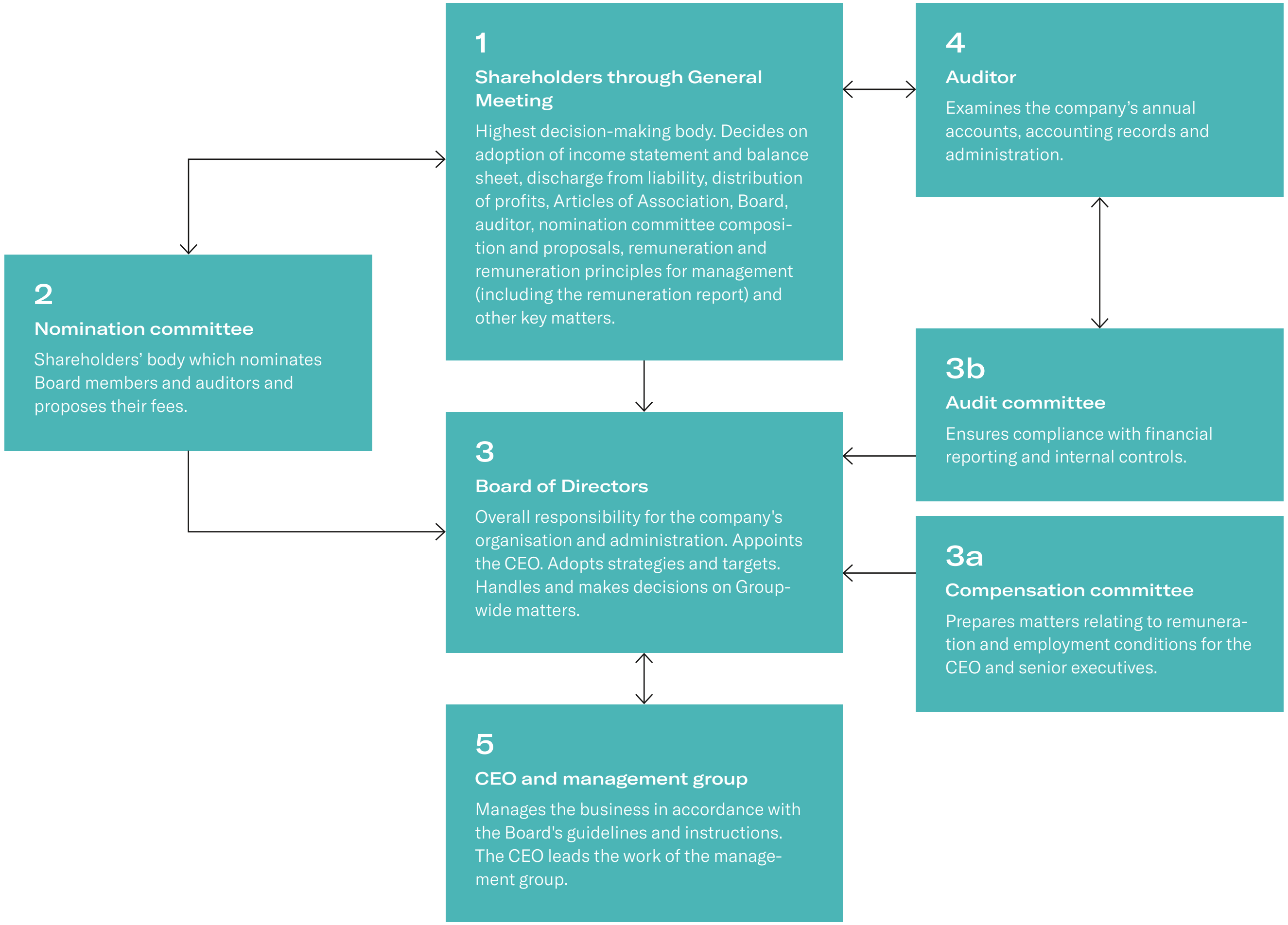
The Ratos of the future will consist of companies with stable, non-cyclical operations, companies with high operating margins and diversified customer bases. We are looking for businesses with underlying organic growth and opportunities for add-on acquisitions. Above all, we want our companies to be, or have the potential to become, leaders in their respective industries.

We look to the future with confidence and are determined to continue to develop Ratos into a growing and profitable business group.

Per-Olof Söderberg
Chairman of the Board

Corporate Governance Report

Governance structure at Ratos



Corporate governance at Ratos

Ratos AB is a public limited liability company and the basis for governance of Ratos is both external and internal regulations. In order to establish guidelines for the company's activities, the Board has prepared and adopted several policy documents. These provide guidance to the organisation and employees based on the core values and principles that must characterise the operations and conduct.

Ratos applies the Swedish Corporate Governance Code (the Code) and did not report any non-compliance with the Code in the 2024 financial year.

This Corporate Governance Report seeks to avoid repetition of information that is included in applicable regulations and primarily to describe corporate governance for Ratos AB.

The company's auditors have performed a statutory examination of the Corporate Governance Report.

Key external rules

- Swedish Companies Act
- Accounting legislation and recommendations
- Nasdaq Stockholm's Rule Book for Issuers
- Swedish Corporate Governance Code

Key internal rules and documents

- Articles of Association
- Rules of procedure for the Board of Directors and Board committees
- Decision-making procedures/authorisation instructions
- Instructions to the President and CEO and reporting instructions
- Internal guidelines, policy documents and manuals which provide guidelines for the Group's operations and employees, such as Ratos's Communication Policy, Insider Policy and Sustainable Business Policy (SBP).

1 Shareholders and general meetings

Share capital and shareholders

Ratos has been listed on Nasdaq Stockholm since 1954. At year-end, the share capital amounted to approximately SEK 1,031m divided among a total of 327,385,688 shares, of which 84,637,060 Class A shares and 242,748,628 Class B shares. The company's Class A shares carry entitlement to one vote per share while Class B shares carry entitlement to one-tenth of a vote per share. Class A and B shares carry the same right to a share of the company's assets and to the same amount of dividend. The general meeting decides on dividends.

At year-end, Ratos had a total of 60,508 shareholders according to statistics from Modular Finance, which collects and processes data from Euroclear, Morningstar, the Swedish Financial Supervisory Authority and other sources. The ten largest shareholders accounted for 80.1 per cent of the voting rights and 52.1 per cent of the share capital. More information about Ratos's shares and shareholders is provided on pages 28–29.

General meetings

The general meeting is the highest decision-making body in Ratos and it is through attendance that Ratos's shareholders exercise their influence on the company. Normally, one general meeting is held each year, the Annual General Meeting of Shareholders, which is convened in Stockholm before the end of June. Notice is published in the form of an announcement in the Official Swedish Gazette (Post- och Inrikes Tidningar) and on Ratos's website. Publication of the notice is announced in Svenska Dagbladet. All documentation required ahead of the Meeting is available on the website (www.ratos.com) in Swedish and English.

A shareholder with at least one-tenth of the votes in Ratos is entitled to request an extraordinary general meeting. The Board and Ratos's auditor can also convene an extraordinary general meeting.

In order to have a matter considered at an Annual General Meeting, a shareholder must submit a written request to the Board in good time so that the matter can be included in the notice of the meeting, normally approximately seven weeks before the Annual General Meeting. The closing date for such requests is stated on Ratos's website.

Shareholders who are registered on Euroclear Sweden's list of shareholders and who have notified their attendance to the company in due time are entitled to attend the Meeting, in person or through a proxy, and to vote for their holding of shares. Shareholders may bring an assistant to the meeting provided they have notified the company. A summary of the main resolutions to be made at the Annual General Meeting is presented in Ratos's Articles of Association on Ratos's website.

2024 Annual General Meeting

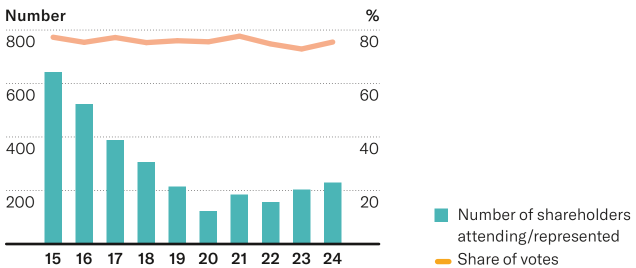
The 2024 Annual General Meeting was held on 26 March 2024 at Grand Hôtel, Studio Stockholm, Stockholm. 230 Shareholders were represented at the Annual General Meeting, either in person, via proxy or through postal voting, who together represented 75.5 per cent of the voting rights and 47.4 per cent of the capital.

All Board members elected by the Annual General Meeting were in attendance (except for Tone Lunde Bakker and Mats Granryd), as were Ratos's CEO and auditor. Minutes and information about the 2024 Annual General Meeting in both Swedish and English as well as the CEO's address to the Meeting are published on Ratos's website.

Resolutions at the 2024 Annual General Meeting included the following:

- Dividend of SEK 1.25 per Class A and B share, a total of SEK 408m
- Fees of SEK 990,000 to the Chairman of the Board and SEK 510,000 to each member of the Board as well as fees to auditors
- Re-election of Board members Per-Olof Söderberg, Tone Lunde Bakker, Ulla Litzén, Jan Söderberg and Jonas Wiström, and election of Mats Granryd and Cecilia Sjöstedt as new Board members. Karsten Slotte declined re-election. Re-election of Per-Olof Söderberg as Chairman of the Board
- Re-election of the audit firm Ernst & Young AB (EY)
- Resolution on the remuneration report
- Resolution on certain minor adjustments to the principles for appointing the nomination committee
- Offer to CEO and other key employees in Ratos to acquire convertibles and warrants in Ratos
- Authorisation for the Board of Directors to acquire and transfer Ratos shares
- Authorisation for the Board to decide on a new issue of a maximum of 35 million B shares to be used for acquisitions.

Attendance at the Annual General Meeting



2025 Annual General Meeting

The Annual General Meeting of Ratos AB (publ) will be held on Wednesday, 26 March 2025 at 2:00 p.m. at Grand Hôtel, Spegelsalen entrance, Studio Stockholm, Stockholm.

For matters related to the nomination committee and the Annual General Meeting, refer to Ratos's website. For further information about the Annual General Meeting, see page 155.

2 Nomination committee

The Annual General Meeting has decided on the principles for how the nomination committee should be appointed and these principles apply until otherwise decided by the general meeting. The nomination committee is to comprise a minimum of five members together with the Chairman. The nomination committee's members are to be appointed by the largest shareholders in terms of voting rights as of the last banking day in August the year before the Annual General Meeting. For the purposes of determining the largest shareholders in terms of voting rights, a group of shareholders will be deemed to constitute a single shareholder if they have notified the company in writing that they have agreed in writing to adopt a common long-term approach to the management of the company through the joint exercise of voting rights. The member appointed by the largest shareholder in terms of voting rights is to be the Chairman of the nomination committee, unless the nomination committee decides otherwise.

If a shareholder waives the entitlement to appoint a member, the shareholder who is the next largest owner in terms of voting rights is to appoint a member. The majority of the members of the nomination committee are to be independent in relation to the company and executive management. The nomination committee's mandate period extends until a new nomination committee has been appointed. If a member resigns from the nomination committee, the owner that appointed the member is entitled to appoint a replacement. If a shareholder that has appointed a member of the nomination committee has significantly reduced its shareholding in the company and thus is no longer one of the five largest shareholders in terms of voting rights, or if a new shareholder becomes one of the five largest shareholders in terms of voting rights, the nomination committee may offer another shareholder an opportunity to appoint a replacement for the member appointed by the shareholder that is no longer one of the five largest shareholders in terms of voting rights. The nomination committee may also decide to co-opt such a replacement to the nomination committee instead.

The current composition of the nomination committee was announced on Ratos's website and disclosed through a press release on 23 September 2024.

The nomination committee comprises:
- Jenny Parnesten, appointed by the Ragnar Söderberg Foundation as well as own and related parties' holdings, Chairman of the nomination committee
- Markus Söderberg, appointed by Jan Söderberg Förvaltning as well as own holdings
- Maria Söderberg, appointed by the Torsten Söderberg Foundation as well as own holdings
- Erik Brändström, appointed by Spiltan Fonder
- Karin Eliasson, appointed by Handelsbanken Fonder
- Per-Olof Söderberg, Chairman of Ratos's Board.

Combined, the nomination committee represents 62 per cent of the voting rights for all the shares in the company.

A summary of the nomination committee's tasks is presented in Ratos's instructions to the nomination committee on Ratos's website.

Nomination committee's work ahead of the 2025 Annual General Meeting

Ahead of the 2025 Annual General Meeting, the nomination committee held three minuted meetings and was in regular contact in between. In its work, the nomination committee has taken note of the internal evaluation of the Board's work, taken the Chairman's account of the Board's work and the CEO's account of the company's strategies. Together with other members of the committee, the nomination committee chairman has also interviewed individual Board members.

Ratos is a Swedish group focused on technological and infrastructure solutions. This strategy requires the Board to have a broad industrial background as well as a documented ability to operate and develop companies in different industries and phases of development. Ratos's Board has in recent years gradually been renewed, at the same time as a certain consistency has been kept. It is the nomination committee's opinion that the current Board functions well and with a great deal of commitment from each member. Board member and Chairman of the audit committee, Ulla Litzén, has informed the nomination committee that she will decline re-election at the 2025 Annual General Meeting. In looking for a new member, it was important for the nomination committee to find an experienced and high-profile audit chairman, with previous CFO experience as well as sustainability reporting experience, who has good leadership skills and a wide network of contacts. The nomination committee considers Gunilla Berg to have documented abilities in these areas. The nomination committee is of the opinion that Gunilla Berg will have the opportunity to devote the necessary time and commitment to their role as a Board member.

The nomination committee deems the members proposed for election to have broad and complementary experience that more than adequately meets the set requirements.

The nomination committee also deems the proposed composition of seven Board members to be suitable and appropriate.

The requirement for independence is also assessed as having been met.

The nomination committee has continued to discuss requirements for diversity based in part on the Code's requirement for stipulating how the diversity policy has been applied and has chosen to use Rule 4.1 of the Code, which states that the Board is to exhibit diversity and breadth of qualifications, experience and background, and strive for an equal gender balance. Following deliberation by the nomination committee regarding, for example, the Board members' background and experience, it is noted that the gender balance for the proposed Board will be 42.9 per cent women and 57.1 per cent men, as the members proposed include three women and four men.

Proposals regarding fees to the members of the Board as well as remuneration for committee work have been prepared by the five members of the nomination committee who are not members of Ratos's Board.

Shareholders have been informed that proposals to the Annual General Meeting can be submitted to the nomination committee.

The nomination committee's proposals, an account of the work of the nomination committee ahead of the 2025 Annual General Meeting as well as complementary information on proposed members of the Board will be announced in conjunction with the Notice of the Meeting and be presented at the 2025 Annual General Meeting.

No fees have been paid for participation in the nomination committee.

Deviations/violations

Ratos follows the Code without deviation.

No violations of Nasdaq Stockholm's Rule Book for Issuers or good practice in the stock market have occurred.

3 Board of Directors

Composition of the Board

Ratos's Board is to comprise of a minimum of four and a maximum of nine members. The Board is appointed by the shareholders at each Annual General Meeting. The mandate period is thereby one year.

The 2024 Annual General Meeting resolved that the Board is to consist of seven members and no deputies. Board members Per-Olof Söderberg, Tone Lunde Bakker, Ulla Litzén, Jan Söderberg and Jonas Wiström were re-elected, and Mats Granryd and Cecilia Sjöstedt were elected as new Board members. Karsten Slotte declined re-election. Per-Olof Söderberg was re-elected as Chairman of the Board. The CEO is part of the Board and attends Board meetings. 86 per cent (all, the CEO excluded) of the Board members are independent in relation to Ratos. The composition of the Board and an assessment of each Board member's independence is presented in more detail on pages 80–81.

Responsibilities and duties of the Board

The Board has overall responsibility for Ratos's organisation and management of its affairs, in the interests of both the company and its shareholders. The Board adopts financial targets, decides on the company's strategy and business plan, and ensures good internal control, risk management and an adequate sustainability programme. The work of the Board is regulated by, among other things, the Swedish Companies Act, the Articles of Association, the Code and the formal work plan adopted by the Board for its work. The Board's overarching responsibility cannot be delegated but the Board may appoint committees tasked to prepare and evaluate matters ahead of a decision by the Board.

Each year, the Board adopts a formal work plan for its work designed to ensure that the company's operations and financial circumstances are controlled in an adequate manner. The formal work plan describes the special role and duties of the Chairman of the Board, decision-making procedures, instructions for Ratos's CEO and reporting as well as areas of responsibility for the committees. Furthermore, the Board also adopts annually a number of policy documents for the company's operations and ensures that there is satisfactory control of the company's compliance with laws, rules and internal guidelines. The Board ensures compliance through various tools including Ratos's annual risk management process and assurance mapping, in which responsibility for and validation of internal processes and identified risks are clarified.

The main duty of the Chairman of the Board is to lead the work of the Board and ensure that Board members carry out their respective duties.

Work of the Board in 2024

During 2024, a total of 17 minuted Board meetings were held: six ordinary meetings, one statutory meeting per capsulam, two extraordinary meetings and eight per capsulam. Board meetings have a recurrent structure with established key items. Information and documentation for decision ahead of Board meetings are usually sent out approximately one week before each meeting. Ratos's General Counsel has taken the minutes at the Board meetings.

At every ordinary Board meeting, information is presented about the company's financial position and important events that affect the company's operations. At extra Board meetings, acquisition and divestment matters are normally examined as well as financing and incentive matters. Extra Board meetings are held when such matters requiring a Board decision arise. 2024 was characterised by add-on acquisition, sustainability and financing matters. Senior executives at Ratos attended Board meetings to present specific matters.

Evaluation of the Board

The Board annually evaluates the work of the Board in a structured process where members are given an opportunity to express their opinions on working methods and efficiency, Board material, the performance of the members and the scope of the assignment in order to develop the Board's working methods. For the 2024 financial year, the evaluation was performed internally with the members answering an anonymous questionnaire, and the results of the evaluation have been presented by the Chairman with a subsequent discussion by the Board. Furthermore, the Chairman of the nomination committee, along with other committee members, held individual interviews with each Board member. The results of the evaluation have been reported to the nomination committee. The evaluation indicates that the Board work is deemed to function well.

Committees

The Board has established a compensation committee and an audit committee in order to structure, improve efficiency and assure the quality of its work, and to prepare the Board's decisions within these areas. The members of these committees are appointed annually at the statutory Board meeting.

Composition of the Board

					Attendance at meetings 2024		
Name [1]	Elected year	Independent of the company	Independent of major shareholders	Total fee [2], SEK thousand	Compensation committee meetings	Audit committee meetings	Board meetings
Per-Olof Söderberg	2000	Yes	No	1,175	3/3	8/8	17/17
Jan Söderberg	2000	Yes	No	695	3/3	8/8	17/17
Mats Granryd	2024	Yes	Yes	620	–	4/4	12/13
Ulla Litzén	2016	Yes	Yes	840	–	8/8	17/17
Tone Lunde Bakker	2022	Yes	Yes	620	–	8/8	17/17
Cecilia Sjöstedt	2024	Yes	Yes	695	1/2	4/4	12/13
Jonas Wiström [3]	2016	No	Yes	0	–	–	15/17
Total				**4,645**			

1) Karsten Slotte declined re-election at the 2024 Annual General Meeting.
2) Relates to fees for the Annual General Meeting year 2024/2025.
3) Jonas Wiström received no fee for his role as an ordinary Board member.

3a Work of the compensation committee

The compensation committee has both an advisory function (follow-up and evaluation) and a preparatory function for decision matters prior to their examination and decision by Ratos's Board.

The following matters, among others, are handled by the compensation committee:

- The CEO's terms of employment, and terms for executive management and those directly subordinated to the CEO
- Follow and evaluate variable remuneration programmes for executive management
- Matters of principle concerning pension agreements, severance pay, notice periods, bonus/earnings-related remuneration, fees, benefits, etc.
- Prepare matters and decisions relating to the incentive systems for Ratos and the companies, in some cases for decision by the Board and/or the general meeting
- The Board's proposal to the Annual General Meeting regarding guidelines for remuneration to senior executives and the report on remuneration to senior executives.

The compensation committee works in accordance with an adopted formal work plan. Normally, early in the autumn, an examination is carried out to see whether there are any major remuneration-related matters of principle to prepare. If such matters exist, they are addressed ahead of a final proposal at the ordinary meetings in December and January. In 2024, the compensation committee made a thorough evaluation of Ratos's remuneration structures and incentive programmes, which resulted in a proposal from the committee to leave the structure for variable cash salary for 2024 essentially unchanged and, as in 2023, a proposal to the 2024 Annual General Meeting that a new long-term incentive programme be introduced in the form of a warrants and convertible debenture programme. No modifications to the remuneration guidelines are proposed ahead of the 2025 Annual General Meeting. The compensation committee also performs an annual evaluation of Ratos's long-term incentive scheme and prepares an annual report on remuneration to senior executives, which the Board presents to the Annual General Meeting for approval.

During 2024, Per-Olof Söderberg (Chairman of the Board and of the compensation committee), Jan Söderberg and Cecilia Sjöstedt were members of the compensation committee.

The compensation committee held three minuted meetings in 2024 and in between has been in regular contact. Ratos's General Counsel has taken the minutes of the committee. The compensation committee provides continuous oral reports to the Board and submits proposals on matters that require a Board decision. Minutes are made available to all members of the Board. The CEO and other senior executives normally attend the meetings of the committee to present specific matters.

3b Work of the audit committee

In 2024, all Board members except the CEO served on the audit committee. All members of the audit committee are regarded as independent of the company and its management. Ulla Litzén is the Chairman of the committee. The company's auditor participated in all eight audit committee meetings in 2024.

The audit committee held eight minuted meetings. Ratos's General Counsel has taken the minutes of the committee.

The audit committee has both an advisory and preparatory function for decision matters prior to review and decision by Ratos's Board.

Each year, the audit committee adopts a fiscal cycle for its working duties and areas for which the audit committee is responsible. The audit committee is responsible for and monitors according to an adopted schedule, among other things, accounting and financial reporting, sustainability reporting, audit, internal control, corporate governance, risk management, purchases of non-audit-related services, tax payment, the parent company's guarantee and equity commitments, insurance, disputes and strategic accounting matters as well as compliance with rules and regulations and certain policy documents adopted by Ratos's Board. Furthermore, the audit committee oversees Ratos's externally operated whistleblowing system. The audit committee's work follows Ratos's interim reporting and Ratos's work on valuation matters and impairment testing, with five regular meetings held every year where the auditor participates in all committee meetings. Particular issues addressed in 2024 included questions related to Ratos's financial reporting, sustainability reporting, internal control issues and disputes. The CEO and senior executives normally participate in the meetings of the committee as rapporteur.

The audit committee submits proposals on matters that require a Board decision and the minutes are made available to all members of the Board. The Chairman of the committee maintains regular contact with the company's auditor.

Remuneration to the Board of Directors

The 2024 Annual General Meeting resolved that remuneration to the ordinary members of the Board should be paid in an amount of SEK 510,000 per member and year. Remuneration to the Chairman of the Board should amount to SEK 990,000 per year. It was decided to pay an additional SEK 330,000 per year to the Chairman of the audit committee and SEK 110,000 per year to other members of the committee. It was decided to pay SEK 75,000 per year to the Chairman of the compensation committee and SEK 75,000 per year to other members of the committee.

4 Auditor

Ratos's auditor is appointed annually by the Annual General Meeting. Nominations are made by the nomination committee. The auditor is tasked on behalf of shareholders to examine the company's annual accounts and consolidated financial statements as well as the administration of the company by the Board and the CEO, remuneration of senior executives (including the remuneration report), the sustainability report and the corporate governance work. The review work and auditor's report are presented at the Annual General Meeting.

At the 2024 Annual General Meeting, the audit firm Ernst & Young AB (EY) was re-elected as auditor until the next Annual General Meeting. EY appointed Erik Sandström as Chief Auditor. In addition to his assignment at Ratos, Erik Sandström is Chief Auditor for, among others, Atlas Copco, Epiroc and Essity. It is proposed that EY should be appointed by the 2025 Annual General Meeting as the company's audit firm until the next Annual General Meeting.

Auditor's fees

Remuneration is paid to the company's auditor in accordance with a special agreement on this matter in accordance with a resolution at the Annual General Meeting. For a specification of audit fees and fees for other assignments, see Note 8. Ratos's policy for the purchase of non-audit-related services is continuously monitored by the audit committee, which also evaluates the content of both auditing and consulting services.

5 Governance in Ratos

Ratos's principles for active ownership and the exercise of its ownership role

Ratos is a Swedish Group focused on technological and infrastructure solutions. The SBP includes specific strategic foundations that provide a basis for how we choose to act as an owner and how we view corporate governance. As an owner, Ratos is to add and create value but value creation and governance are therefore not identical in all situations. Having a clear division of responsibility between owner, board and CEO is important for the governance of Ratos's companies as well as for the parent company Ratos AB, and is therefore a key part of Ratos's business model and success as an owner. Read more about Ratos's exercise of its ownership role on page 22–24.

CEO and management group

The CEO is appointed by the Board and is responsible together with the management group for daily operations in Ratos in accordance with the Board's instructions. The CEO provides the Board with regular updates on operations and ensures that the Board members receive information on which to base well-considered decisions.

Ratos's management group consists of the CEO, CFO, Business Area Presidents, General Counsel and the Vice President Communication & Sustainability. The role of the management team is to prepare and implement strategies, manage corporate governance and organisational matters, and monitor Ratos's financial development and Ratos's sustainability programme.

The companies' financial development and ongoing activities are addressed at monthly meetings attended by the respective company's CEO and CFO alongside Ratos's CEO, CFO and other senior executives.

Remuneration to senior executives

Guidelines for remuneration to senior executives were approved at the 2022 Annual General Meeting. More information about basic and variable salary is available in Note 7.

Evaluation of the need for an internal audit

Ratos develops companies headquartered in the Nordics that are or can become market leaders. At the close of the year, Ratos had 15 companies operating in three business areas in different industries with various risks. With regard to Ratos and the need for an internal audit, it has been judged more suitable to discuss and decide for each individual company according to need, size and complexity, rather than from parent company or Group level.

Ratos performs an annual review of risks during which significant risks in the companies and Ratos are summarised and discussed by the management and boards of the respective companies and of Ratos. Ratos's management and Board can use the risk review as a basis to identify a need for a closer look at/development of certain areas, the opportunity to identify areas that need to be centralised/strengthened, and to provide guidance to the audit committee for audit priorities.

With 21 employees at the end of the year, the parent company Ratos AB has no complex functions that are difficult to analyse. The need to introduce an internal audit function for the parent company Ratos AB must therefore be regarded as negligible, which is why Ratos has decided, as in previous years, not to establish an internal audit function at Group level or for the parent company Ratos AB.

Internal control

The Board has overarching responsibility for ensuring that Ratos has an effective and adequate process for risk management and internal control. The purpose is to provide reasonable assurance that operations are conducted in an appropriate and effective manner, that external reporting is reliable and that laws as well as internal rules and policy documents are complied with. This work is conducted through structured Board work as well as by tasks being delegated to management, the audit committee and other employees. In addition, the Group engages in a dialogue with its auditors regarding their ongoing observations as well as the annual evaluation of internal control completed during the third quarter and presented by Ratos's auditors to the audit committee. Responsibilities and authorities are also defined in Ratos's assurance mapping, which is part of Ratos's risk management process, and in instructions for powers of authorisation, policy documents and manuals which provide guidelines and guidance for the Group's operations and employees.

Furthermore, the board of each company is responsible for ensuring that the company in question complies with laws and regulations as well as for compliance with internal policy documents and guidelines. A procedure has gradually been implemented to strengthen the follow-up of these matters.

Ratos has introduced a framework with minimum internal control requirements (MICR) connected to internal control for financial reporting (ICFR). The framework aims to ensure with reasonable certainty that the external financial reporting was is reliable and prepared according to laws, regulations, financial reporting standards and other relevant requirements for Ratos. Follow-up and assessment of minimum requirements in each company are performed annually and reported to Ratos's audit committee.

Ratos's risk management process

Ratos performs an annual review of risks where significant risks in its own operations and the companies are summarised and discussed by the management and boards of the respective companies and of Ratos. The process is intended to give Ratos's management and Board of Directors an understanding of Ratos's most material risks.

As part of good corporate governance, the companies are expected to have a continuous process for identifying, assessing and managing their risks. Each company's CEO and management have operational responsibility for ensuring that an appropriate risk management process is in place and has been approved by the individual company's board.

Ratos provides support to its companies in the form of structures and models, and works continuously to strengthen their risk processes as well as its own. Ratos has supplemented the risk management process to include an assurance mapping, meaning a clarification of responsibilities and validation of internal processes and identified risks. Ratos's most material risks are summarised in the Directors' Report on pages 40–43.

Internal control of financial reporting

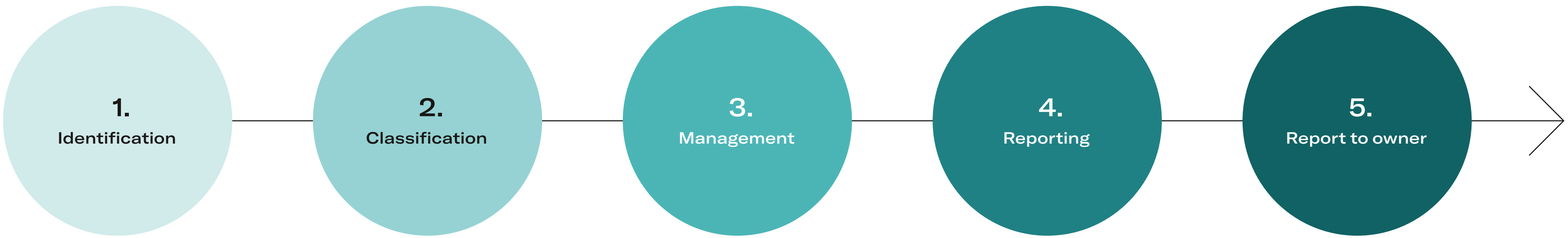
Internal control of financial reporting is based on how Ratos's operations are conducted and how the organisation is built up. Ratos's operations consist of developing companies headquartered in the Nordics that are or can become market leaders. Ratos has three business areas – Construction & Services, Industry and Consumer – and each business area currently consists of two to eight companies. Each business area has a dedicated team that also works actively in the companies' boards. Each company is independent of other companies owned by Ratos. The aim is not that these companies' systems and reporting should be integrated into the Ratos Group, but resources are used for follow-up and development of financial reporting from subsidiaries and associates. Ratos's aim, as part of its value-creating work with the companies, is to create independent and high-quality organisations with a high quality of financial reporting.

Ratos has the overarching responsibility but the decisions and management of each company are carried out based on the needs, size and complexity of the company. Internal control of financial reporting is therefore designed to be appropriate in Ratos AB as well as in the companies. Evaluations and decisions are made by each board and management. This means that the material risks that affect internal control of financial reporting are identified and managed by Ratos as well as at the company level.

The basis for internal control of financial reporting consists of an overarching control environment where organisation, decision-making processes, authority and areas of responsibility have been documented and communicated in several guiding documents. This means that authority and responsibility within Ratos AB and the individual subsidiaries are established in several internal guidelines, policy documents and manuals. This applies, for example, to the division of work between the Board and the CEO and other bodies set up by the Board, instructions for powers of authorisation as well as accounting and reporting instructions. This also serves to reduce the risk of irregularities and inappropriate favouring of a third party at the company's expense.

All companies report their complete accounts on a monthly basis and full-year forecasts. These reports are entered into a Group-wide consoli-

Internal risk management process for Ratos



Ratos recommends a broad process where all relevant operational, strategic, financial and legal areas are covered in order to identify the companies' most material risks. Each company should identify and discuss risks at a suitable level in the organisation in a company-adapted process.

Classification and ranking of identified risks based on probability, degree of impact, type of risk and time perspective.

A plan for how identified risks should be managed should be drawn up with activities and means to eliminate/ reduce/monitor the risk and specifying who is responsible.

The risk assessment and management plans are presented and discussed in each company's board at least once a year.

A report that summarises the biggest risks at Ratos is compiled and presented to the Ratos Board annually.

dated reporting system. This is the foundation for the Group's consolidated financial reporting. Each company is responsible for its own financial management and for ensuring that the reports are correct, complete and delivered in time for the Group's reporting. The financial reporting is designed to follow the applicable laws and regulatory frameworks, such as IFRS. The companies' application of IFRS in their reporting and how they comply with the principle choices Ratos has made are followed up regularly. As support for the companies' reporting, Ratos's finance function has a number of supporting instructions and documents to ensure the financial reporting is complete and accurate.

Quality assurance for financial reporting

It is the opinion of the Board that the quality of a company's reporting is primarily determined by the organisation's competence in accounting matters as well as how the accounting, reporting and finance functions are staffed and organised. Ratos's business area managers and finance function are involved in the reporting from the companies. This means that the quality of the accounting and reporting of the companies is continuously examined and developed. Ratos's business area managers, together with Ratos's finance function, evaluate the material reported by the companies analytically, looking at its completeness, accuracy and compliance with Ratos's accounting principles. Ratos's finance function has an active dialogue with each company. Any deviations noted in the legal and operational follow-up are corrected. Performance and risks that are identified are communicated monthly to the CEO and CFO who, where appropriate, in turn report to Ratos's Board.

Every month, the companies provide a report in which the activities in the company and the company's development are described and analysed. The report is submitted to Ratos's management and, in some cases, Ratos's Board. The reports are supplemented with monthly meetings between the companies and Ratos's management, during which the reporting is discussed and analysed to understand each company's financial development and follow up on the company's operations.

Accounts relating to acquisitions and investments as well as major transactions and accounting matters are discussed and regularly reconciled with Ratos's auditors. Group consolidation includes a number of reconciliation controls, both manual and automatic, such as in the Group-wide consolidated reporting system.

Ratos's group finance function is organised and staffed on the basis of the need to ensure that the Group maintains a high accounting standard and complies with IFRS and other standards within accounting. Working duties include preparing regular accounts mainly for the parent company and preparing closing accounts for both the parent company and the Group. Ratos's finance function is led by Ratos's CFO and the employees have professional experience in reporting and accounting.

Through the audit committee, the Board oversees the internal control and the accuracy of the financial reporting and evaluates recommendations for improvement. The audit committee submits proposals on matters that require a Board decision.

Read more about Ratos's corporate governance

Read more about Ratos's corporate governance on our website under Governance

- Corporate governance reports from previous years
- Articles of Association
- Information from general meetings in previous years
- Nomination committee
- The Board and its committees
- Management group
- Incentive systems
- Auditor

Top row from left:

Per-Olof Söderberg
Magnus Stephensen
Jonas Wiström
Jan Söderberg

Bottom row from left:

Cecilia Sjöstedt
Ulla Litzén
Tone Lunde Bakker
Mats Granryd

Board of Directors and CEO

Per-Olof Söderberg, Chairman
Board member since 2000 and Chairman of the Board since December 2017. Independent in relation to the company and executive management. Dependent in relation to major shareholders in the company.
BA Econ, Stockholm School of Economics. MBA Insead.
Born 1955, Swedish.
Chairman of the Board and co-founder of Söderberg & Partners AB. Chairman of the Board and founder of the association Inkludera. Deputy Chairman of the Stockholm School of Economics.
Former CEO of Dahl.

Shareholding in Ratos (own and related parties):
17,739,153 Class A shares, 5,370,122 Class B shares

Mats Granryd
Board member since 2024. Independent in relation to the company, executive management and major shareholders in the company.
MSc Eng. KTH Royal Institute of Technology in Stockholm.
Born 1962, Swedish.
Director General and Board member of the GSMA.
Former President and CEO of Tele2 Group 2010–2016.
Senior roles in Ericsson, including Head of Northern Europe & Central Asia. Extensive experience as a management consultant in telecom. Serves on the UN Broadband Commission and was an early proponent of sustainability.

Shareholding in Ratos (own and related parties):
30,000 Class B shares

Ulla Litzén
Board member since 2016. Independent in relation to the company, executive management and major shareholders in the company.
BA Econ, Stockholm School of Economics.
MBA Massachusetts Institute of Technology.
Honorary Doctorate, Stockholm School of Economics.
Born 1956, Swedish.
Board member of AB Electrolux, Epiroc AB and the Stockholm School of Economics Association.
Former President and CEO of W Capital Management AB, a wholly owned subsidiary of the Wallenberg Foundations, focused on portfolio management and financial analysis.
Managing Director and member of the management group at Investor AB, responsible for core holdings and analysis.

Shareholding in Ratos (own and related parties):
105,000 Class B shares

Tone Lunde Bakker
Board member since 2022. Independent in relation to the company, executive management and major shareholders in the company.
Master's degree in business administration from Arizona State University, USA.
Born 1962, Norwegian.
CEO of Eksfin (Export Finance Norway).
Previously General Manager of Swedbank Norge 2017–2021 and Global Head of Cash Management at Danske Bank 2015–2017. Leading positions at Nordic banks.

Shareholding in Ratos (own and related parties):
2,000 Class B shares

Cecilia Sjöstedt
Board member since 2024. Independent in relation to the company, executive management and major shareholders in the company.
MSc mechanical engineering, KTH Royal Institute of Technology in Stockholm.
Born 1967, Swedish.
Vice President & Managing Director of Maquet Critical Care at Getinge.
Deputy Chairman of the Board of the Stockholm Chamber of Commerce. Board member of Pulsion Medical Systems (Germany).
Former Site Leader & Managing Director and GSC Director Resins & Technology at Cytiva (Danaher)/GE Healthcare Uppsala 2018–2023. Plant & Site Director (Managing Director) at Galderma/Nestlé Skin Health, Uppsala 2016–2018. Site Director at Fresenius Kabi, Uppsala 2010–2016. Leading positions in Swedish and international industry, mainly within the paper, graphical, food and beverage, and life science/medtech industries.

Shareholding in Ratos (own and related parties):
3,000 Class B shares

Jan Söderberg, Deputy Chairman
Board member since 2000 and Deputy Chairman of the Board since December 2017. Independent in relation to the company and executive management. Dependent in relation to major shareholders in the company.
BA Econ, Stockholm School of Economics.
Born 1956, Swedish.
Chairman of the Board and founder of Söderbergföretagen.
Board member of the My Special Day Foundation.
Former positions include the President and CEO of Bröderna Edstrand and senior positions in Dahl Invest AB, Fosselius & Alpen and Esselte.

Shareholding in Ratos (own and related parties):
14,787,996 Class A shares, 4,731,750 Class B shares

Jonas Wiström, President and CEO
Board member since 2016. Chairman of the Board April 2016–December 2017. President and CEO since December 2017. Independent in relation to major shareholders in the company. Dependent in relation to the company and executive management.
MSc Eng. KTH Royal Institute of Technology in Stockholm.
Born 1960, Swedish.
Former President and CEO of ÅF, President and CEO of Prevas. CEO of Silicon Graphics northern Europe and positions within Philips, Saab-Scania and Sun Microsystems.

Shareholding in Ratos (own and related parties):
400,000 Class B shares
Warrants in Ratos: 450,000
Convertibles in Ratos: 500,000

Secretary to the Board
Magnus Stephensen, General Counsel, Ratos.

Auditor
At the 2024 Annual General Meeting, the auditing firm Ernst & Young AB, with authorised public accountant Erik Sandström as Chief Auditor, was elected for the period until the 2025 Annual General Meeting has been held.

Board's and CEO's holdings at 31 December 2024.
For present holdings please visit Ratos homepage www.ratos.com.

From left:

Anders Slettengren
Magnus Stephensen
Christian Johansson Gebauer
Josefine Uppling
Jonas Ågrup
Jonas Wiström

Management group

Jonas Wiström
President and CEO since December 2017 and Board member since 2016. Chairman of the Board April 2016–December 2017. Independent in relation to major shareholders in the company. Dependent in relation to the company and executive management.
MSc Eng. KTH Royal Institute of Technology in Stockholm
Born 1960, Swedish
Former President and CEO of ÅF
President and CEO of Prevas
CEO of Silicon Graphics northern Europe
Positions within Philips, Saab-Scania and Sun Microsystems

Shareholding in Ratos (own and related parties):
400,000 Class B shares
Warrants in Ratos: 450,000
Convertibles in Ratos: 500,000

Christian Johansson Gebauer
President Business Area Construction & Services
MSc Eng. Linköping university
Born 1980, Swedish
Employed by Ratos since 2014
Skanska 2011–2014
McKinsey & Co 2008–2011
Toyota 2005–2008

Shareholding in Ratos (own and related parties):
40,000 Class B shares
Warrants in Ratos: 375,000
Convertibles in Ratos: 687,400

Anders Slettengren
Executive Vice President
President Business Area Consumer, President Business Area Industry, Head of Talent Management
BA Econ, Stockholm School of Economics
Born 1968, Swedish
Employed by Ratos since 2018
CEO of Industrifonden 2014–2018
Novax 2001–2014 and CEO 2006–2014
Microsoft 1995–2001
Unilever 1993–1995

Shareholding in Ratos (own and related parties):
35,000 Class B shares
Warrants in Ratos: 300,200
Convertibles in Ratos: 179,800

Magnus Stephensen
General Counsel
Legal & Compliance
LL.B. Uppsala university
Born 1980, Swedish and Icelandic
Employed at Ratos since 2017
Modern Times Group MTG AB (publ) 2012–2017
Linklaters Advokatbyrå AB 2005–2012

Warrants in Ratos: 375,000
Convertibles in Ratos: 596,500

Josefine Uppling
Vice President Communication & Sustainability
Political scientist, Uppsala university
Born 1982, Swedish
Employed by Ratos since 2021
Head of Group Public Affairs, Swedbank and Swedbank Robur 2018–2021
Head of Group Press Office, Swedbank and Swedbank Robur 2017–2018
Head of Analysis and Communication, The Swedish Association of Real Estate Agents 2015–2017

Warrants in Ratos: 137,500
Convertibles in Ratos: 137,500

Jonas Ågrup
CFO and IR
MSc Econ., Stockholm School of Economics
Born 1960, Swedish
Employed by Ratos since 2020
Group CFO Munters 2011–2019
Group CFO ÅF 2007–2011
Various positions at WM-Data, Cardo and Atlas Copco

Shareholding in Ratos (own and related parties):
55,000 B shares
Warrants in Ratos: 300,000
Convertibles in Ratos: 375,000

Management group's holdings at 31 December 2024. For present holdings please visit Ratos homepage www.ratos.com.

Financial statements and notes

Consolidated income statement

SEKm	Note 2, 4	2024	2023
Net sales	3	32,125	33,748
Other operating income	3	146	223
Cost of goods and services sold		–18,164	–19,105
Work performed by the company for its own use and capitalised		11	3
Employee benefit costs	7, 22	–8,754	–8,657
Depreciation/amortisation and impairment of property, plant and equipment, intangible assets and right-of-use assets	11, 12, 13	–1,853	–2,298
Other external costs	8, 26	–2,341	–2,997
Capital gain from Group companies	5	62	3
Reversed impairment of investments recognised according to the equity method	14		1,656
Share of profits from investments recognised according to the equity method	6, 14	439	433
Operating profit		**1,670**	**3,010**
Financial income	9	73	79
Financial expenses	9	–707	–745
Exchange gains/losses	9	–16	–70
Net financial items		**–650**	**–737**
Profit before tax		**1,020**	**2,273**
Income tax	10	–358	–267
Profit for the year		**662**	**2,006**
Owners of the parent		249	1,218
Non-controlling interests		414	788
Earnings per share from profit for the year, SEK	21		
– basic earnings per share		0.76	3.73
– diluted earnings per share		0.76	3.72

Consolidated statement of comprehensive income

SEKm	Note	2024	2023
Profit for the year		**662**	**2,006**
Other comprehensive income			
Items that will not be reclassified to profit or loss	22		
Remeasurement of defined benefit pension obligations, net		–3	–25
Tax attributable to items that will not be reclassified to profit or loss	10	0	1
		–3	**–24**
Items that may be reclassified subsequently to profit or loss	19		
Translation differences for the year		133	–432
Change in hedging reserve for the year		79	–53
Tax attributable to items that may be reclassified subsequently to profit or loss	10	–2	–2
		210	**–487**
Other comprehensive income for the year, net after tax		**207**	**–510**
Total comprehensive income for the year		**869**	**1,496**
Total comprehensive income for the year attributable to:			
Owners of the parent		434	828
Non-controlling interests		436	667

Consolidated statement of financial position

SEKm	Note 4	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Goodwill	11	14,286	14,047
Other intangible assets	11	1,785	1,931
Property, plant and equipment	12	1,547	1,617
Right-of-use assets	13	3,609	4,816
Investments recognised according to the equity method	14	3,426	3,246
Shares and participations	16	0	0
Other receivables	16	95	61
Deferred tax assets	10	555	477
Total non-current assets		**25,304**	**26,195**
Current assets			
Inventories	17	1,851	1,868
Tax assets		86	72
Trade receivables	16, 25	3,025	3,277
Prepaid expenses and accrued income		393	464
Contract assets	32	669	725
Other receivables	16	1,010	1,164
Derivative instruments	16	12	5
Cash and cash equivalents	16, 30	2,186	2,360
Total current assets		**9,232**	**9,935**
Total assets		**34,536**	**36,129**

SEKm	Note 4	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
Share capital	18	1,031	1,029
Other capital provided		439	421
Reserves	19	–70	–258
Retained earnings including profit for the year		10,869	11,123
Equity attributable to owners of the parent		**12,270**	**12,314**
Non-controlling interests	20	2,482	2,137
Total equity		**14,752**	**14,451**
Liabilities			
Non-current interest-bearing liabilities	16, 25, 26	7,613	9,141
Other non-current liabilities	16, 32	963	1,875
Provisions for pensions	22	68	65
Other provisions	23	43	45
Deferred tax liabilities	10	708	801
Total non-current liabilities		**9,395**	**11,927**
Current interest-bearing liabilities	16, 25, 26	1,390	1,288
Trade payables	16	2,676	2,803
Tax liabilities		304	188
Contract liabilities	32	2,398	2,407
Derivative instruments	16	3	18
Other liabilities		1,412	1,101
Accrued expenses	24	1,651	1,437
Provisions	23	555	509
Total current liabilities		**10,388**	**9,751**
Total liabilities		**19,783**	**21,678**
Total equity and liabilities		**34,536**	**36,129**

For information about the Group's pledged assets and contingent liabilities, see Note 27.

Consolidated statement of changes in equity

SEKm	Note 18, 19, 20	Share capital	Other capital provided	Reserves	Retained earnings incl. profit for the year	Total	Non-controlling interests	Total equity provided
		Equity attributable to owners of the parent						
Opening equity, 1 January 2023		**1,027**	**408**	**115**	**10,740**	**12,289**	**1,499**	**13,788**
Profit for the year					1,218	1,218	788	2,006
Other comprehensive income for the year				–373	–17	–389	–121	–510
Comprehensive income for the year				**–373**	**1,201**	**828**	**667**	**1,496**
Dividend					–274	–274	–177	–451
Non-controlling interests’ share of capital contribution, new share issue and impaired equity							1	1
Conversion of convertible debentures to shares		2	13			15		15
Value of conversion option for convertible debentures, net					3	3		3
Option premiums, net					6	6		6
Put options, future acquisitions from non-controlling interests					–549	–549	200	–349
Acquisition of shares in subsidiaries from non-controlling interests					–6	–6	–64	–70
Disposal of shares in subsidiaries to non-controlling interests					2	2	11	13
Closing equity, 31 December 2023		**1,029**	**421**	**–258**	**11,123**	**12,314**	**2,137**	**14,451**
Opening equity, 1 January 2024		**1,029**	**421**	**–258**	**11,123**	**12,314**	**2,137**	**14,451**
Profit for the year					249	249	414	662
Other comprehensive income for the year				188	–3	185	22	207
Comprehensive income for the year				**188**	**246**	**434**	**436**	**869**
Dividend					–409	–409	–281	–689
Non-controlling interests’ share of capital contribution, new share issue and impaired equity							50	50
Conversion of convertible debentures to shares		3	19			21		21
Net effect, repurchase/redemption of own shares					–1	–1	–1	–2
Value of conversion option for convertible debentures, net					4	4		4
Option premiums, net					6	6		6
Put options, future acquisitions from non-controlling interests					598	598	323	921
Acquisition of shares in subsidiaries from non-controlling interests					–529	–529	–402	–931
Disposal of shares in subsidiaries to non-controlling interests					–12	–12	64	52
Non-controlling interests’ share of dividends from associates					–156	–156	156	
Closing equity, 31 December 2024		**1,031**	**439**	**–70**	**10,869**	**12,270**	**2,482**	**14,752**

Consolidated statement of cash flows

SEKm	Note 30	2024	2023
Operating activities			
Operating profit		1,670	3,010
Adjustment for non-cash items		1,568	565
		3,238	3,575
Dividends received from associates		318	122
Interest and financial items, net		–544	–552
Income tax paid		–447	–316
Cash flow from operating activities before change in working capital		**2,566**	**2,829**
Cash flow from change in working capital			
Increase (–)/Decrease (+) in inventories		130	571
Increase (–)/Decrease (+) in operating receivables		351	25
Increase (+)/Decrease (–) in operating liabilities		399	850
Cash flow from operating activities		**3,445**	**4,275**
Investing activities			
Acquisitions, Group companies		–608	–333
Disposals, Group companies		–25	–2
Investments and disposals, intangible assets/property, plant and equipment		–287	–231
Investments and disposals, financial assets		–52	24
Cash flow from investing activities		**–972**	**–542**

SEKm	Note 30	2024	2023
Financing activities			
Non-controlling interests' share of issue/capital contribution		50	1
Transfer of treasury shares		–2	
Repurchase/final settlement of options		–28	–80
Acquisition and disposal of shares in subsidiaries from non-controlling interests		–891	–24
Dividends paid		–409	–274
Dividends paid, non-controlling interests		–281	–194
Borrowings		3,405	1,884
Amortisation of loans		–3,403	–4,141
Amortisation of financial lease liabilities		–1,060	–970
Cash flow from financing activities		**–2,618**	**–3,798**
Cash flow for the year		**–145**	**–65**
Cash and cash equivalents at the beginning of the year		2,360	2,532
Exchange differences in cash and cash equivalents		–29	–108
Cash and cash equivalents at the end of the year		2,186	2,360

Parent company income statement

SEKm	Note	2024	2023
Other operating income	3	8	9
Other external costs	8	–36	–33
Personnel costs	7, 22	–113	–118
Depreciation of property, plant and equipment	12	–1	–1
Operating loss		**–142**	**–142**
Profit from investments in Group companies	5		192
Other interest income and similar profit items	9	478	484
Interest expenses and similar profit/loss items	9	–459	–455
Exchange gains/losses	9	–4	–21
Profit after financial items		**–127**	**59**
Group contributions, received		177	158
Profit before tax		**50**	**217**
Tax	10	48	75
Profit for the year		**98**	**292**

Parent company statement of comprehensive income

SEKm	2024	2023
Profit for the year	**98**	**292**
Other comprehensive income for the year	**0**	**0**
Comprehensive income for the year	**98**	**292**

Parent company balance sheet

SEKm	Note	31 Dec 2024	31 Dec 2023
ASSETS			
Non-current assets			
Property, plant and equipment	12	3	4
Financial assets			
Participations in Group companies	29	11,174	10,736
Receivables from Group companies	15, 16	3,130	3,919
Deferred tax assets		252	205
Total non-current assets		**14,560**	**14,864**
Current assets			
Current receivables			
Receivables from Group companies	15.16	3,983	2,975
Other receivables		5	11
Derivative instruments	16	4	3
Prepaid expenses and accrued income		17	24
Cash and bank balances	16, 30	246	876
Total current assets		**4,254**	**3,889**
Total assets		**18,814**	**18,752**

SEKm	Note	31 Dec 2024	31 Dec 2023
EQUITY AND LIABILITIES			
Equity	18		
Restricted equity			
Share capital		1,031	1,029
Statutory reserve		289	289
Unrestricted equity			
Share premium reserve		203	184
Retained earnings		8,116	8,223
Profit for the year		98	292
Total equity		**9,737**	**10,016**
Non-current liabilities			
Interest-bearing liabilities			
Convertible debentures	16	112	110
Liabilities to Group companies	16		150
Other interest-bearing liabilities	16	4,133	4,423
Deferred tax liabilities		4	3
Total non-current liabilities		**4,249**	**4,687**
Current provisions			
Other provisions	23	5	16
Total current provisions		**5**	**16**
Current liabilities			
Interest-bearing liabilities			
Convertible debentures	16	40	10
Liabilities to Group companies	16	4,140	3,940
Derivative instruments	16	1	7
Other interest-bearing liabilities	16	378	7
Non-interest bearing liabilities			
Liabilities to Group companies	16	193	0
Trade payables	16	14	11
Other liabilities		3	2
Accrued expenses	24	53	55
Total current liabilities		**4,824**	**4,033**
Total equity and liabilities		**18,814**	**18,752**

For information about the parent company's pledged assets and contingent liabilities, see Note 27.

Parent company statement of changes in equity

		Restricted equity		Unrestricted equity			
SEKm	Note 18	Equity	Reserves	Share premium reserve	Retained earnings	Profit for the year	Total equity provided
Opening equity, 1 January 2023		**1,027**	**289**	**172**	**8,167**	**320**	**9,975**
Other disposition of earnings					320	–320	
Profit for the year						292	
Comprehensive income for the year						**292**	**292**
Dividend					–274		–274
Conversion of convertible debentures to shares		2		13			15
Option premiums					6		6
Value of conversion option for convertible debentures					4		4
Deferred tax, conversion option for convertible debentures					–1		–1
Closing equity, 31 December 2023		**1,029**	**289**	**184**	**8,223**	**292**	**10,016**
Opening equity, 1 January 2024		**1,029**	**289**	**184**	**8,223**	**292**	**10,016**
Other disposition of earnings					292	–292	
Profit for the year						98	
Comprehensive income for the year						**98**	**98**
Dividend					–409		–409
Conversion of convertible debentures to shares		3		19			21
Option premiums					6		6
Value of conversion option for convertible debentures					5		5
Deferred tax, conversion option for convertible debentures					–1		–1
Closing equity, 31 December 2024		**1,031**	**289**	**203**	**8,116**	**98**	**9,737**

Parent company cash flow statement

SEKm	Note 30	2024	2023
Operating activities			
Profit before tax		50	217
Adjustment for non-cash items		–269	23
		–220	240
Income tax paid			
Cash flow from operating activities before change in working capital		**–220**	**240**
Cash flow from change in working capital			
Increase (–)/Decrease (+) in operating receivables		–35	8
Increase (+)/Decrease (-) in operating liabilities		2	–115
Cash flow from operating activities		**–252**	**133**
Investing activities			
Acquisition, shares in subsidiaries		–298	–12
Acquisition, property, plant and equipment		–0	–1
Cash flow from investing activities		**–298**	**–12**
Financing activities			
Repurchase/redemption of options			–78
Option premiums paid		18	
Convertible debentures		44	38
Change in external loans		54	–2,267
Change in intra-Group borrowings		212	2,925
Dividends paid		–409	–274
Cash flow from financing activities		**–80**	**345**
Cash flow for the year		**–630**	**466**
Cash and cash equivalents at the beginning of the year		876	410
Exchange differences in cash and cash equivalents		0	0
Cash and cash equivalents at the end of the year		246	876

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Notes

Note 1 Accounting principles

Compliance with standards and laws
Ratos's consolidated financial statements are prepared in accordance with the Swedish Annual Accounts Act (1995:1554), RFR 1 Complementary Accounting rules for groups, International Financial Reporting Standards (IFRS) and interpretations of the standards (IFRIC) as endorsed by the EU. The parent company applies the same accounting principles as the Group except in cases specified in the section Parent company's accounting principles on page 98.

Changed accounting principles due to new or amended IFRS
In 2024, there were no new standards or amendments to standards that necessitated changes in the accounting or measurement principles.

In 2023, amendments were made to IAS 1 and IAS 12 in that necessitated changes in the accounting or measurement principles. As a result of the amendment to IAS 1, as of 2023, Ratos will only present the principles that are deemed material for the company's consolidated financial statements unless the principles include specific policy choices that enable different recognition of the same transaction.

Other amendments are not assessed to impact the Group's principles to any material extent.

New IFRS that have not yet come into force
Future standards, amendments and improvements to existing standards and interpretations that have not come into force for the 2024 financial year have not been applied in advance in the preparation of this financial report. Ratos has deemed that none of these amendments, which have not yet come into force, are expected to entail any material impact on the Group's financial statements.

Conditions for preparation of the financial statements of the parent company and the Group
The parent company's functional currency is Swedish kronor (SEK), which also comprises the presentation currency for the parent company and the Group. This means that the financial statements are presented in Swedish kronor.

Amounts are presented in SEK million (SEKm) unless otherwise stated. Rounding may apply in tables and calculations, which means that the stipulated total amounts are not always an exact amount of the rounded amounts.

The Group's accounting principles, which are presented on the following pages, are applied consistently to all periods presented in the Group's financial statements. These principles are also applied consistently to reporting and consolidation of parent companies, subsidiaries and associates.

Estimations and assessments
Preparation of the financial statements in accordance with IFRS requires assessments and estimations to be made as well as assumptions that affect the application of the accounting principles and the carrying amounts of assets, liabilities, income and expenses. The final outcome can deviate from the results of these estimations and assessments.

The estimations and assumptions are reviewed on a regular basis. Changes in estimations are recognised in the period in which the changes are made.

When applying IFRS, assessments which have a material effect on the financial statements, such as estimations made that may result in substantial adjustments to the following year's financial statements are described in greater detail in Note 31.

Consolidation principles and business combinations
Subsidiaries
Subsidiaries are companies over which Ratos exercises control. Control exists when the Group is exposed to or is entitled to a variable return from its holding in the company and is able to affect the return through its controlling influence in the company. Subsidiaries are included in the consolidated financial statements with effect from the date when control is transferred to the Group.

Acquisition method
Subsidiaries are recognised according to the acquisition method. This method means that the acquisition of a subsidiary is regarded as a transaction whereby the Group indirectly acquires the subsidiary's assets and assumes its liabilities. In the acquisition analysis, the fair value on the acquisition date is identified of acquired identifiable assets and assumed liabilities as well as any non-controlling interests. For business combinations, there are two alternative methods for recognising goodwill, either a proportionate share of or full goodwill. Full goodwill means that a non-controlling interest is recognised at fair value. The choice between these two methods is made individually for every acquisition.

Contingent considerations are recognised at fair value on the date of acquisition. If the contingent consideration is classified as a financial liability, this is remeasured at fair value on each reporting date. The change in value is recognised in profit or loss for the year. If the contingent consideration, on the other hand, is classified as an equity instrument no remeasurement is performed and adjustment is made within equity.

Call and put options issued to owners with non-controlling interests
Put options issued to owners with non-controlling interests refer to agreements that give the owner the right to sell interests in the company at fair value at a future period in time. Call options issued to owners with non-controlling interests refer to agreements that give Ratos the right to purchase interests in the company at fair value at a future period in time. The amount that may be paid if the option is exercised is initially recognised at the present value of the strike price applicable at the period in time when the option can first be exercised as financial liability with a corresponding amount directly in equity. Valuation (Level 3) of the option takes place on a continuous basis, and changes are recognised directly in equity. If the option is not exercised by maturity, the liability is derecognised and a corresponding adjustment of equity made. For more information regarding issued call and put options, refer to Note 16.

Acquisitions and divestments in subsidiaries where the controlling interest is unchanged
Acquisitions and divestments of interests in subsidiaries where Ratos has an uninfluential control of in the transaction are recognised as a transaction within equity, meaning between owners of the parent and non-controlling interests.

Associates – equity method
Associates are companies over which Ratos exercises a significant influence. A significant influence means the possibility of participating in decisions concerning the company's financial and operating strategies, but does not imply control or joint control. Normally, ownership corresponding to not less than 20 per cent and not more than 50 per cent of the voting rights means that a significant influence exists.

Associates are recognised according to the equity method. The equity method means that the book value in the Group of the shares in associates corresponds to the Group's share of equity in associates, and any residual values on consolidated surplus and deficit values minus any intra-Group profits. In the consolidated income statement, the Group's share of associates' profits after tax is recognised as "Share of profits from investments recognised according to the equity method". Dividends received from associates reduce carrying amounts. If the value is considered to have declined, the participation is impaired. Recognised impairment losses are reversed if participations in associates are deemed to permanently increase in value to the book value before impairment.

Foreign currency

Transactions

Transactions in foreign currency are translated into the functional currency at the exchange rate that prevails on the transaction date. Monetary assets and liabilities in foreign currency are translated into the functional currency at the exchange rate prevailing at the end of the reporting period. Exchange rate differences that arise on translation of financial assets and liabilities are recognised in net financial items. Changes in value due to currency translation relating to operating assets and liabilities are recognised in operating profit.

Net investment in foreign operations

Monetary non-current receivables to a foreign operation for which settlement is not planned and will probably not take place in the foreseeable future, are in practice part of net investment in foreign operations. An exchange rate difference that arises on the monetary non-current receivable is recognised in other comprehensive income and accumulated in the translation reserve in equity.

Revenue recognition

Revenue recognition in accordance with IFRS 15 shall take place in the manner that best reflects the transfer of promised goods or services to the customer, based on a five-step model stipulated in the standard. To apply the model, a company must identify a contract that includes a performance obligation to transfer a good or service to the customer at a fixed transaction price (selling price). The transaction price consists of the amount of consideration to which a company expects to be entitled in exchange for transferring promised goods or services to a customer. When the transaction price is determined, it must be allocated to the performance obligations in the contract. Revenue is recognised when the performance obligation is satisfied. Revenue is recognised either over time or at a point in time, depending on when control is transferred to the customer. A company satisfies a performance obligation over time if one of the following criteria is met:

1. the customer immediately receives the benefits when the obligation is satisfied
2. the company's performance creates or enhances an asset that the customer controls
3. the company's performance does not create an asset with an alternative use for the company and the company has the right to payment for performance completed to date.

For more information about revenue recognition, refer to Note 3.

Financial income and expenses

Net financial items include dividends, interest as well as costs for raising loans, calculated using the effective interest method, and exchange-rate fluctuations relating to financial assets and liabilities. Dividend income is recognised when the right to receive dividends is established. Capital gains or losses that arise in conjunction with divestments of financial assets and impairment of financial assets are also recognised in net financial items, as are unrealised and realised changes in value relating to financial assets measured at fair value through profit or loss. Changes in the value of derivative instruments for which hedge accounting is not applied are recognised in net financial items.

In addition, payments relating to finance leases are divided between interest expense and amortisation. Interest expense is recognised as a financial expense.

Intangible assets

Goodwill

Goodwill is measured at cost minus any cumulative impairment losses. Goodwill is not amortised but is tested annually for impairment or when there is an indication that the asset has declined in value. Goodwill that arose at acquisition of associates or joint ventures is included in the carrying amount for investments.

Other intangible assets

Other intangible assets acquired by the Group are recognised at cost with deduction for impairment and, if the asset has a determinable useful life, cumulative amortisation.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful life of intangible assets, provided such useful lives are indefinite.

Depreciable intangible assets are amortised from the date when they are available for use. The estimated useful lives are:

	Number of years
Trademarks[1]	Indefinite useful life
Customer relations	2–10
Business systems	3–10
Other intangible assets	3–10

[1] Brands that are currently identified by the Group as having indefinite useful lives and are therefore not amortised. Refer to Note 11.

Property, plant and equipment

Owned assets

Property, plant and equipment are recognised in the Group at cost after deduction for cumulative depreciation and any impairment losses. Cost includes the purchase price as well as costs directly attributable to the asset in order to put it in place and in a condition to be utilised in accordance with the purpose of its acquisition. Examples of directly attributable costs included in cost are costs for delivery and handling, installation, registration of title, consulting services and legal services.

The carrying amount of property, plant and equipment is derecognised from the statement of financial position upon disposal or sale or when no future economic benefits are expected from use. Gains or losses that arise from the sale or disposal of an asset comprise the difference between the selling price and the carrying amount of the asset with deduction for direct selling costs are recognised as other operating income/expense.

Depreciation principles

Depreciation is carried out on a straight-line basis over the estimated useful life per component. Land is not depreciated.

	Number of years
Buildings	5–50
Machinery and equipment	1–20

Leases

As of 1 January 2019, the majority of leases are recognised as right-of-use assets with associated liabilities, beginning when the asset is available for use by the lessee. All leases are considered finance leases. Upon the initial recognition of a lease, the value of the right-of-use asset and the lease liability are normally equal. Each lease payment is apportioned to interest and amortisation of the lease liability. The interest is recognised as a financial expense in income statement, apportioned over the lease term so that each period is charged with an amount reflecting a fixed interest rate on the underlying lease liability.

The right-of-use asset is measured at cost, which reflects the value of the lease liability, plus any initial direct expenditure, plus obligations for disassembly, removal or recovery at the end of the lease. As a general rule, the right-of-use asset is depreciated on a straight-line basis over the term of the lease or, given an option to extend, the period during the lessee expects to use the asset. Leases that are of a low value as well as leases with a term of 12 months or less, referred to as short-term leases, are not included in the lease liability but rather are expensed on a straight-line basis during the lease term. Low-value leases refer to leases with a value under SEK 50,000 or USD 5,000 or the individual company's materiality level.

Lease liabilities are initially measured at the present value of future lease payments. Lease payments are discounted by the lease's implicit interest rate, if the implicit interest rate can be easily determined, but the typical method is for the Group to use the incremental borrowing rate. Future lease payments calculated at present value consist primarily of fixed payments, variable lease payments based on an index and obligations to pay the residual value at the end of the lease. Lease liabilities that fall due within 12 months are classified as current liabilities and liabilities that fall due after 12 months as non-current liabilities.

Upon determining the term for a lease, extension options are taken into account if it is likely that they will be exercised. Instead of the term of the lease, the lessee uses the likely amount of time by which it will be extended. The ability to extend/terminate a lease is only included in the term of the lease if it is reasonable to expect that the lease will be extended or not concluded. Certain options can be exercised at a later occasion.

The incremental borrowing rate is used as the discount rate for the calculation of present value. This is the rate that the lessee would pay on a loan to purchase an asset equivalent to the one in the lease liability. Among other things, the lease's term, country, currency, collateral and credit risk for the lender are taken into account.

Financial instruments

Financial instruments recognised in the statement of financial position on the assets side include cash and cash equivalents, trade receivables, shares and participations, other receivables and derivative instruments. On the liabilities side, there are trade payables, interest-bearing liabilities, other liabilities and derivative instruments.

Amortised cost

Assets held for the purpose of collecting contractual cash flows and where these cash flows solely consist of the principal amount and interest, are recognised at amortised cost. Interest income from such financial assets is recognised as financial income by applying the effective interest method. Gains and losses that arise during derecognition from the statement of financial position are recognised directly in profit or loss in net financial items together with exchange rate earnings.

Liabilities measured at amortised cost are all other liabilities except those measured at fair value through profit or loss. Interest expenses from financial liabilities that are measured at amortised cost are recognised as financial expenses by applying the effective interest method. Gains and losses that arise during derecognition from the statement of financial position are recognised directly in profit or loss in net financial items together with exchange rate earnings.

The category of amortised cost includes trade receivables, other receivables, cash and cash equivalents, trade payables, liabilities to credit institutions, financial lease liabilities and other interest-bearing liabilities. Trade receivables are recognised at the amount at which they are expected to accrue, with deduction for loss provisions. Trade payables that have a short anticipated maturity are measured at nominal amounts without discount.

Fair value through profit or loss

Assets and liabilities that do not meet the requirements to be measured at amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. The Group measures all equity instruments at fair value. Changes in the fair value of financial assets/liabilities measured at fair value through profit or loss are recognised in profit or loss. A gain or loss for a debt instrument that is measured at fair value through profit or loss and that is not part of a hedging relationship is recognised net in profit or loss in the period in which the gain or loss arises.

Debt instruments included in the category are contingent considerations, synthetic options, put options and derivatives, with the exception of derivatives that are identified and effective hedging instruments in conjunction with hedge accounting. The purpose of a derivative instrument, which is not classified as a hedging instrument, determines if the change in value is recognised in net financial items or in operating profit or loss. Any change in the value of issued synthetic options where market premiums have been paid is recognised in net financial items.

Equity instruments included in the category are holdings of shares and participations that are not recognised as subsidiaries or associates.

Derivative instruments and hedge accounting

The Group's derivative instruments are acquired to hedge the risks of interest rate and currency exposure to which the Group is exposed. In order to hedge this risk, various types of derivative instruments are used such as forward contracts, swaps and hedges of net investments in foreign operations.

All derivative instruments are recognised at fair value in the statement of financial position. Transaction costs are initially charged to earnings. The changes in value that arise on remeasurement can be recognised in different ways depending on whether or not hedge accounting is applied.

In accordance with IFRS 9, the Group documents the relationship between the hedging instrument and the hedged item when the transaction is entered into as well as the Group's target for risk management and the risk management strategy pertaining to the hedge. Both when entering into the hedging transaction and on an ongoing basis, the Group also documents its assessment as to whether or not the derivatives used for the hedging transaction are, and remain, efficient in terms of offsetting changes in the fair value of the hedged items or in terms of the cash flows pertaining to them. The outcome related to hedges are recognised in profit or loss for the year at the same time as gains or losses are recognised for the hedged items.

If hedge accounting is discontinued before the maturity of the derivative instrument, the derivative instrument returns to classification as a financial asset or liability measured at fair value through profit or loss, and the future changes in value of the derivative instrument are therefore recognised directly in profit or loss for the year.

Cash flow hedges

The forward contracts used to hedge future cash flows and forecast purchases and sales in foreign currency are recognised in the Statement of financial position at fair value. Where hedge accounting is applied, changes in value for the period are recognised in other comprehensive income and accumulated changes in value in the hedging reserve within equity until the hedged flow is recognised in profit or loss for the year, whereby the hedging instrument's accumulated changes in value are reclassified to profit or loss for the year where they meet and match profit or loss effects from the hedged transaction.

If hedge accounting is not applied, changes in value for the period are recognised directly in profit or loss for the year.

Hedging of net investments

Hedging of net investments in foreign operations is recognised in a similar manner to cash flow hedges.

The portion of the gain or loss on a hedging instrument considered as effective hedging is recognised in other comprehensive income and accumulated in equity. Gains or losses attributable to the ineffective portion are recognised directly in profit or loss as other income or other costs.

Accumulated gains and losses in equity are reclassified in profit or loss when the foreign operations are partially or entirely divested.

Impairment

On each closing date, an assessment is made of whether there is any indication that an asset has an impaired value. If such indication exists, the recoverable amount of the asset is calculated.

Impairment testing is carried out in another manner for certain assets. This applies to inventories, assets held for sale, assets under management used for financing of employee benefits and deferred tax assets, see respective headings below. IAS 36 is applied to impairment of assets other than financial assets which are recognised according to IFRS 9.

Impairment of goodwill, intangible assets, property, plant and equipment, and right-of-use assets

The value of goodwill, intangible assets, property, plant and equipment, and right-of-use assets is calculated at the end of each reporting period to determine if there is any indication of an impairment requirement. If such an indication exists, the recoverable amount of the asset is calculated. Additionally, the recoverable amount for goodwill, other intangible assets with an indefinite useful life and intangible assets that are not yet ready for use is calculated annually, regardless of whether there is any indication of an impairment requirement.

In the Ratos Group, goodwill and intangible assets with an indefinite useful life are attributed to a company, i.e. a subsidiary or associate, where each company comprises a cash-generating unit. Testing of carrying amounts is performed per company, including the value of goodwill and intangible assets which are attributable to the company in question.

An impairment is charged to operating profit or loss and recognised when the carrying amount exceeds the recoverable amount. Impairment is allocated in the first instance to goodwill. The recoverable amount is the higher of fair value with deduction for selling costs and value in use. For a more detailed description, see Note 11.

Impairment of financial assets

The Group measures future expected credit losses related to investments in debt instruments recognised at amortised cost and fair value, respectively, with changes through other comprehensive income based on forward-looking information.

In accordance with the rules in IFRS 9, the Group applies a simplified approach for impairment testing of trade receivables. The approach entails that the reserve for expected credit losses is calculated based on the risk of loss over the entire lifetime of the receivable and is recognised when the receivable is initially measured. For more information, see Note 25.

Reversal of impairment

Impairment losses on assets other than goodwill are reversed if there has been a change in the assumptions that form the basis of calculation of the recoverable amount. An impairment is only reversed to the extent the asset's carrying amount after reversal does not exceed the carrying amount the asset would have had if no impairment had been recognised, taking into account the amortisation that would then have taken place.

Financial assets are written off when a reasonable expectation of payment no longer exists, for example when a debtor has failed to comply with a repayment plan or a receivable has fallen due for a certain number of days. When loans and receivables are written off, measures continue to be undertaken to recover the receivable. If a previously written off receivable is recovered, the amount is recognised in profit or loss.

Equity

The Group's equity is allocated to share capital, other capital provided, reserves, retained earnings including profit/loss for the year and non-controlling interests.

Acquisitions and divestments in subsidiaries where the controlling interest is unchanged

Acquisitions and divestments of interests in subsidiaries where Ratos has an uninfluential control of in the transaction are recognised as a transaction within equity, meaning between owners of the parent and non-controlling interests.

Purchases of treasury shares

Acquisitions of treasury shares are recognised as a reduction of equity.

Proceeds from the sale of treasury shares are recognised as an increase in equity. Any transaction costs are recognised directly in equity.

Dividends

Dividends are recognised as a liability after the Annual General Meeting has approved the dividend.

Employee benefits

Defined contribution pension plans

Plans where the company's obligation is limited to the contributions the company has undertaken to pay are classified as defined contribution pension plans. In such case, the size of the employee's pension depends on the contributions paid by the company to the plan or to an insurance company and the return on investment provided by the contributions. Consequently, it is the employee who bears the actuarial risk and the investment risk. The company's obligations for contributions to defined contribution plans are recognised as an expense in profit or loss for the year as they are earned.

Defined benefit plans

The Group's net obligation relating to defined benefit plans is calculated separately for each plan through an estimation of the future benefits that the employees have earned through their employment in both current and past periods. The remuneration is discounted to a present value and the fair value of any plan assets is deducted. The discount rate is the rate at the end of the reporting period for a first-class corporate bond with a maturity that corresponds to the Group's pension commitments. When there is no active market for such corporate bonds the market rate on government bonds with a corresponding maturity is used instead. This calculation is performed by a qualified actuary using the projected unit credit method.

Incentive programmes, synthetic options

Ratos AB issued synthetic options between 2007 and 2017. Synthetic options may also be issued by subsidiaries.

Premiums received are recognised as a financial liability. This did not initially imply any cost for the company since measurement of the options' fair value corresponds to the premium received by the company.

The liability is remeasured on a current basis to fair value by applying an options valuation model taking current terms into account.

The changes in value during the term of the options are recognised as a financial item.

If a synthetic option is utilised by the holder the financial liability is settled. The realised profit or loss is recognised in profit or loss as a financial item. If the synthetic options expire and are worthless, the recognised liability is taken up as income.

In cases when a market premium is not paid, these are recognised and measured in accordance with IFRS 2. A basic premise for IFRS 2 is that the company bears the cost that it incurred by not receiving a market premium. The expense that initially corresponds to the market value of the liability is recognised as employee benefits. In certain cases the expense is accrued over an earning period. The liability is remeasured on a current basis at fair value and changes in value are recognised in profit or loss for the year.

Incentive programmes, convertible debentures

The parent company has issued convertible debentures to its personnel, who paid market value. Recognition of the convertible debentures is divided up into an interest-bearing debt and a conversion option. The conversion option is recognised in equity. The initial fair value of the debt portion of the convertible debentures was calculated by using the market rate on the issue date for an equivalent non-convertible bond. On initial recognition, the debt is measured at amortised cost until it is converted or falls due. The remainder of the cash and cash equivalent is apportioned to the conversion option, recognised net after tax in equity, and is not remeasured. The convertible debenture issued entails no personnel costs. In the event of any future conversion of the subordinated loan, new shares will be issued that increase equity at the same time as the debt portion is transferred to equity. If conversion does not take place, the debt will be repaid to the participants on the due date.

Incentive programmes, warrants
The parent company has issued warrants to personnel. The warrants are offered free of charge, which means that the participants retain a benefit equivalent to the market value. The market value in connection with allotment was calculated using the Black–Scholes model. The associated benefits and social security contributions are recognised in their entirety as personnel costs upon issuance since there are no vesting, performance or market conditions. The cost of the benefit is recognised with an equivalent increase of equity. In the event of any future utilisation of warrants, the parent company retains cash and cash equivalents corresponding to the exercise price, whereupon new shares will be issued and the exercise settlement recognised as an increase in equity.

Provisions
A provision differs from other liabilities since there is uncertainty about the payment date or the size of the amount to settle the provision.

A provision is recognised in the statement of financial position when the Group has an existing legal or constructive obligation as a consequence of an event and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimation of the amount can be made.

Provisions are made in the amount that is the best estimate of what is required to settle the existing obligation on the closing date. If the effect of timing of the payment is significant, provisions are calculated by discounting the anticipated future cash flow at an interest rate before tax that reflects current market assessments of the value in time of the money and, where applicable, the risks associated with the provision.

A provision for an onerous contract is recognised when the expected economic benefits to the Group from a contract are lower than the unavoidable costs of meeting obligations under the contract.

A provision for guarantees is recognised when the underlying products or services are sold. The provision is based on historical data on guarantees and a weighing up of possible outcome in relation to the probabilities inherent in the outcome.

Restructuring
A provision for restructuring is recognised when there is an adopted, detailed and formal restructuring plan and the restructuring has either started or been publicly announced. No provision is made for future operating expenses.

Tax
Income taxes comprise current tax and deferred tax. Income taxes are recognised in profit or loss except when the underlying transaction is recognised directly in other comprehensive income or equity, when the inherent tax effect is recognised in other comprehensive income or in equity.

Current tax is tax that is to be paid or received relating to the current year, applying the tax rates decided or in practice at the closing date. Current tax also includes adjustments of current tax attributable to past periods.

Deferred tax is calculated on the basis of the difference between reported and tax assessment value of assets and liabilities. A valuation is performed based on the tax rates and tax regulations decided or announced as per the end of the reporting period. Deferred tax assets relating to deductible temporary differences and loss carry-forwards are only recognised to the extent it is probable that these will be utilised. The value of deferred tax assets is reduced when it is no longer assessed as probable that they can be used.

Deferred tax assets and liabilities are offset if a legal right to offset current tax assets and liabilities exists, and when the deferred tax assets and liabilities pertain to taxes charged by the same tax authority and there is an intention to settle these through a net payment.

When necessary, a provision is recognised in the form of tax liabilities pertaining to an uncertain tax position. An uncertain tax position is deemed to exist when there is uncertainty about whether a particular treatment will be approved by the tax authority. For example, the application of tax legislation for a certain transaction or under certain conditions may be unclear.

Parent company's accounting principles
The parent company prepares its annual accounts in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2 Accounting for legal entities. The Swedish Financial Reporting Board's recommendations for listed companies are also applied. RFR 2 means that the parent company in the annual accounts for a legal entity must apply all EU endorsed IFRS and statements as far as this is possible within the framework of the Annual Accounts Act, the Income Security Act and taking into account the correlation between accounting and taxation.

The recommendation states what exemptions and additions should be made to IFRS.

The differences between the Group's and the parent company's accounting principles are stated below.

The accounting principles set out below for the parent company are applied consistently to all periods presented in the parent company's financial reports.

Classification and presentation
The parent company's income statement and balance sheet are presented in accordance with the Swedish Annual Accounts Act's schedule, while the statement of comprehensive income, statement of changes in equity and statement of cash flows are based on IAS 1 Presentation of Financial Statements and IAS 7 Statement of Cash Flows, respectively. The differences between the consolidated financial statements which apply in the parent company's income statement and balance sheet mainly comprise recognition of financial income and expenses, non-current assets, equity and the occurrence of provisions as a separate heading in the balance sheet.

Associates and subsidiaries
Investments in associates and subsidiaries are recognised in the parent company according to the cost method.

This means that transaction costs are included in the carrying amount for holdings in subsidiaries and associates. In the Group, on the other hand, transaction costs are recognised for subsidiaries directly in profit or loss.

Contingent considerations are measured on the basis of the probability that the consideration will be paid. Any changes in provision/receivable increase/reduce cost. In the consolidated financial statements contingent considerations are measured at fair value with changes in value through profit or loss.

Group contributions and shareholder contributions
In cases where the parent company provides a shareholder contribution these are capitalised as shares and participations, to the extent no impairment is recognised.

Group contributions are recognised based on their economic substance. Group contributions received are recognised as financial income and Group contributions paid are recognised as a financial expense.

Tax
Until 2020, the parent company was taxed according to the rules for investment companies. From 2021, the parent company's operations changed, which means that its tax status as an investment company is deemed to have ceased and the parent company is taxed according to conventional income tax rules.

Leases
The parent company applies the exemption rule in RFR 2 and recognises lease payments as a cost on a straight-line basis over the lease term.

Note 2 Operating segments

Ratos is a Swedish group focused on technological and infrastructure solutions. At the end of 2024, Ratos owned 14 subsidiaries and one associate. The companies are active in different sectors, and operate strategically, operationally and financially independently. Ratos has three business areas: Industry, Construction & Services and Consumer, which comprise five segments. The Industry business area consists of the Industrial Services and Product Solutions segments, the Construction & Services business area consists of the Construction and Critical Infrastructure segments, and the Consumer business area consists of the Consumer segment. The most relevant basis for revenue classification is based on the five segments. This classification provides information about the Ratos Group's most material and relevant analysis requirement and give the reader an opportunity to gain an understanding of the various industries in which Ratos is involved in order to assess the Group's sensitivity to market trends and other economic factors that could impact revenue.

Ratos's management, which is the Ratos Group's "chief operating decision-maker," regularly monitors operations in each business area and decides on resource allocation and assesses financial outcomes based on Ratos's financial targets.

2024 SEKm	Industrial Services	Product Solutions	Construction	Critical Infrastructure	Consumer	Group costs and eliminations	Total
Net sales	5,356	5,099	12,068	4,307	5,337[1]	–43	32,125
EBITDA	**635**	**884**	**783**	**889**	**470**	–137	**3,523**
Depreciation/amortisation and impairment of assets	–244	–304	–108	–177	–646	–4	–1,483
EBITA	**391**	**579**	**675**	**712**	**–176**	–142	**2,039**
Items affecting comparability	–75			21	–236		–289
Adjusted EBITA	**466**	**579**	**675**	**691**	**60**[2]	–142	**2,329**
Amortisation and impairment of assets resulting from acquisitions	–74	–3		–42	–250		–369
Operating profit	**317**	**576**	**675**	**670**	**–426**	–142	**1,670**
Net financial items	–36	–186	76	–180	–336	13	–650
Group contributions		–112			–65	177	
Profit before tax	**280**	**278**	**751**	**491**	**–828**	48	**1,020**
Cash flow from operating activities	613	664	1,138	625	652	–246	3,445
Interest-bearing net receivables(-)/net debt(+)	421	2,125	–3,932	2,517	3,995	1,694	6,820

1) Of which Plantasjen SEK 3,785m.
2) Of which Plantasjen SEK –37m.

2023 SEKm	Industrial Services	Product Solutions	Construction	Critical Infrastructure	Consumer	Group costs and eliminations	Total
Net sales	5,598	4,981	13,682	3,616	5,888[1]	–17	33,748
EBITDA	**662**	**844**	**761**	**2,459**	**723**	–141	**5,308**
Depreciation/amortisation and impairment of assets	–239	–304	–132	–141	–588	–4	–1,408
EBITA	**423**	**540**	**629**	**2,318**	**136**	–146	**3,901**
Items affecting comparability				1,656			1,656
Adjusted EBITA	**423**	**540**	**629**	**662**	**136**[2]	–146	**2,244**
Amortisation and impairment of assets resulting from acquisitions	–74		–9	–553	–254		–890
Operating profit/loss	**349**	**540**	**620**	**1,766**	**–119**	–146	**3,010**
Net financial items	–57	–194	36	–166	–366	9	–737
Group contributions	–69	–91			1	159	
Profit/loss before tax	**223**	**255**	**656**	**1,600**	**–483**	22	**2,273**
Cash flow from operating activities	617	757	2,089	139	746	–74	4,275
Interest-bearing net receivables(-)/net debt(+)	652	1,895	–3,385	2,307	5,607	1,042	8,118

1) Of which Plantasjen SEK 4,281m.
2) Of which Plantasjen SEK 40m.

2024 SEKm	Net sales[1]							Non-current assets[2]						
	Industrial Services	Product Solutions	Construction	Critical Infra-structure	Consumer	Eliminations	Total	Industrial Services	Product Solutions	Construction	Critical Infra-structure	Consumer	Parent company	Total
Norway	175	165	8,842	3,216	2,187	–0	14,584	23	33	1,057	2,871	3,107		7,091
Sweden	3,522	328	1,893	690	2,951	–43	9,341	5,412	1,417	498	755	1,562	3	9,647
Other Nordic countries	31	374	1,333	401	199		2,339	0	1,931	887	26			2,845
Rest of Europe	1,053	3,206					4,259	160	733					893
Rest of the world	576	1,027					1,602	21	730					751
	5,356	**5,099**	**12,068**	**4,307**	**5,337**	**–43**	**32,125**	**5,617**	**4,844**	**2,442**	**3,652**	**4,668**	**3**	**21,227**

2023 SEKm	Net sales[1]							Non-current assets[2]						
	Industrial Services	Product Solutions	Construction	Critical Infra-structure	Consumer	Eliminations	Total	Industrial Services	Product Solutions	Construction	Critical Infra-structure	Consumer	Parent company	Total
Norway	164	143	9,511	2,741	2,475		15,034	7	1	1,036	2,890	4,054		7,988
Sweden	3,539	305	2,848	476	3,132	–17	10,282	5,527	1,612	488	527	2,291	4	10,447
Other Nordic countries	56	203	1,323	399	278		2,259		1,559	855	246	72		2,732
Rest of Europe	876	3,230			3		4,109	151	683			13		846
Rest of the world	964	1,101					2,064	17	379					397
	5,598	**4,981**	**13,682**	**3,616**	**5,888**	**–17**	**33,748**	**5,702**	**4,234**	**2,379**	**3,662**	**6,429**	**4**	**22,410**

1) Net sales are based on where the customer is based geographically.
2) Non-current assets refer to property, plant and equipment, intangible assets and right-of-use assets.

No individual countries other than Norway and Sweden are assessed as material for the Group and are therefore not recognised separately in the table above. The assessment of whether or not a country is material is based on whether net sales or non-current assets for the country exceed 10 per cent of the Group's total net sales or total non-current assets. No individual customer accounts for more than 10 per cent of total net sales.

Note 3 Revenue recognition

Net sales

Group

SEKm	2024	2023
Breakdown of net sales		
Sale of goods	10,264	10,732
Service contracts	8,352	7,927
Construction contracts	13,061	14,535
Reimbursable expenditure	447	553
	32,125	**33,748**

SEKm	2024	2023
Time of revenue recognition		
At a point in time	14,658	14,611
Over time	17,466	19,137
	32,125	**33,748**

Performance obligations and key assessments when applying IFRS 15 are described below. See Note 32 for more information on contract assets and contract liabilities.

Sale of goods

The performance obligation entails the sale of various types of goods to customers, including composite materials, store fixtures, plants, and gardening equipment. The obligation is fulfilled either upon delivery of the goods to the customer or immediately upon payment if a sale takes place in store. Payment terms vary between 15 and 120 days. An obligation for returns exists pertaining to the goods that are sold directly to the private individual, and the return period varies between seven and 30 days. There is a guarantee commitment for certain goods, and in these cases there are reserves for returns based on historical sales. The agreement contains separate selling prices. In cases of variable remuneration (price reductions, volume discounts and so forth) or other discounts, a corresponding amount is apportioned to all performance obligations based on their relative separate selling prices. Net sales from sale of goods pertains to the Consumer and Product Solutions segments.

Service contracts

The performance obligation entails supporting customers with various kinds of services, including technology consultancy assignments, infrastructure maintenance, and third-party logistics solutions and staffing. The performance of services is contract-based. The obligation is fulfilled either upon delivery of the service to the customer, meaning when the service is executed, or proportionally over the term of the contract. If the obligation is fulfilled when the service is executed, revenue is recognised at a point in time. This pertains, for example, to revenue from third-party logistics solutions and infrastructure maintenance. For performance obligations fulfilled proportionally over the term of the contract, revenue is recognised when the performance obligation has been fulfilled. Payment terms vary between 30 and 90 days, but payments can also be made in advance. There is no obligation for returns, repayment or warranty. The agreements contain a separate selling price. In cases of variable remuneration (price reductions, volume discounts and so forth) or other discounts, a corresponding amount is apportioned to relevant obligations based on their relative separate selling prices. Net sales from service contracts pertains to the Critical Infrastructure, Industrial Services and Product Solutions segments.

Construction contracts

Contractual operations mainly involve performing contractual assignments (projects) with a duration from a few months to up to two or three years, and apply to all types of construction and engineering projects. The performance obligation is to construct buildings for customers. The transfer of the risk to the customer takes place on a continuous basis and revenue recognition is effected over time (percentage of completion method) since the buildings are constructed on the customer's land, no alternative use for the constructed buildings exists and the company has a right to payment. The percentage of completion method means revenue is recognised as work progresses, based on the degree of completion. The degree of completion is assessed on the basis of the completed production and is normally calculated as the relationship between costs incurred at the end of the accounting period and the expected total cost of each project. Earnings in a project are recognised from the first month revenue is recognised, corresponding to the costs incurred. As soon as a final result can be reliably estimated, earnings are continuously recognised in relation to the degree of completion in the project. Normally, the customer is invoiced each month with payment terms of 30 days. Each project has different payment plans. Invoicing takes place either as work progresses or in accordance with the agreed payment plan. Payment terms for the final invoice to the customer are normally 60 days. Accrued revenue that is not invoiced is recognised as a contract asset. Invoiced revenue that is not yet earned is recognised as a current contract liability. The company has no obligation for returns or repayment. The company has a guarantee obligation and makes a provision for compensation claims. The assessment of guarantee commitments is based on historical data from similar projects. The warranty period is normally between three and five years. The agreement contains a separate selling price. Net sales from construction contracts pertains to the Construction and Critical Infrastructure segments.

Other operating income

Group

Other operating income

SEKm	2024	2023
Capital gain from divestment of property, plant and equipment	61	102
Rental income	39	44
Other operating income	45	77
	146	**223**

Parent company

Other operating income

SEKm	2024	2023
Internal sales	8	9
Other operating income	0	0
	8	**9**

Note 4 Acquired and divested companies

In 2024

Acquisitions within business areas

Industry

In March, HL Display completed the acquisition of pr trading-Flekota A/S (pr trading), which had been its distribution partner in Denmark. pr trading delivers standard and customised display and store solutions to Danish grocery retailers as well as specialist retailers and brand manufacturers. The company has 38 employees and sales of approximately DKK 160m.

In June, LEDiL completed the acquisition of Ingemann Components A/S. The company is a Denmark-based, northern European leader in light output, luminaire efficiency, light distribution, and glare control for large-scale optics. The company has approximately DKK 90m in annual sales.

In the third quarter, two minor acquisitions were carried out in HL Display and Speed Group.

In October, HL Display acquired Kost Klip Manufacturing Ltd., a Canadian manufacturer of in-store communication and shelf management solutions for the retail industry. The company has 110 employees and sales of approximately CAD 24m.

In November, Speed Group acquired Nord Logistics, a company that offers complete transportation services including sea and air freight. The company has four employees and sales of approximately SEK 49m.

In December, Diab acquired the Norwegian company Subsea Composite Solutions AS (SCS). The acquisition will strengthen and broaden Diab's position as a global subsea buoyancy solution provider. The company has 11 employees and sales of approximately NOK 60m.

The preliminary acquisition analyses for the add-on acquisitions carried out during the year and updated items pertaining to established acquisition analyses for previous acquisitions are presented below.

SEKm	Industry	Total
Intangible assets	45	45
Property, plant and equipment	42	42
Right-of-use assets	29	29
Trade receivables	110	110
Current assets	81	81
Cash and cash equivalents	17	17
Non-controlling interests	–0	–0
Deferred tax liabilities	–8	–8
Non-current liabilities and provisions		
Current liabilities	–118	–118
Net identifiable assets and liabilities	**171**	**171**
Goodwill	437	437
Equity value	**608**	**608**
of which, cash paid	525	525
of which, shares issued	3	3
of which, contingent consideration	80	80

Divestment within business areas

Consumer

In September, Plantasjen filed for bankruptcy for its Finnish subsidiary as a result of the ongoing reconstruction proceedings. Plantasjen reported capital gains totalling SEK 28m as a result of the bankruptcy in Finland.

Construction & Services

During the year, Expin Group filed for bankruptcy for four subsidiaries as a result of the ongoing restructuring and divested its Norwegian subsidiary to employees in the company. Expin Group reported capital gains totalling SEK 34m as a result of the transactions.

SEKm	Construction & Services	Consumer	Total
Intangible assets	0		0
Property, plant and equipment	15	6	21
Right-of-use assets	6	335	342
Financial assets	3	0	3
Inventories		34	34
Trade receivables	76	3	79
Current assets	105	51	156
Cash and cash equivalents	8	18	25
Non-current liabilities and provisions	–7	–416	–423
Current liabilities	–240	–72	–313
Net assets and liabilities	**–34**	**–41**	**–75**
Sales price	0		0
Net assets (-) and liabilities (+)	34	41	75
Translation difference	0	–13	–13
Capital gain (+)/loss (-) reported in income statement	**34**	**28**	**62**

In 2023

Acquisitions within Ratos

Acquisition of Semcon

In 2022, Ratos acquired Semcon AB (publ) through a public takeover offer. In 2023, the preliminary acquisition analysis was updated after the final acquisition balance was determined. No material changes were identified.

During the year, Ratos concluded the process for a compulsory buy-out of the remaining shares in Semcon. As of 31 December 2023, the company is a wholly owned subsidiary.

Adjusted acquisition analysis Expin Group (formerly NVBS)

During the period, Ratos identified accounting errors within NVBS Projekt and NVBS Anläggning (two subsidiaries of Expin Group), which are mostly attributable to the time before Ratos's acquisition of the company in the second quarter of 2022. As a result of this, assets and liabilities identified at the time of acquisition have been corrected, which increased the original recognised goodwill by SEK 308m. Expin Group has also decided to leave the market for civil engineering projects and focus its operations on railway, electrification, signal and telecom projects. All in all, this resulted in impairment of goodwill of SEK 524m in the period. Overall, the amount of goodwill attributable to the acquisition decreased from SEK 666m to SEK 450m after the implemented adjustments.

Adjusted acquisition analysis Expin Group

SEKm	Preliminary	Final
Intangible assets	79	1
Property, plant and equipment	14	14
Right-of-use assets	25	25
Financial assets	1	1
Deferred tax assets	11	11
Trade receivables	65	65
Current assets	383	51
Cash and cash equivalents	4	4
Deferred tax liabilities	–24	–8
Non-current liabilities	–114	–114
Current liabilities	–391	–391
Net identifiable assets and liabilities	**53**	**–341**
Recognised call and put options issued to owners with non-controlling interests	–173	–87
Goodwill	666	974
Equity value	**546**	**546**
of which, cash paid	546	546

Acquisitions within business areas

Construction & Services

In 2022, NVBS acquired the companies Ratatek and TKBM Entreprenad AB. The preliminary acquisition analyses were updated in 2023 after the final acquisition balances were determined. This has not entailed any significant effects for the Group.

In 2022, SSEA Group acquired the company Kiruna Målbygg AB. In 2023, the preliminary acquisition analysis was updated after the final acquisition balance was determined. This has not entailed any significant effects for the Group.

In 2022, airteam acquired the company Grundströms Plåt i Kiruna AB. In 2023, the preliminary acquisition analysis was updated after the final acquisition balance was determined. This has not entailed any significant effects for the Group.

Consumer

In 2022, Plantasjen acquired Flyinge Plantshop AB. The preliminary acquisition analysis was updated in the first quarter of 2023 after the final acquisition balance was determined. This has not entailed any significant effects for the Group.

Industry

On 15 February, HL Display acquired the Swedish company Akriform Plast AB. The company is a producer of bulk bins and custom-made solutions for grocery retail and branded goods suppliers throughout the Nordics. The company's sales for the last 12 months amounted to SEK 85m at 31 March 2023.

In the first quarter of 2023, TFS conducted a minor acquisition of assets and liabilities in its subsidiary in Israel. The total purchase price amounted to EUR 0.2m.

On 3 April, HL Display acquired the company Oechsle Display Systems, a manufacturer of communication and shelf management solutions, and its sister company werba print & display, a provider of print and display solutions. Both companies have annual sales of EUR 13m.

On 2 June, Speed Group acquired the Swedish company Supplier Partner, a Gothenburg-based company in industrial logistics with annual sales of approximately SEK 60m.

In 2022, TFS acquired the company Appletree CI Group AG. In 2023, the preliminary acquisition analysis was updated after the final acquisition balance was determined. This has not entailed any significant effects for the Group.

The preliminary acquisition analyses for the add-on acquisitions carried out during the year and updated items pertaining to established acquisition analyses for previous acquisitions are presented below.

SEKm	Construction & Services	Consumer	Industry	Total
Intangible assets	58	3	19	80
Property, plant and equipment			34	34
Right-of-use assets			40	40
Financial assets			0	0
Deferred tax assets			0	0
Trade receivables			56	56
Current assets			84	84
Cash and cash equivalents			14	14
Non-controlling interests				
Deferred tax liabilities	–12		–6	–18
Non-current liabilities and provisions				
Current liabilities			–92	–92
Net identifiable assets and liabilities	**47**	**3**	**149**	**199**
Goodwill	–10		63	54
Equity value	**37**	**3**	**213**	**252**
of which, cash paid	1		195	195
of which, contingent consideration	36	3	18	57

Divestments within business areas

There was only one minor divestment of a subsidiary in Semcon. The capital gain amounted to SEK 4m.

Note 5 Capital gain/loss from Group companies and investments recognised according to the equity method

Group

Capital gain/loss from sale of Group companies

SEKm	2024	2023
Semcon, sale of Semcon Engineering UK Ltd and Semcon UK Ltd		4
HL Display, liquidation of Colour Display Ltd and HL Display Korea Co Ltd		–0
Expin Group, capital gain from bankruptcy of 4 subsidiaries and sale of Norwegian subsidiary	34	
Plantasjen, capital gain from bankruptcy of Finnish subsidiary	28	
	62	**3**

Parent company

Profit from investments in Group companies

SEKm	2024	2023
Dividend		192
		192

Note 6 Share of profit from investments recognised according to the equity method

Group

SEKm	2024	2023
Share of profit		
Aibel	434	430
Other investments	5	4
	439	**433**

Note 7 Employees, personnel costs and remuneration to senior executives and boards

Average number of employees[1)]

	2024		2023	
	Total	Of whom women, %	Total	Of whom women, %
Parent company	21	43	20	40
Group companies	10,917	34	11,034	45
Group total	**10,938**		**11,054**	
Of whom, in:				
Sweden	4,608	34	4,834	40
Norway	2,394	26	2,522	48
Denmark	401	31	343	30
Finland	326	33	329	40
Australia	10	20	8	25
Belgium	4	25	3	0
Brazil	593	26	422	77
France	125	61	130	59
United Arab Emirates	6	17	7	14
India	8	50	7	57
Ireland	9	44	8	63
Israel	8	94	8	88
Italy	134	18	151	22
Canada	102	43	7	43
China	327	34	300	39
Croatia	1	100		
Lithuania	85	31	81	27
Netherlands	26	43	39	49
Poland	348	47	334	60
Portugal	29	84	23	87
Romania	2	100	3	100
Switzerland	13	54	14	71
Slovenia	3	33	2	0
Spain	241	81	243	82
UK	382	34	391	34
Thailand	18	61	18	61
Czech Republic	7	57	12	67
Germany	275	45	323	51
Hungary	253	45	252	47
USA	183	47	224	72
Austria	17	29	17	29
	10,938		**11,054**	

1) Excluding Aibel, which is recognised according to the equity method.

Gender distribution, Board and senior executives[2)]

	31 Dec 2024 Share of women, %	31 Dec 2023 Share of women, %
Board of Directors		
Parent company	43	33
Group total	15	13
Management		
Parent company	17	17
Group total	24	18

Group

Salaries and other remuneration

SEKm	Boards and senior executives[1]	Other employees	Total
2024			
Group, total	308	6,340	6,648
(of which, bonus)	(77)		(77)
Of which, in Sweden	174	2,370	2,544
(of which, bonus)	(39)		(39)
Of which, in other countries	134	3,970	4,104
(of which, bonus)	(38)		(38)
Average number of people	167		
2023			
Group, total	370	6,154	6,524
(of which, bonus)	(89)		(89)
Of which, in Sweden	183	2,486	2,668
(of which, bonus)	(45)		(45)
Of which, in other countries	187	3,668	3,855
(of which, bonus)	(44)		(44)
Average number of people	171		

1) In these tables, "senior executives" refers to senior executives in each sub-group.

Social security costs

SEKm	2024	2023
Social security costs	1,854	1,861
(of which, pension costs)	(503)	(496)

Of the Group's pension costs, SEK 44m (46) refers to the boards and senior executives in the Group's companies. The Group's outstanding pension commitments to these amount to SEK 13m (14).

Parent company

Salaries and other remuneration

SEKm	2024	2023
Senior executives and CEO		
Average number of people[1]	6	6
Salaries and other remuneration[2]	50	53
(of which, bonus)[3]	(22)	(26)
Salaries and other remuneration, other employees	17	19
Total	**67**	**73**

1) As of the closing date, the number of people was six (six).
2) Including vacation bonus pay of 0.8 per cent.
3) Variable cash salary is disbursed over a two-year period and is divided into 50 per cent for each year. However, the expense for each year's variable salary is expensed in its entirety in the year the remuneration is earned. However, up to 100 per cent of the variable cash remuneration for 2024 may be paid already in 2025, provided that the entire portion of the variable cash remuneration received that exceeds 50 per cent is invested in instruments in Ratos's long-term incentive programme 2025.

Social security costs

SEKm	2024	2023
Social security costs	37	37
(of which, pension costs)	(14)	(12)

Of the parent company's pension costs, SEK 3.1m (3.0) refers to the CEO.

Remuneration to Board and senior executives

Guidelines and principles for remuneration to senior executives

The guidelines for remuneration and incentive systems for senior executives as set out below were approved by the 2024 Annual General Meeting. The following guidelines were applied throughout 2024.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Information regarding the company's business strategy and long-term interests, including its sustainability, is available on the company's website www.ratos.com.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. To this end, it is necessary that the company offers competitive remuneration. These guidelines enable the company to offer the senior executives a competitive total remuneration.

Long-term share-related incentive programmes have been implemented in the company. Such plans have been resolved by the general meeting and are therefore excluded from these guidelines. For more information about these programmes, see www.ratos.com.

Variable cash remuneration covered by these guidelines shall aim at promoting the company's business strategy and long-term interests, including its sustainability.

Types of remuneration, etc.

The remuneration to senior executives shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration may amount to not more than 100 per cent of the total fixed annual cash salary. Further variable cash remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 25 per cent of the fixed annual cash salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the compensation committee.

For the CEO, pension benefits, including health insurance (Sw: sjukförsäkring), shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 per cent of the fixed annual cash salary.

For other senior executives, pension benefits, including health insurance, shall be premium defined. Variable cash remuneration shall not qualify for pension benefits. The pension premiums for premium defined pension shall amount to not more than 30 per cent of the fixed annual cash salary.

Other benefits may include, for example, reimbursements for dental care and health care (including medication), medical insurance (Sw: sjukvårdsförsäkring) and company cars. For the CEO, such benefits may be paid out to a customary limited extent.

Termination of employment

Upon termination of an employment, the notice period may not exceed 12 months. Fixed cash salary during the notice period and severance pay may not together exceed an amount corresponding to the fixed cash salary for six months for the CEO and 12 months for other senior executives. Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income, amount to not more than 60 per cent of the fixed monthly cash salary at the time of termination of employment, shall only be paid in so far as the previously employed senior executive is not entitled to severance pay and be paid during the time the non-compete undertaking applies, however not for more than 12 months following termination of employment for senior executives. When termination is made by the senior executive, the notice period may not exceed six months, without any right to severance pay.

Criteria for awarding variable cash remuneration, etc.
The variable cash remuneration shall be linked to predetermined and measurable criteria which can be financial or non-financial. They may be individualised quantitative or qualitative objectives. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability, by for example being clearly linked to the business strategy or promote the executive's long-term development. The proportion of variable cash remuneration varies depending on the senior executive's position in the company. The portion of the variable cash remuneration linked to the outcome of financial criteria is normally 100 per cent for the CEO and the CFO, approximately 80–90 per cent for the Business Area Presidents and approximately 75 per cent for other senior executives, even if the portion can be larger or smaller depending on the specific circumstances, and shall be dependent on (i) EBITA growth in Ratos Group, and (ii) growth in earnings before tax (EBT) for the Ratos Group.

As a general rule, variable cash remuneration is paid out in an amount of 50 per cent in the year after the remuneration is earned and 50 per cent in the year thereafter. However, up to 100 per cent of the variable cash remuneration may be paid out the year after it was earned, provided that the entire portion of the variable cash remuneration received that exceeds 50 per cent is invested in instruments in Ratos's long-term incentive programme.

To which extent the criteria for awarding variable cash remuneration has been satisfied shall be evaluated/determined when the measurement period has ended. The Board of Directors is responsible for the evaluation so far as it concerns variable remuneration to the CEO, based on a proposal from the compensation committee. For variable cash remuneration to other senior executives, the CEO is responsible for the evaluation. For financial objectives, the starting point for the evaluation shall be the latest financial information made public by the company.

Salary and employment conditions for employees
In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the compensation committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to the senior executives and remuneration to other employees will be disclosed in the remuneration report.

The decision-making process to determine, review and implement the guidelines
The Board of Directors has established a compensation committee. The committee's tasks include preparing the Board of Directors' decision to propose guidelines for executive remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The compensation committee shall also monitor and evaluate programmes for variable remuneration for the executive management, the application of the guidelines for executive remuneration as well as the current remuneration structures and compensation levels in the company. The members of the compensation committee are independent of the company and its executive management. The CEO and other members of the executive management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines
The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the compensation committee's tasks include preparing the board of directors' resolutions in remuneration-related matters.

Convertible debentures and warrants issued in 2021–2024
The Annual General Meetings from 2021 to 2024 resolved to introduce a long-term incentive programme for the CEO and other key personnel in Ratos consisting of convertibles and warrants (referred to below as the "Instruments"), where participants in the programme – with certain exceptions – are free to decide how large a share of the Instruments offered should comprise convertibles and/or warrants, except for LTI2021 and LTI2022, where participants – with certain exceptions – are free to decide how large a share of the instruments offered should comprise convertibles but the share of warrants could comprise a maximum of 50 per cent of the Instruments offered. In LTI2023 and LTI2024, the CEO and members of Ratos's management group were free to decide how large a proportion of the offered Instruments would consist of convertibles and the proportion of warrants could constitute a maximum of 50 per cent of the Instruments offered, while other key employees only had the right to subscribe for convertibles but not warrants. One prerequisite for allotment of warrants is that the employee has signed an agreement regarding repurchase etc. with the company whereby the company or purchaser designated by the company has the right to repurchase warrants if the participant's employment is terminated. The aforementioned convertible programmes extend for no more than four years and can be exercised after approximately three years at the earliest. The aforementioned warrant programmes extend for no more than three and a half to five years and can be exercised after approximately three to three and a half years at the earliest.

The standard valuation model for warrants (Black & Scholes) was applied to calculate the value. For programmes issued in 2021–2024, participants were offered warrants free of charge and received a benefit corresponding to the market value of the warrants on the date of allotment (option premium). The net expense for participants, after subsidies, was approximately 25 per cent of the taxable benefit in LTI2021, LTI2022, LTI 2023 and LTI2024.

Synthetic options issued in 2013–2017
The Annual General Meetings from 2013 to 2017 resolved on cash-settlement option programmes related to Ratos's outstanding investments in companies. These programmes are carried out through the issue of synthetic options that have been transferred at market price. These programmes give key personnel in Ratos an opportunity to share in the companies' growth in value. These options gain value only when Ratos's average annual return exceeds a certain percentage (which varies between 8 per cent and 15 per cent). The purchase of options was subsidised by the option purchaser having received extra cash remuneration corresponding to a maximum of 50 per cent of the option premium, whereby the remuneration was divided into equal components over four years, normally provided the person concerned was still working for the Ratos Group and still held options acquired from Ratos. Neither the CEO nor the Board members have been allotted any synthetic options.

Remuneration to Ratos's Board and senior executives 2024

SEKm	Board fee/ basic salary[1]	Variable remunera-tion[2]	Other benefits[3]	Pension costs	Share-based remuneration	Total	Pension commitments
Per-Olof Söderberg, Chairman of the Board	1.2	–	–	–	–	1.2	–
Jan Söderberg, Board member	0.7	–	–	–	–	0.7	–
Ulla Litzén, Board member	0.8	–	–	–	–	0.8	–
Tone Lunde Bakker, Board member	0.6	–	–	–	–	0.6	–
Mats Granryd, Board member	0.6	–	–	–	–	0.6	–
Cecilia Sjöstedt, Board member	0.7	–	–	–	–	0.7	–
Jonas Wiström, CEO	10.5	8.0	0.1	3.1	1.4	23.2	–
Other senior executives[4]	17.7	13.7	0.1	5.1	4.8	41.3	–

1) Basic salary including vacation bonus pay of 0.8 per cent. The Board fee pertains to the fee for the meeting year from April 2024 up to and including March 2025.
2) Variable remuneration refers to bonuses attributable to 2024. 50 per cent to be paid in 2025 and 50 per cent in 2026. However, up to 100 per cent of the variable cash remuneration for 2024 may be paid already in 2025, provided that the entire portion of the variable cash remuneration received that exceeds 50 per cent is invested in instruments in Ratos's long-term incentive programme 2025.
3) Mainly comprises company car benefits.
4) Refers to five people who were members of the management group in 2024. As of 31 December 2024, the number is five.

Remuneration to Ratos's Board and senior executives 2023

SEKm	Board fee/ basic salary[1]	Variable remunera-tion[2]	Other benefits[3]	Pension costs	Share-based remuneration	Total	Pension commitments
Per-Olof Söderberg, Chairman of the Board	1.2	–	–	–	–	1.2	–
Jan Söderberg, Board member	0.7	–	–	–	–	0.7	–
Karsten Slotte, Board member	0.7	–	–	–	–	0.7	–
Ulla Litzén, Board member	0.8	–	–	–	–	0.8	–
Tone Lunde Bakker, Board member	0.6	–	–	–	–	0.6	–
Jonas Wiström, CEO	10.1	9.4	0.2	3.0	1.3	23.9	–
Other senior executives[4]	16.7	16.9	0.1	4.8	4.3	42.8	–

1) Basic salary including vacation bonus pay of 0.8 per cent. The Board fee pertains to the fee for the meeting year from April 2023 up to and including March 2024.
2) Variable remuneration refers to bonuses attributable to 2023. 50 per cent to be paid in 2024 and 50 per cent in 2025. However, up to 100 per cent of the variable cash remuneration for 2023 may be paid already in 2024, provided that the entire portion of the variable cash remuneration received that exceeds 50 per cent is invested in instruments in Ratos's long-term incentive programme 2024.
3) Mainly comprises company car benefits.
4) Refers to five people who were members of the management group in 2023. As of 31 December 2023, the number is five.

Remuneration to the CEO

Variable remuneration

The size of variable remuneration is decided by the Board based on a proposal from the compensation committee and within the framework of the total variable remuneration component for senior executives and other key people. Acquisition of warrants is subsidised within the framework of the incentive programme for senior executives.

Pension terms

Pension premiums amount to 30 per cent of basic salary. The pension is a defined contribution plan. There is no agreed retirement age.

Terms for severance pay

A six-month (six) notice period will apply if notice is given by the CEO or the company. There is no agreement regarding severance pay.

Other senior executives

Variable remuneration

For remuneration to the other senior executives, see the above table.

Pension terms

Pension benefits comprise a defined contribution pension solution. There is no agreed retirement age.

Terms for severance pay

In the event of notice being given by the company or by the senior executive, a period of notice of six months normally applies. There is no agreement regarding severance pay in any employment contract.

Warrants issued by Ratos

	31 Dec 2024		31 Dec 2023	
	No. of options	Corresponding no. of shares	No. of options	Corresponding no. of shares
Outstanding at beginning of period	2,591,700	2,591,700	2,071,700	2,071,700
Issued	650,000	650,000	650,000	650,000
Repurchased/redeemed	–1,141,700	–1,141,700	–130,000	–130,000
Outstanding at end of period	**2,100,000**	**2,100,000**	**2,591,700**	**2,591,700**
of which, redeemable	0		429,200	

Disclosures on warrants issued during the period

Each warrant carries entitlement to purchase one share.

	2024	2023
Maturity date	15 Dec 2027	15 Dec 2026
Taxable benefit including social security costs, SEKm	8.1	7.3
Total payments to Ratos if shares acquired, SEKm	24.7	20.5

Option terms for outstanding warrants

				31 Dec 2024		31 Dec 2023	
Maturity date	Option price, SEK per option	Exercise price,[2] SEK per share	Right to purchase no. of shares	No. of options	Corresponding no. of shares	No. of options	Corresponding no. of shares
14 Jun 2024[1]	3.93	24.98	1.00	0	0	429,200	429,200
29 Nov 2024[1]	10.10	41.38	1.00	0	0	712,500	712,500
15 Dec 2025[1]	10.92	43.13	1.00	800,000	800,000	800,000	800,000
15 Dec 2026[1]	8.57	31.52	1.00	650,000	650,000	650,000	650,000
15 Dec 2027[1]	9.53	38.03	1.00	650,000	650,000		
				2,100,000	**2,100,000**	**2,591,700**	**2,591,700**
Maximum increase in number of shares in relation to outstanding shares at end of period, %					0.6		0.8

[1] As the warrants are being offered free of charge to participants, they will receive a benefit corresponding to the market value of the warrant at the date of the allotment (option premium). The net expense for participants, after subsidies, will be approximately 50 per cent of the taxable benefit.

[2] Restated for dividends.

Incentive programmes in Ratos's subsidiaries

Ratos makes active efforts to ensure that an incentive strategy is in place for boards and senior executives of the companies in which Ratos invests. There are a number of different incentive programmes which include shares, warrants, synthetic options and synthetic shares. Investments are made on market terms.

These exceptions did not have any material effect on the Ratos Group's income statement and balance sheet. In total, financial liabilities relating to synthetic options in the Ratos Group amounted to SEK 190m (149). During the year, the Group's earnings were affected by SEK –89m (–80) relating to synthetic option liabilities.

Note 8 Fees and disbursements to auditors

	Group		Parent company	
SEKm	2024	2023	2024	2023
Chief Auditor EY				
Audit assignment	33	26	5	5
Audit-related activities in addition to audit assignment	1	1	0	1
Tax advice	0	1		
Other services	0	0	0	
	34	**28**	**6**	**6**
Other auditors				
Audit assignment	5	4		
	40	**32**	**6**	**6**

Audit assignment refers to the statutory audit of the annual report and accounting records as well as the administration by the Board of Directors and the CEO.

Audit-related activities in addition to audit assignment refers to other audit procedures conducted in accordance with contracts or agreements, for example audit of mergers, liquidations, and advice pertaining to audits. This also includes other tasks which are in the business of the company's auditors, and advice or other assistance which is caused by observations on such examinations or implementation of other such work tasks.

Tax advice refers to tax consultations, tax advice in conjunction with company acquisitions, setting of transfer price, and tax services related to personnel outside Sweden.

Other services refer to all other services, for example advice in transactions and in conjunction with acquisitions and divestments, advice regarding accounting matters as well as advice regarding processes and internal controls.

Note 9 Financial income and expenses

Group

	Amortised cost		Fair value through profit or loss		Total	
SEKm	2024	2023	2024	2023	2024	2023
Financial income						
Interest income	71	76			71	76
Result from sale				1		1
Change in value, synthetic options			1		1	
Other financial income	1	2			1	2
	72	**78**	**1**	**1**	**73**	**79**
Financial expenses						
Interest expenses	–283	–331			–283	–331
Interest expenses, finance leases	–274	–276			–274	–276
Interest expenses, convertible debentures	–12	–9			–12	–9
Change in value, synthetic options			–89	–80	–89	–80
Change in value, contingent considerations			–3	–7	–3	–7
Other financial expenses	–31	–23	–11	–6	–43	–29
Impairment				–12		–12
	–601	**–640**	**–104**	**–105**	**–704**	**–744**
Pensions, interest expenses					–2	–2
					–707	**–745**
Exchange gains/losses						
Change in value, currency derivatives						
– not hedge accounted			10	–15	10	–15
Other changes in exchange rates	–26	–56			–26	–56
	–26	**–56**	**10**	**–15**	**–16**	**–70**
Net financial items					**–650**	**–737**

Interest income attributable to financial assets not measured at fair value through profit or loss amounts to SEK 71m (76). Interest expenses attributable to financial liabilities not measured at fair value through profit or loss amount to SEK –558m (–607). The Group has no fair value hedges.

Parent company

SEKm	Amortised cost 2024	Amortised cost 2023	Fair value through profit or loss 2024	Fair value through profit or loss 2023	Total 2024	Total 2023
Financial income						
Interest income, intra-Group	447	454			447	454
Interest income, other	31	30			31	30
Result from sale						
	478	**484**			**478**	**484**
Financial expenses						
Interest expenses, intra-Group	–178	–128			–178	–128
Interest expenses, convertible debentures	–12	–9			–12	–9
Interest expenses, other	–230	–269			–230	–269
Change in value, synthetic options			–13	–30	–13	–30
Other financial expenses	–26	–19			–26	–19
	–446	**–424**	**–13**	**–30**	**–459**	**–455**
Exchange gains/losses						
Change in value, derivatives						
– not hedge accounted			3	–9	3	–9
Other changes in exchange rates	–7	–11			–7	–11
	–7	**–11**	**3**	**–9**	**–4**	**–21**
Net financial items					**15**	**9**

Interest income attributable to financial assets not measured at fair value through profit or loss amounts to SEK 478m (484). Interest expenses attributable to financial assets not measured at fair value through profit or loss amount to SEK –408m (–396).

Note 10 Taxes

Recognised in income statement

SEKm	2024	2023
Tax expense for the year	–405	–313
Adjustment of tax attributable to previous years	4	5
Deferred tax	43	41
Total recognised tax expense in the Group	**–358**	**–267**

Reconciliation effective tax

SEKm	2024	2023
Profit before tax	1,020	2,273
Less profit from investments recognised according to the equity method	–439	–433
	581	**1,840**
Tax according to current tax rate, 20.6%	–120	–379
Effect of different tax rates in other countries	–34	–17
Non-deductible expenses	–142	–248
Non-taxable income	9	348
Increase in loss carry-forward without corresponding capitalisation of deferred tax	–164	–92
Impairment of previously capitalised loss carry-forward	–5	–4
Use of previously non-capitalised loss carry-forward	22	20
Capitalisation of previously non-capitalised loss carry-forward	68	96
Tax attributable to previous years	4	5
Other	2	3
Reported effective tax	**–358**	**–267**

Tax items recognised in other comprehensive income/equity

SEKm	2024	2023
Deferred tax attributable to change in hedging reserve	–2	–2
Deferred tax attributable to remeasurement of defined benefit pension commitments	0	1
Deferred tax attributable to conversion option for convertible debentures	–1	0
	–3	**–1**

Recognised deferred tax assets and liabilities

	Deferred tax assets		Deferred tax liabilities	
SEKm	2024	2023	2024	2023
Intangible assets	23	11	365	385
Property, plant and equipment	52	52	48	49
Right-of-use assets	95	123		
Financial assets		1	0	
Inventories	20	20		
Trade receivables	4	3		1
Other receivables	15	9	32	22
Construction contracts			442	460
Interest-bearing liabilities			14	11
Provisions for pensions	7	7		0
Other provisions	132	68		
Other liabilities	26	15		
Loss carry-forwards	437	369		
Untaxed reserves/appropriations			62	73
Tax assets/tax liabilities	**810**	**677**	**963**	**1,001**
Offsets	–255	–200	–255	–200
Tax assets/tax liabilities, net	**555**	**477**	**708**	**801**

Of recognised deferred tax assets, SEK 25m (23) is expected to be used within one year, SEK 98m (146) within five years and SEK 433m (309) in more than five years or with no fixed utilisation date. Of recognised deferred tax liabilities, SEK 70m (70) is expected to be settled within one year, SEK 157m (216) within five years and SEK 481m (514) in more than five years or with no fixed utilisation date.

Total loss carry-forwards amounted to SEK 17.0 billion, of which SEK 13.8 billion is attributable to Ratos AB. Of these loss carry-forwards, SEK 1.0 billion matures within ten years and SEK 16.0 billion has no fixed maturity date. The tax value of the loss carry-forwards is SEK 3.5 billion. Of the Group's total loss carry-forwards, a deferred tax asset of SEK 437m (369) has been recognised.

Since it is not certain that unrecognised tax assets will lead to lower tax payments in the future, these have not been assigned any value.

Global minimum tax

In 2024, Ratos continued to implement the new global minimum tax rules. For 2024, all countries where Ratos has legal entities were tested based on the Safe Harbour rules, and all of the countries qualified in at least one of the three tests. Accordingly, no global minimum tax has been recognized for the year.

In accordance with IAS 12, Ratos has not recognised any deferred tax as a result of additional tax from BEPS Pillar II.

Parent company

The parent company's tax expense for 2024 amounted to SEK +48m (+75). Ratos AB has an accumulated loss carry-forward that at the close of 2024 amounted to SEK 13.8 billion (13.8), of which SEK 252m (205) is recognised as a deferred tax asset at the end of the reporting period.

Change in deferred tax 2024

SEKm	Opening balance 2024	Recognised in income statement	Recognised directly in the balance sheet	Recognised in conjunction with acquisition of companies	Recognised in other comprehensive income/equity	Translation difference	Reclassifications	Closing balance 2024
Intangible assets	–374	46		–9		1	–7	342
Property, plant and equipment	4	1				–1	0	4
Right-of-use assets	123	–29				–0	0	95
Financial assets	1	–1			–1	–0		–0
Inventories	20	–0		1		0	0	20
Trade receivables	1	2				0	0	4
Other receivables	–13	4				0	–8	–17
Construction contracts	–460	–119	133			5		–442
Interest-bearing liabilities	–11	–2			–1	0	0	–14
Provisions for pensions	7	–1			0	0	–0	7
Other provisions and liabilities	82	62	14	–0	–1	–1	1	158
Loss carry-forwards	369	75	–14			2	6	438
Untaxed reserves/tax allocation reserves	–73	5				–0	7	–62
Tax assets/tax liabilities, net	**–323**	**43**	**133**	**–8**	**–3**	**6**	**0**	**–153**

Change in deferred tax 2023

SEKm	Opening balance 2023	Recognised in income statement	Recognised in conjunction with acquisition of companies	Recognised in other comprehensive income/equity	Translation difference	Reclassifications	Closing balance 2023
Intangible assets	–406	23	–5		20	–6	–374
Property, plant and equipment	9	–2			–3	–0	4
Right-of-use assets	119	7			–3	0	123
Financial assets	0	1		0	–0	0	1
Inventories	22	–2	0		–1		20
Trade receivables	5	–3			0	–1	1
Other receivables	–18	3		0	0	1	–13
Construction contracts	–464	–23			27		–460
Interest-bearing liabilities	–11	–0		–3	–0	4	–11
Provisions for pensions	7	–1		1	0	–0	7
Other provisions and liabilities	67	17		0	–4	2	82
Loss carry-forwards	355	21			–8	1	369
Untaxed reserves/tax allocation reserves	–70	–1	–3		0	0	–73
Tax assets/tax liabilities, net	**–386**	**41**	**–7**	**–1**	**28**	**0**	**–323**

Note 11 Intangible assets

Group

SEKm	Goodwill	Acquired intangible assets: Trade-marks	Acquired intangible assets: Customer relations	Acquired intangible assets: Other assets	Business systems	Other assets	Projects in progress	Total
Accumulated cost								
Opening balance 1 January 2023	16,214	949	813	458	647	37	5	19,123
Business combinations	345[1]	20	–23	27		1		369
Investments					57	9	8	74
Divestments/disposals					–24	–3	–0	–27
Reclassifications			–4		16	5	–11	8
Exchange rate differences for the year	–377	–48	–0	–12	–23	–0		–460
Closing balance 31 December 2023	**16,183**	**921**	**786**	**473**	**673**	**48**	**3**	**19,087**
Opening balance 1 January 2024	16,183	921	786	473	673	48	3	19,087
Business combinations	437		45	0	4	1		487
Investments					39	3	19	61
Divested companies					–1	–2		–3
Divestments/disposals					–140	–2		–141
Reclassifications	–4		4		10	–5	–8	–3
Exchange rate differences for the year	30	–1	2	4	–2	2	0	35
Closing balance 31 December 2024	**16,646**	**920**	**836**	**477**	**585**	**46**	**13**	**19,523**

1) SEK 308m pertains to an adjustment of the acquisition analysis for Expin Group. See Note 4 for further information on the final acquisition analysis.

SEKm	Goodwill	Acquired intangible assets: Trade-marks	Acquired intangible assets: Customer relations	Acquired intangible assets: Other assets	Business systems	Other assets	Projects in progress	Total
Accumulated amortisation and impairment								
Opening balance 1 January 2023	–1,403	–6	–67	–311	–396	–33		–2,215
Amortisation for the year			–70	–46	–77	–2		–195
Impairment for the year	–774							–774
Divestments/disposals					19	1		20
Reclassifications			1			–1		
Exchange rate differences for the year	41	0	0	4	11	0		56
Closing balance 31 December 2023	**–2,136**	**–6**	**–136**	**–353**	**–443**	**–35**		**–3,109**
Opening balance 1 January 2024	–2,136	–6	–136	–353	–443	–35		–3,109
Business combinations					–4	–1		–5
Depreciation for the year			–88	–36	–76	–2		–201
Impairment for the year	–246				–44			–290
Accumulated depreciation in divested companies					1	1		3
Divestments/disposals					139	2		141
Reclassifications	4		–2		–2	–3		–3
Exchange rate differences for the year	18	–1	–1	–3	1	–2		12
Closing balance 31 December 2024	**–2,360**	**–7**	**–227**	**–392**	**–428**	**–38**		**–3,452**
Carrying amount according to statement of financial position:								
At 31 December 2024	**14,286**	**913**	**609**	**85**	**157**	**8**	**13**	**16,072**
At 31 December 2023	**14,047**	**915**	**650**	**120**	**230**	**13**	**3**	**15,978**

Impairment and testing for goodwill and intangible assets with indefinite useful lives

Goodwill and other intangible assets with indefinite useful lives at 31 December 2024 amounted to a book value of SEK 15,200m (14,962). Below is a breakdown of the amount in cash-generating units, which comprise the respective company.

SEKm	Goodwill 2024	Goodwill 2023	Intangible assets[1] 2024	Intangible assets[1] 2023
Knightec	1,293	1,293		
Semcon	1,236	1,236		
Presis Infra	2,283	2,324		
HL Display	1,240	911		
LEDiL	1,218	1,060		
Plantasjen	1,101	1,365	646	657
HENT	844	859		
airteam	1,057	1,029	18	18
Aleido	893	889		
	11,166	**10,967**	**664**	**675**
Companies without separate significant value	3,121	3,080	249	240
Total	**14,286**	**14,047**	**913**	**915**

[1] Intangible assets relate to trademarks with indefinite useful lives and which are therefore not amortised. Trademarks with indefinite useful lives are key assets for the subsidiaries that have measured these assets. Work on improving and developing trademarks is ongoing. Net cash flows generated by trademarks are not expected to cease in the foreseeable future. Trademarks are therefore regarded as having indefinite useful lives.

Ratos continuously assesses whether there is any indication that any company has declined in value. In the event that such an indication exists, the recoverable amount of the company is calculated. Goodwill and other intangible assets with indeterminable useful lives are also tested annually, regardless of whether there is any indication of a decline in value. Testing of carrying amounts is done by calculating each company's recoverable amount. The recoverable amount, which comprises the higher of value in use and fair value less selling costs, is compared with the carrying amount. If the recoverable amount is lower than the carrying amount, an impairment is recognised. Primarily goodwill is impaired.

Impairment of goodwill

Impairment of goodwill in 2024

Plantasjen

Impairment testing for Plantasjen is based on a value-in-use calculation. This value uses future cash flow calculations based on the most recent earnings forecast. The rate of growth after the forecast periods amounts to 2 per cent.The estimated cash flows have been calculated at present value using a discount rate of 10 per cent after tax.

Due to the decline in the market and a weak financial performance in the past three years, Plantasjen filed for company reconstruction for selected legal entities in Sweden, Norway and Finland in August 2024. Plantasjen's Finnish operations were declared bankrupt in September. As a result of the reconstruction decision, an impairment requirement was identified, and an impairment loss of SEK 246m was recognised in the third quarter of 2024. Plantasjen's reconstruction was approved by the respective courts in Norway and Sweden in January 2025. See the sensitivity analysis section for more information on values after impairment.

Impairment of goodwill in 2023

Plantasjen

Impairment testing for Plantasjen is based on a value-in-use calculation. This value uses future cash flow calculations based on the most recent earnings forecast. The rate of growth after the forecast period amounts to 2 per cent. The estimated cash flows have been calculated at present value using a discount rate of 10 per cent after tax. During the last two years, Plantasjen has had a weak financial development, with deteriorating margins as a result of the decline in the market. This gave rise to an impairment requirement, and an impairment loss of SEK 250m was recognised in the fourth quarter. In 2024, a comprehensive cost-saving programme will be implemented. See the sensitivity analysis section for more information on values after impairment.

Expin Group

Impairment testing for Expin Group is based on a value-in-use calculation. This value uses future cash flow calculations based on the most recent earnings forecast. The rate of growth after the forecast period amounts to 2 per cent. The estimated cash flows have been calculated at present value using a discount rate of 9 per cent after tax. During the period, Ratos identified accounting errors within NVBS Projekt and NVBS Anläggning (two subsidiaries of Expin Group), which are mostly attributable to the time before Ratos's acquisition of the company. As a result, the acquisition analysis has been adjusted, which increased the originally reported goodwill by SEK 308m. Expin Group has also decided to leave the market for civil engineering projects and focus its operations on railway, electrification, signal and telecom projects. All in all, this resulted in impairment of goodwill of SEK 524m in the period. See the sensitivity analysis section for more information on values after impairment.

Impairment testing in companies with significant goodwill items

The impairment testing and key assumptions used to calculate the recoverable amounts of companies in which goodwill was deemed to be significant in size are described below. Goodwill attributable to other companies is not significant in each one separately in relation to the Ratos Group's total goodwill.

Knightec Group

Semcon and Knightec merged during the year and formed Knightec Group. Impairment testing was carried out prior to the merger taking place and is therefore described for Semcon and Knightec below.

Impairment testing for Knightec is based on a value-in-use calculation. This value uses future cash flow calculations based on the most recent earnings forecast. The rate of growth after the forecast period amounts to 2 per cent. The estimated cash flows have been calculated at present value using a discount rate of 8 per cent after tax and 10 per cent before tax. In the forecast period, Knightec forecasts sales growth partly based on a higher market share. Profitability is expected to be stable over the next few years, driven by sales growth and sound cost control.

Impairment testing for Semcon is based on a value-in-use calculation. This value uses future cash flow calculations based on the most recent earnings forecast. The rate of growth after the forecast period amounts to 2 per cent. The estimated cash flows have been calculated at present value using a discount rate of 8 per cent after tax and 10 per cent before tax. Profitability is expected to be stable over the next few years, driven by sales growth and sound cost control.

The calculations show that the recoverable amount exceeds the book value and there is thus no need for impairment.

Presis Infra

Impairment testing for Presis Infra is based on fair value. The fair value is included in level 3 and is based on inputs in a measurement model. Presis Infra performed well during the year and the market for infrastructure maintenance is expected to remain strong in the long term. A favourable order intake and a stable order backlog, which in combination with a focus on cost control is expected to result in good profitability. The calculations show that the recoverable amount exceeds the book value and there is thus no need for impairment.

HL Display

Impairment testing for HL Display is based on fair value. The fair value is included in level 3 and is based on inputs in a measurement model. The forecast for the coming year is based on the company being a market leader in Europe and having a good strategic position with diversified customer exposure. Sales growth and profitability are expected to remain stable over the next few years. The calculations show that the recoverable amount exceeds the book value and there is thus no need for impairment.

LEDiL

Impairment testing for LEDiL is based on a value-in-use calculation. This value uses future cash flow calculations based on the most recent earnings forecast. The rate of growth after the forecast period amounts to 2 per cent. The estimated cash flows have been calculated at present value using a discount rate of 10 per cent after tax and 13 per cent before tax. LEDiL forecasts sales growth over the next few years, based on increased market shares and the launch of new products. Profitability is expected to be stable over the next few years, driven by sales growth, sound cost control and continued investments in R&D. The calculations show that the recoverable amount exceeds the book value and there is thus no need for impairment.

Sentia

HENT and SSEA Group merged during the year and formed Sentia. Impairment testing was carried out prior to the merger took place and is therefore described for HENT and SSEA Group below.

Impairment testing for HENT is based on fair value. The fair value is included in level 3 and is based on inputs in a measurement model. HENT had a stable performance in 2024. Its order backlog included several major construction contracts extending over the coming years. HENT has a strong profitability focus and its EBITA margin is expected to remain stable, driven by efficient project completion.

Impairment testing for SSEA Group is based on fair value. The fair value is included in level 3 and is based on inputs in a measurement model. SSEA Group had a stable performance in 2024. Its order backlog included several major construction contracts extending over the coming years, which are expected to drive sales growth. SSEA Group has a strong profitability focus and its EBITA margin is expected to remain stable, driven by efficient project completion.

The calculations show that the recoverable amount exceeds the book value and there is thus no need for impairment.

airteam

Impairment testing for airteam is based on fair value. The fair value is included in level 3 and is based on inputs in a measurement model. The company's order intake remained stable during the year and included several major ventilation contracts extending over the coming years, which is expected to drive sales growth. airteam has a strong profitability focus and the EBITA margin is expected to remain stable, driven by efficient project completion. The calculations show that the recoverable amount exceeds the book value and there is thus no need for impairment.

Aleido

Impairment testing for Aleido is based on a value-in-use calculation. This value uses future cash flow calculations based on the most recent earnings forecast. The rate of growth after the forecast period amounts to 2 per cent. The estimated cash flows have been calculated at present value using a discount rate of 8 per cent after tax and 10 per cent before tax. Profitability is expected to be stable over the next few years, driven by sales growth and sound cost control. The calculations show that the recoverable amount exceeds the book value and there is thus no need for impairment.

Material assumptions used to calculate value in use

Value in use for a company is based on Ratos's share of the present value of the company's future estimated cash flow.

Value-in-use calculations are primarily sensitive to deviations from the following assumptions:

- Earnings forecast
- Discount rate
- Growth rate

Other key assumptions for the calculation of the value in use include sales growth as well as gross and EBITA margins. The assumptions used are modified for each company since each company in itself is an independent unit with unique circumstances. Key assumptions are described on pages 115–116 under the heading "Impairment testing in companies with significant goodwill items".

Earnings forecast

Assessment of the earnings forecast is based on the budgets and forecasts most recently adopted by management as well as reasonable and verifiable assumptions that comprise Ratos's best estimation of the economic conditions that are expected to prevail during the forecast period. The basis for estimating the value of these is in accordance with previous experience as well as external sources. The earnings forecast encompasses a maximum of five years.

Discount rate

Future cash flows are present-value calculated using a discount rate. Ratos has used a discount factor after tax where estimated future cash flows also include tax. On the basis of the return requirement after tax (WACC) actually applied, Ratos has carried out a translation to an estimate corresponding to a return requirement before tax by dividing by one minus tax rate.

The discount factor reflects market assessments of monetary values over time and specific risks inherent in the asset.

Growth rate

A final value is assessed after the forecast period. This is done using an assumption of stable growth in nominal terms for each company that matches the assumed long-term growth rate for relevant products, industries, countries and markets. In the impairment tests for 2024, this growth rate was 2 per cent (2).

Material assumptions used to calculate fair value

Fair value was determined in accordance with level 3 of the valuation hierarchy. Fair-value calculations are primarily sensitive to deviations from the following assumptions:

- Profit multiple
- EBITDA and EBIT forecast

Profit multiple

The profit multiple used is on a par with listed comparable companies.

EBITDA and EBIT forecast

See the section above regarding earnings forecast.

Sensitivity analysis

A sensitivity analysis of the value-in-use calculations has been carried out for one assumption at a time, where long-term growth rate has been reduced by 0.5 of a percentage point, the discount rate has been raised by 0.5 percentage point and the forecast cash flow has been reduced by 10 per cent. A sensitivity analysis of the fair-value calculations has been carried out for one assumption at a time, where the profit multiple was adjusted downward a level and the earnings forecast was adjusted downward by 10 per cent.

Due to the impairment of goodwill for Plantasjen in 2024 and 2023, and for Expin Group in 2023, the carrying amount is in line with the recoverable amount and is therefore sensitive to changes in material assumptions. A 0.5 per cent decrease in the long-term growth rate would have an impact of SEK 204m on the recoverable amount for Plantasjen and SEK 179m for Expin Group. A 0.5 per cent increase in the discount rate would have an impact of SEK 256m on the recoverable amount for Plantasjen and SEK 199m for Expin Group. A 10 per cent decrease in projected cash flows would have an impact of SEK 342m on the recoverable amount for Plantasjen and SEK 242m for Expin Group.

For all other companies, the assessment is that no reasonable changes in key assumptions will result in the estimated recoverable amount falling below the carrying amount.

Note 12 Property, plant and equipment

Group

SEKm	Land and buildings	Equipment	Construction in progress	Total
Accumulated cost				
Opening balance 1 January 2023	1,113	3,480	211	4,804
Investments	76	161	66	303
Divestments/disposals	–97	–173		–270
Assets in acquired companies		163		163
Transferred from construction in progress	22	172	–194	
Reclassifications	1	14	–33	–18
Expensed			–0	–0
Exchange rate differences for the year	–29	–38	–0	–67
Closing balance 31 December 2023	**1,087**	**3,778**	**50**	**4,916**
Opening balance 1 January 2024	1,087	3,778	50	4,916
Investments	20	164	78	262
Divestments/disposals	–75	–196		–272
Assets in acquired companies	0	97		97
Assets in divested companies	–19	–41		–59
Transferred from construction in progress	10	18	–28	
Reclassifications	1	9	–11	–1
Expensed			–0	–0
Exchange rate differences for the year	9	98	2	108
Closing balance 31 December 2024	**1,033**	**3,928**	**91**	**5,052**

SEKm	Land and buildings	Equipment	Construction in progress	Total
Accumulated depreciation and impairment				
Opening balance 1 January 2023	–563	–2,516		–3,079
Depreciation for the year	–46	–269		–314
Impairment for the year	–10			–33
Accumulated depreciation in acquired companies		–129		–129
Reversed impairment	6	12		18
Divestments/disposals	66	144		210
Reclassifications		–3		–3
Exchange rate differences for the year	12	21		33
Closing balance 31 December 2023	**–535**	**–2,764**		**–3,299**
Opening balance 1 January 2024	–535	–2,764		–3,299
Depreciation for the year	–46	–262		–308
Impairment for the year	–50	–9		–59
Accumulated depreciation in acquired companies		–55		–55
Accumulated depreciation in divested companies	14	25		38
Divestments/disposals	62	189		250
Reclassifications		0		0
Exchange rate differences for the year	–2	–70		–72
Closing balance 31 December 2024	**–557**	**–2,948**		**–3,505**
Carrying amount according to statement of financial position				
At 31 December 2024	**476**	**980**	**91**	**1,547**
At 31 December 2023	**552**	**1,014**	**50**	**1,617**

Parent company

SEKm	Equipment	Total
Accumulated cost		
Opening balance 1 January 2023	5	5
Investments	1	1
Closing balance 31 December 2023	**6**	**6**
Opening balance 1 January 2024	6	6
Investments	0	0
Closing balance 31 December 2024	**6**	**6**
Accumulated depreciation		
Opening balance 1 January 2023	–1	–1
Depreciation for the year	–1	–1
Closing balance 31 December 2023	**–2**	**–2**
Opening balance 1 January 2024	–2	–2
Depreciation for the year	–1	–1
Closing balance 31 December 2024	**–3**	**–3**
Carrying amount according to statement of financial position		
At 31 December 2024	**3**	**3**
At 31 December 2023	**4**	**4**

Note 13 Right-of-use assets

Group

SEKm	Land and buildings	Equipment	Total
Accumulated cost			
Opening balance 1 January 2023	**6,954**	**777**	**7,731**
Additional contracts during the year	112	291	403
Divestments and premature contract terminations	–167	–94	–261
New contracts upon acquisitions	38	2	40
Changes in existing contracts	74	3	78
Reclassifications		–9	–9
Other changes	393	6	396
Exchange rate differences for the year	–202	–38	–240
Closing balance 31 December 2023	**7,202**	**936**	**8,138**
Opening balance 1 January 2024	**7,202**	**936**	**8,138**
Additional contracts during the year	254	347	602
Divestments and premature contract terminations	–494	–106	–600
New contracts upon acquisitions	21	8	29
Contracts in divested companies	–598		–598
Changes in existing contracts	–550	4	–546
Other changes	213	9	222
Exchange rate differences for the year	–1	–9	–10
Closing balance 31 December 2024	**6,047**	**1,189**	**7,236**

SEKm	Land and buildings	Equipment	Total
Accumulated depreciation and impairment			
Opening balance 1 January 2023	–2,351	–280	–2,631
Divestments and premature contract terminations	146	72	217
Reclassifications		5	5
Depreciation for the year	–813	–184	–998
Impairment for the year		–1	–1
Other changes	–5	–1	–6
Exchange rate differences for the year	79	13	91
Closing balance 31 December 2023	**–2,945**	**–377**	**–3,322**
Opening balance 1 January 2024	–2,945	–377	–3,322
Divestments and premature contract terminations	356	76	432
Accumulated depreciation in divested companies	249		249
Depreciation for the year	–778	–217	–995
Exchange rate differences for the year	3	5	8
Closing balance 31 December 2024	**–3,114**	**–513**	**–3,627**
Carrying amount according to statement of financial position			
At 31 December 2024	**2,933**	**676**	**3,609**
At 31 December 2023	**4,257**	**558**	**4,816**

Note 14 Investments recognised according to the equity method

Change in carrying amounts
Group

SEKm	2024	2023
Carrying amount, 1 January	3,246	1,573
Investments	0	1
Share of profit from investments recognised according to the equity method	549	500
Share of tax from investments recognised according to the equity method	–110	–66
Share of other comprehensive income from investments recognised according to the equity method	70	–80
Dividend	–318	–122
Impairment and reversal of impairment [1]		1,651
Exchange rate differences	–11	–210
Carrying amount at year-end	**3,426**	**3,246**

[1] Of which SEK 1,057m is attributable to owners of the parent.

Impairment testing of the holding in Aibel
At 31 December 2024, the consolidated value for Aibel totalled SEK 2,035m. "Consolidated value" refers to the Group's share of equity and any consolidated surplus and deficit values, taking non-controlling interests into account (32 per cent). The carrying amount is the consolidated value included in the consolidated statement of financial position (49 per cent).

Completed impairment testing for 2024, based on a fair value calculation, indicates no impairment requirement.

Investments recognised according to the equity method breakdown between significant and individually insignificant investments

	2024			2023		
SEKm	Aibel[1]	Individually insignificant investments	Total	Aibel[1]	Individually insignificant investments	Total
Investments recognised according to the equity method						
Included in the Group as follows:						
Share of profit before tax	544	5	549	496	4	500
Income tax	–110		–110	–66		–66
Share of other comprehensive income	70		70	–80		–80
Share of comprehensive income	**504**	**5**	**509**	**349**	**4**	**353**
Carrying amount	**3,393**	**33**	**3,426**	**3,213**	**33**	**3,246**
100%						
Net sales	17,730			15,861		
Profit for the year	868			859		
Other comprehensive income	141			–160		
Total comprehensive income	**1,009**			**699**		
Non-current assets	10,738			10,551		
Current assets	6,140			6,112		
Non-current liabilities	–2,241			–2,046		
Current liabilities	–7,848			–8,190		
Net assets	**6,789**			**6,427**		

[1] Aibel Holding I AS is 49 per cent owned by NCS Invest. More information about the Group structure is provided in Note 29 Participations in Group companies. Ratos owns 64 per cent of NCS Invest through Ratos Infra.

Summary reconciliation of financial information for significant investments recognised according to the equity method

	Aibel 100%	
SEKm	2024	2023
Opening balance net assets	**6,427**	**3,070**
Profit for the year before tax	1,088	992
Income tax	–220	–132
Other comprehensive income	141	–160
Dividend	–626	–239
Reversal of impairment		3,313
Translation differences	–21	–417
Closing balance net assets	**6,789**	**6,427**

	Aibel 49%[1]	
SEKm	2024	2023
Share in net assets	3,393	3,213
Carrying amount	**3,393**	**3,213**

[1] Consolidated value, adjusted for the share subject to non-controlling interests, amounts to SEK 2,035m (2,056).

Note 15 Receivables from Group companies

Parent company

	Non-current receivables Group companies	
SEKm	2024	2023
Accumulated cost at 1 January	**3,919**	**6,180**
Subsequent expenditure	1,169	1,045
Reclassifications	–1,616	–1,569
Settlements	–351	–1,649
Change in exchange rates	9	–88
Closing balance	**3,130**	**3,919**

	Current receivables Group companies	
SEKm	2024	2023
Accumulated cost at 1 January	**3,845**	**1,741**
Subsequent expenditure	4,402	2,440
Reclassifications	971	1,226
Settlements	–3,147	–1,509
Change in exchange rates	7	–53
Closing balance	**6,078**	**3,845**

Note 16 Financial instruments

Group

31 December

SEKm	Amortised cost 2024	Amortised cost 2023	Fair value through profit or loss 2024	Fair value through profit or loss 2023	Derivatives used for hedging 2024	Derivatives used for hedging 2023	Total according to statement of financial position 2024	Total according to statement of financial position 2023
Financial assets								
Shares and participations	0	0					0	0
Other receivables[1]	55	29					55	29
Derivative instruments			4	4	8	0	12	5
Trade receivables	3,025	3,277					3,025	3,277
Cash and cash equivalents	2,186	2,360					2,186	2,360
	5,266	**5,666**	**4**	**4**	**8**	**0**	**5,278**	**5,670**
Surplus in pension plans, asset							1	1
							5,279	**5,671**
Financial liabilities								
Interest-bearing liabilities								
– Liabilities to credit institutions	4,506	4,509					4,506	4,509
– Financial lease liabilities	4,005	5,398					4,005	5,398
– Convertible debentures	161	126					161	126
– Other interest-bearing liabilities	29	106	302	290			331	396
Other non-current liabilities[2]			968	1,869			968	1,896
Derivative instruments			1	13	2	6	3	18
Trade payables	2,676	2,803					2,676	2,803
	11,376	**12,943**	**1,271**	**2,171**	**2**	**6**	**12,649**	**15,119**
Provisions for pensions							68	65
							12,717	**15,184**

1) Other receivables include SEK 55m (29) which is interest-bearing.
2) Other non-current liabilities pertain in their entirety to call and put options issued to owners with non-controlling interests. Changes in the value of these options are recognised directly in equity.

Fair value

Forward contracts are measured at fair value taking interest rates and prices on the closing date into account. Fair value of receivables with floating interest corresponds to their carrying amount. Since most of the interest-bearing liabilities carry floating interest, and often a margin based on leverage, fair value at the end of the reporting period corresponds to carrying amount.

The tables below provide disclosures of how fair value is determined for the financial instruments measured at fair value in the statement of financial position. Classification of how fair value is determined is based on the following levels.

Level 1: Financial instruments measured according to listed prices in an active market.
Level 2: Financial instruments measured according to directly or indirectly observable market data not included in level 1.
Level 3: Financial instruments measured on the basis of inputs that are not based on observable market data.

Fair value hierarchy, level 1

The Group has no financial instruments in level 1 of the fair value hierarchy.

Fair value hierarchy

Assets SEKm	Level 2 2024	Level 2 2023
Derivatives		
– Forward contracts	12	5
	12	**5**

Fair value hierarchy

Liabilities SEKm	Level 2 2024	Level 2 2023	Level 3 2024	Level 3 2023
Synthetic options			190	149
Derivatives				
– Forward contracts	3	18		
Call and put options to non-controlling interests			968	1,869
Contingent considerations			112	141
	3	**18**	**1,270**	**2,158**

Change, level 3

Liabilities SEKm	**Synthetic options**		**Call and put options**		**Contingent considerations**	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Opening balance	149	153	1,869	1,669	141	236
Recognised in net financial items	88	80			3	7
Recognised in operating profit or loss					–12	21
Recognised against equity			–41	263		
Newly issued/subsequent expenditure					80	69
Settlements	–45	–80	–880		–99	–187
Exchange rate differences	–2	–4	–20	–63	–2	–5
Closing balance	**190**	**149**	**968**	**1,869**	**112**	**141**

The closing balance for synthetic options represents the total assessed value of a number of outstanding options within the Group which have Ratos's various companies as underlying assets. Ratos values its synthetic options on the basis of accepted market principles. Decisive parameters in conjunction with valuation of options are assumed market values relating to the underlying assets, the volatility of the underlying assets and the length of the remaining option term. The majority of the closing balance comprises underlying assets in Sentia and airteam. Several programmes will end in 2025.

Call and put options to non-controlling interests are measured based on the terms of the purchase agreement and shareholder agreement and are recognised at fair value. Call and put options exist for minority holdings in airteam, Knightec Group and Expin Group. The key parameter in the valuation is the value development of the shares which is based on results until the estimated maturity date. During the year, the option to Presis Infra was settled. Of the closing balance, the option for airteam and Knightec Group has the highest value. Estimated maturity dates and nominal amounts are presented in Note 25 (maturity structure for financial liabilities).

Measurement of contingent considerations takes into account the present value of expected payments, discounted with a risk-adjusted interest rate. Different possible scenarios for forecast results are taken into account to assess the size of the expected payments and the probability of these. Of the closing balance, SEK 102m is expected to be settled in 2025 and the maximum nominal amount is SEK 113m. A few purchase prices are not capped and the maximum nominal amount may therefore exceed SEK 113m.

Parent company

31 December

SEKm	Amortised cost		Fair value through other comprehensive income		Fair value through profit or loss		Total according to statement of financial position	
	2024	2023			2024	2023	2024	2023
Financial assets								
Financial receivables			0				0	
Receivables from Group companies[1]	7,113	6,891			0	2	7,113	6,893
Derivative instruments					4	3	4	3
Cash and cash equivalents	246	876					246	876
	7,359	**7,767**	**0**		**4**	**5**	**7,362**	**7,772**
Financial liabilities								
Interest-bearing liabilities								
– Liabilities to credit institutions	4,451	4,384					4,451	4,384
– Liabilities to Group companies	4,139	4,091			1		4,140	4,091
– Convertible debentures	158	125					158	125
– Other interest-bearing liabilities					54	41	54	41
Liabilities to Group companies, non-interest-bearing	193						193	
Trade payables	14	11					14	11
Derivative instruments					1	7	1	7
	8,956	**8,611**			**56**	**48**	**9,012**	**8,659**

[1] Receivables from Group companies include SEK 6,888m (6,733) that is interest-bearing.

Fair value hierarchy

Assets SEKm	Level 2 2024	 2023
Derivatives		
– Forward contracts, internal	0	2
– Forward contracts, external	4	3
	4	**5**

Fair value hierarchy

Liabilities SEKm	Level 2 2024	 2023	Level 3 2024	 2023
Synthetic options			54	41
Derivatives				
– Forward contracts, internal				
– Forward contracts, external	1	7		
	1	**7**	**54**	**41**

Change, level 3

Liabilities SEKm	Synthetic options 2024	 2023
Opening balance	41	88
Recognised in net financial items	13	30
Settlements		–77
Closing balance	**54**	**41**

Remeasurements of synthetic options are included in net financial items, with SEK –13m (47) relating to liabilities in the closing balance.

Note 17 Inventories

Group

SEKm	2024	2023
Raw materials and consumables	200	179
Products in progress	183	171
Finished products and goods for resale	1,370	1,475
Advances to suppliers	97	43
	1,851	**1,868**

The cost of inventories recognised and included in the cost of goods sold amounts to SEK 5,720m (6,050). Impairment of inventories recognised as expenses during the year amounts to SEK 68m (74) and is included in the cost of goods sold. The part of inventories measured at net realisable value totals SEK 107m (98).

Note 18 Equity

Share capital

Number	Ordinary Class A 2024	Ordinary Class A 2023	Ordinary Class B 2024	Ordinary Class B 2023
Shares in the company at 1 January	84,637,060	84,637,060	241,879,429	241,261,928
Shares in the company at 31 December	**84,637,060**	**84,637,060**	**242,748,628**	**241,879,428**

	Total number of shares	Quota value	SEKm
Shares in the company at 1 January 2024	326,516,488	3.15	1,029
Shares in the company at 31 December 2023	**327,385,688**	**3.15**	**1,031**

Conversion of shares

The 2003 Annual General Meeting resolved that a conversion clause allowing conversion of Class A shares to Class B shares should be added to the Articles of Association. This means that owners of Class A shares have an ongoing right to convert them to Class B shares. In 2024, 0 Class A shares (0) were converted into Class B shares.

Group

Other capital provided

Relates to equity provided by the owners. This includes share premium reserves paid in conjunction with new issues.

Reserves

Includes all exchange rate differences that arise on translation of financial reports from foreign operations in a currency other than SEK. Reserves also include the effects of cash flow hedges and hedging of net investments.

Retained earnings including profit/loss for the year

Retained earnings includes earned profits/losses and remeasurement of defined benefit pension plans recognised in other comprehensive income for the parent company and its subsidiaries and associates. Previous provisions to the statutory reserve are also included in this item.

Parent company

Restricted reserves

Restricted reserves may not be reduced through profit distribution.

Statutory reserve

The purpose of the statutory reserve has been to save part of net profits not used to cover a loss carried forward. The statutory reserve also includes amounts transferred to the share premium reserve prior to 1 January 2006.

Unrestricted equity

The following funds together with profit for the year comprise unrestricted equity, meaning the amount that is available for dividends to shareholders.

Share premium reserve

When shares are issued at a premium, i.e. more is paid for the shares than their quota value, an amount corresponding to the amount received in excess of the quota value of the shares is transferred to the share premium reserve. After 1 January 2006, an allocation to a share premium reserve comprises unrestricted equity.

Retained earnings

Retained earnings comprise the previous year's retained earnings and profit after deduction for profit distribution provided during the year. Costs for purchases of treasury shares, call option premiums received and any additional transaction costs are recognised directly in retained earnings.

Equity management

The Group's target is to have a good financial position that contributes towards maintaining the confidence of investors, creditors and the market, and provides a basis for continued development of business operations, and that the long-term return generated to shareholders is satisfactory.

Ratos's overall target is to increase shareholder value while ensuring Ratos's growth. Ratos's financial targets focus on the earnings trend in the company portfolio and the total return on the share. The financial targets are: (1) EBITA growth, EBITA is to amount to at least SEK 3 billion by 2025, (2) Leverage, Net debt in relation to EBITDA should normally range from 1.5 to 2.5x, excluding financial lease liabilities. (3) Dividend payout ratio – The dividend payout ratio should amount to 30–50 per cent of profit after tax attributable to owners of the parent, excluding capital gains and losses

The Group's adjusted EBITA for 2024 amounted to SEK 2,329m (2,244) for continuing operations, corresponding to growth of 4 per cent.

Excluding financial lease liabilities, the Group's leverage amounted to 1.3x at the end of the reporting period.

The Board of Directors proposes an ordinary dividend for the 2024 financial year of SEK 1.35 per Class A and B share, corresponding to a total dividend of SEK 442m and dividend payout ratio of 178 per cent (57 per cent of the adjusted net profit attributable to the owners of the parent). The dividend yield amounts to 4.3 per cent based on the closing price at year-end.

The 2024 Annual General Meeting renewed the mandate entitling Ratos, in connection with acquisitions, to issue Class B shares in Ratos through offset issues, non-cash issues or for cash payment. This applies for a maximum of 35 million Class B shares.

Capital is defined as total equity including non-controlling interests. Neither the parent company nor any of the subsidiaries is subject to external capital requirements, such as under the supervision of an authority. For a description of loan agreements linked to financing and their terms, see Note 25 Financial risks and risk policy.

Options

Warrants 2018–2024

The 2018–2024 Annual General Meetings resolved on the issue of warrants to personnel. Terms for warrants outstanding are described in Note 7.

Conversion option for convertible debentures 2018–2024

The 2018–2024 Annual General Meetings resolved on the issue of convertible debentures to personnel. The convertible debentures are divided up into an interest-bearing debt, as stated in Note 16, and a conversion option. The conversion option is recognised in equity. A more detailed description is available in Note 7.

Dividend

After the end of the reporting period, the Board proposed the following dividend:

	SEKm
Dividend to holders of Class A and B shares, SEK 1.35 per share[1]	442
To be carried forward	7,975

[1] Based on the number of shares outstanding on 31 December 2024.

The proposed dividend for 2024 will be presented for approval at the Annual General Meeting on 26 March 2025.

Note 19 Disclosure of other comprehensive income and change in reserves and non-controlling interests

	Majority's share of reserves				
SEKm	Translation reserve	Hedging reserve	Total	Non-controlling interests	Total
Opening carrying amount 1 January 2023	**126**	**–11**	**115**	**–79**	**35**
Translation differences for the year	–340		–340	–92	–432
Cash flow hedges					
– recognised in other comprehensive income		–31	–31	–22	–53
– tax attributable to change for the year		–2	–2	–0	–2
Closing carrying amount 31 December 2023	**–214**	**–44**	**–258**	**–193**	**–451**
Opening carrying amount 1 January 2024	**–214**	**–44**	**–258**	**–193**	**–451**
Translation differences for the year	137		137	–4	133
Cash flow hedges					
– recognised in other comprehensive income		52	52	27	79
– tax attributable to change for the year		–1	–1	–0	–2
Closing carrying amount 31 December 2024	**–77**	**7**	**–70**	**–171**	**–240**

Translation reserve

The translation reserve includes all exchange rate differences that arise on translation of financial reports from foreign operations that have prepared their financial reports in another currency than the currency in which the Group's financial reports are presented. Hedging of net investments in foreign currencies is also included. The parent company and Group present their financial reports in Swedish kronor.

Hedging reserve

The hedging reserve comprises the effective portion of cumulative net change in fair value of the cash flow hedging instruments attributable to cash flows that have not yet occurred.

Note 20 Non-controlling interests

2024 SEKM	NCS Invest[1]	LEDiL	HENT	Individually insignificant non-controlling interests[2]	Total
In their entirety, 100%					
Non-current assets	3,826	1,328	1,697		
Current assets	29	203	4,616		
Non-current liabilities		–301	–520		
Current liabilities	–0	–122	–3,904		
Net assets	**3,856**	**1,108**	**1,889**		
Carrying amount of non-controlling interests	**1,388**	**385**	**262**	**447**	**2,482**
Net sales		511	8,850		
Profit for the year	745	47	423		
Other comprehensive income	60	39	–31		
Total comprehensive income	**805**	**85**	**392**		
Cash flow from operating activities	312	93	1,032		
Cash flow from investing activities	–30	–197	–24		
Cash flow from financing activities	–282	82	15		
Cash flow for the year	**0**	**–22**	**1,023**		
Profit/loss for the year attributable to non-controlling interests	155	15	117	125	**414**
Other comprehensive income attributable to non-controlling interests	22	14	–7	–6	**22**
Dividends paid to non-controlling interests	–101	–17	–93	–69	**–281**
Non-controlling interests, share	**36%**	**36%**	**25%**		

1) NCS Invest owns 49 per cent of the shares in Aibel Holding I AS. Ratos owns 64 per cent of NCS Invest through Ratos Infra.
2) Significant non-controlling interests are defined as at least 10 per cent of the Group's total non-controlling interests.

2023 SEKm	NCS Invest[1]	LEDiL	HENT	Individually insignificant non-controlling interests[2]	Total
In their entirety, 100%					
Non-current assets	3,332	1,107	1,067		
Current assets	0	169	4,383		
Non-current liabilities		–8	–506		
Current liabilities	–0	–222	–3,763		
Net assets	**3,332**	**1,045**	**1,182**		
Carrying amount of non-controlling interests	**1,157**	**348**	**221**	**412**	**2,137**
Net sales		470	9,516		
Profit for the year	2,205	69	457		
Other comprehensive income	–288	–5	–69		
Total comprehensive income	**1,917**	**63**	**388**		
Cash flow from operating activities	120	98	1,882		
Cash flow from investing activities		–29	6		
Cash flow from financing activities	–120	–70	–1,157		
Cash flow for the year	**0**	**–1**	**731**		
Profit/loss for the year attributable to non-controlling interests	751	23	124	–109	**788**
Other comprehensive income attributable to non-controlling interests	–104	–2	–17	1	**–121**
Dividends paid to non-controlling interests	–43	–16	–44	–91	**–194**
Non-controlling interests, share	**36%**	**34%**	**27%**		

[1] NCS Invest owns 49 per cent of the shares in Aibel Holding I AS. Ratos owns 64 per cent of NCS Invest through NCS Intressenter.
[2] Significant non-controlling interests are defined as at least 10 per cent of the Group's total non-controlling interests.

Note 21 Earnings per share

Calculation of earnings per share is carried out as follows:

SEKm	2024	2023
Profit for the year attributable to owners of the parent	249	1,218
Used in calculating earnings per share before dilution	**249**	**1,218**
Interest expense for convertible debentures, net		9
Used in calculating earnings per share after dilution	**249**	**1,226**
Weighted average number of shares		
Total number of ordinary shares	327,385,688	326,516,488
Effect of holding of treasury shares and issue of new shares	–202,698	–474,466
Weighted average number before dilution	**327,182,990**	**326,042,022**
Warrants	33,733	101,749
Convertible debentures		3,617,956
Weighted average number after dilution	**327,216,723**	**329,761,727**
Earnings per share before dilution, SEK	0.76	3.73
Diluted earnings per share, SEK	0.76	3.72

Warrants
Ratos AB had five warrant programmes outstanding in 2024. The exercise prices for these programmes are SEK 24.98, SEK 41.38, SEK 43.13, SEK 31.52 and SEK 38.03, respectively. Warrants have a dilution effect in the event the exercise price of the warrants is lower than the average price for ordinary shares during the year, though weighted in the event they are not outstanding for the entire year. For further information, refer to Note 7.

Convertible debentures
Convertible debentures issued were included when calculating diluted earnings per share from the date of issue by increasing the number of shares by the total number of shares to which the convertibles correspond and increasing earnings by the recognised interest expense after tax. The convertibles are not included when calculating basic earnings per share after dilution in the event earnings per share improves after dilution. For further information, refer to Note 7.

Note 22 Pensions

In the Group there are both defined benefit and defined contribution pension plans. The Ratos Group does not have any Group-wide policy relating to pensions, it is therefore up to the board of each company to decide on pension solutions for the company.

Defined contribution pensions
Pension plans mainly comprise retirement pensions. Pension premiums are salary-related and expensed on a current basis.

Defined benefit pensions
Pension plans mainly comprise retirement pensions. Earned pension is based on the number of years within the pension plan and salary at retirement. Pension obligations are either financed through pension foundations or similar or by the company. The defined benefit plans are not the main solution for the subsidiaries and only constitute a complement to the defined contribution pension plans. Of Ratos's current subsidiaries, four have defined benefit pension plans. Diab has the largest defined benefit pension obligation in the Group in terms of amount, totalling SEK 57m (55). Diab accounts for 84 per cent of the Group's defined benefit pension liability.

Pension obligations for salaried employees in Sweden (ITP) are partially secured through insurance with Alecta. The pension plan secured through Alecta is reported as a defined contribution plan, since there is insufficient data for Ratos to be able to report its share of the pension plan as defined benefit. Alecta's surplus can be distributed to policyholders and/or the insured. At year-end 2024, Alecta's surplus in the form of the collective funding ratio amounted to a preliminary 162 per cent (157). The collective funding ratio comprises the market value of Alecta's assets expressed as a percentage of insurance obligations calculated according to Alecta's actuarial calculation assumptions, which do not comply with IAS 19. SEK 57m (55) was paid to Alecta in premiums for the year.

Group

Pension cost

SEKm	2024	2023
Cost regarding current service period	1	1
Past service cost		0
Net interest	2	2
Effects of curtailments and settlements	–1	–1
Pension costs for defined benefit pensions	**2**	**2**
Pension costs for defined contribution pensions, Alecta	57	55
Pension costs for defined contribution pensions, other	240	233
Pension costs for the year	**299**	**290**

Pension costs are included in the income statement on the line Employee benefit costs with the exception of net interest which is included in net financial items in the income statement.

Defined benefit pension plans

SEKm	2024	2023
Present value of funded obligations	39	37
Fair value of plan assets	–34	–32
	6	**5**
Present value of unfunded obligations	61	59
Net liability in the statement of financial position	**67**	**65**
Amount recognised in the balance sheet		
Provisions for pensions	68	65
Surplus in defined benefit plans recognised as non-current financial receivables	1	1
Net liability in the statement of financial position	**67**	**65**

Changes in defined benefit pension obligations

SEKm	2024	2023
Opening balance	97	90
Pensions vested during the period	3	3
Interest expenses	3	3
Benefits paid	–4	–3
Actuarial gains/losses:		
Financial assumptions	1	2
Demographic assumptions	1	0
Assumptions based on experience	–1	2
Other	–1	–1
Exchange rate differences	1	1
Defined benefit obligations, year-end	**101**	**97**

Changes in plan assets

SEKm	2024	2023
Opening balance	32	31
Interest income	0	0
Contribution from employer	1	1
Contribution from employees	1	0
Benefits paid	–1	–1
Return on plan assets excl. the above interest income	1	–0
Other	0	–0
Exchange rate differences	0	1
Plan assets, year-end	**34**	**32**

Plan assets comprise the following:

SEKm	2024	2023
Assets held by insurance companies	34	32
	34	**32**

Of the plan assets, SEK 19m (17) pertains to listed assets and SEK 15m (15) to unlisted assets.

Key actuarial assumptions used at the end of the reporting period

	Diab	
	2024	2023
Net liability in the statement of financial position	57	55
Discount rate, %:		
First-class bonds, Sweden	3.4	3.5
First-class bonds, Italy	3.0	3.2
Inflation, %	1.8	1.8
Anticipated rate of salary increase, %	2.8	2.8
Annual increase in pensions and paid-up policies, %	2.0	2.0

Parent company

The parent company's pension costs for defined contribution pensions amounted to SEK 11m (10), of which SEK 0m (0) pertains to Alecta.

Note 23 Provisions

Group

Provisions, non-current

SEKm	2024	2023
Guarantee commitments		
At the beginning of the year	8	7
Provisions for the year	0	
Unutilised reversed provisions	0	0
Exchange rate differences	0	–0
At the end of the year	**8**	**8**
Other		
At the beginning of the year	37	36
Provisions for the year	2	4
Utilised provisions	–6	–2
Unutilised reversed provisions	–0	–0
Exchange rate differences	1	–0
At the end of the year	**34**	**37**
Total non-current provisions	**43**	**45**

Provisions that are current liabilities

Provisions, current

SEKm	2024	2023
Guarantee commitments		
At the beginning of the year	479	394
Provisions for the year	221	190
Utilised provisions	–93	–65
Unutilised reversed provisions	–71	–15
Translation difference	–8	–24
At the end of the year	**528**	**479**
Other		
At the beginning of the year	29	46
Provisions for the year	79	17
Utilised provisions	–37	–34
Unutilised reversed provisions	–45	
Translation difference	0	–0
At the end of the year	**26**	**29**
Total current provisions	**555**	**509**

Nature and maturity structure of provisions

Guarantee commitments

Provisions relate to guarantee commitments for work carried out. Provision for guarantees start to be estimated when a service is completed or an item is transferred to a customer. In order to estimate amounts, historical data relating to repairs and exchanges in mainly used. The guarantee periods extend over two to ten years for non-current provisions and over one year for current provisions.

Other provisions

Other non-current provisions include provisions relating to legal requirements. These other provisions are expected to be settled within two to five years and current provisions within one year.

Parent company

Provisions, current

SEKm	2024	2023
Other		
At the beginning of the year	17	86
Provisions for the year	26	7
Utilised provisions	–0	–16
Unutilised reversed provisions	–38	–60
At the end of the year	**5**	**17**

Of the parent company's provisions SEK 0m (0) relates to provisions for subsidiaries and associates.

Note 24 Accrued expenses

Group

SEKm	2024	2023
Personnel costs	1,160	1,087
Other	492	349
	1,651	**1,437**

Parent company

SEKm	2024	2023
Personnel costs	47	50
Other	6	5
	53	**55**

Note 25 Financial risks and risk policy

Principles for funding and financial risk management

Through its activities, the Group is exposed to various types of financial risks related to trade receivables, trade payables, loans and derivative instruments. Ratos's financial risks consist of:

- currency risks
- interest rate risks
- liquidity risks
- credit risks

Ratos's financing and financial risks are managed within the Group in accordance with the financial policy established by the Board. The Board also decides on the financial strategy for the parent company while the subsidiaries' boards adopt financial strategies for the company in accordance with the parent company's financial policy.

Parent company

The parent company's financial policy, which provides guidelines for management, division of mandates and monitoring of financial risks, is adopted annually by Ratos's Board. The Board evaluates and where necessary proposes changes to the financial policy.

The Group aim to have a good financial position that contributes towards maintaining the confidence of investors, creditors and the market. A good financial position provides a basis for continued development of business operations at the same time as creating satisfactory the long-term shareholder return.

Group companies

The internal and external finance operations are concentrated in Ratos's Group Treasury function, thereby creating economies of scale when it comes to pricing of financial transactions and the Group's financing. Since the parent company treasury function utilises cash surpluses in order to balance deficits in the Group, the Group's financing requirements, and thus its interest expenses, can be minimised. According to Ratos's financial policy, the main rule is that all Group companies in which Ratos has a majority stake (>50 per cent) are financed by Ratos AB.

Currency risks

Currency risk is the risk that changes in exchange rates have a negative impact on the consolidated income statement and/or cash flows. Currency risk exists both in translation exposure linked to foreign Group companies and in financial assets and liabilities.

Current currency exposure of financial assets and liabilities as per the closing date

In the parent company, investments may typically only be made in Swedish currency. Normally, currency hedging is not applied to shares, shareholder loans or similar balance sheet items in the parent company. Transaction exposure ahead of an acquisition or disposal of a foreign company can be currency hedged.

The Group companies manage their currency risks in accordance with the financial policy and risk management strategy adopted by the board of each Group company.

The Ratos Group operates in some 30 countries, and the Group companies' earnings and financial positions are reported in the local currency of the individual Group company and thereafter translated to SEK. The Group's earnings as well as equity and other items in the financial statements are therefore impacted by fluctuations in the exchange for SEK.

A change in SEK of 10 per cent against Ratos's exposure of net flows in EUR, NOK, DKK, GBP and USD would have an impact on earnings of approximately SEK –11m (18). The sensitivity analysis is calculated based on financial receivables and liabilities in foreign currency as per the end of the reporting period.

The parent company, and certain Group companies, hold forward contracts and currency swaps. External contracts have generally been entered into with major banks or financial institutions that are not expected to become insolvent and are generally shorter than 12 months. The main rule for Group companies is that these contracts must be made with Ratos AB, which absorbs and hedges the total currency exposure of the Group. All outstanding forward contracts, which are not encompassed by hedge accounting, are revalued to the fair market value which is reflected in the annual accounts, and changes are recognised in the income statement. The aim of these contracts is to minimise exchange rate differences attributable to receivables and liabilities in foreign currency.

The greatest impact on profit, after net financial items, arises when financial liabilities and assets are revaluated. Where hedge accounting is applied, other comprehensive income is affected until settlement. The effect is then transferred to the consolidated profit. In the Group, hedges are used for net investments in foreign operations.

The net fair value of forward contracts amounted to SEK 9m (–13) at 31 December 2024. Of this amount, SEK 12m (5) is recognised in the statement of financial position as assets and SEK 3m (18) as liabilities. The amount recognised on forward contracts that are hedge accounted amounted to SEK –6m (–5), of which SEK 8m (0) is recognised as an asset and SEK 2m (6) as a liability.

The Group's currency risk exposure at the close of the reporting period, expressed in SEK, is presented in the table below:

	EUR		NOK		DKK		GBP		USD		SEK	
SEKm	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**	**2024**	**2023**
Trade receivables	209	314	23	477	194	4	127	157	170	119	61	256
Other receivables	440	410	3,535	2,133	202	191	310	399	130	528		
Other liabilities	–33	–904	–1,654	–1,185	–5		–142	–157	–130	–308	–23	–22
Trade payables	–150	–308	–9	–415	–150	–30	–67	–52	–236	–72	–110	–257
Currency exposure financial assets and liabilities	**466**	**–488**	**1,895**	**1,010**	**241**	**165**	**228**	**347**	**–66**	**267**	**–73**	**–22**
Forward contracts	–517	388	–1,861	–764	–212	–212	–34	–243	–253	–293		
Exposure, net	**–51**	**–100**	**35**	**246**	**29**	**–47**	**194**	**105**	**–319**	**–26**	**–73**	**–22**

Interest rate risks

Interest rate risk is the risk that changes in interest rates will affect the Group's financial result and cash flow. Interest rate risks mainly relate to the Group's interest-bearing net debt, which amounted to SEK 6,820m (8,118) on 31 December 2024. The borrowing rate is linked to the market rate.

According to the financial policy, the interest rate duration for the Group shall take into consideration the forecasted cash flow from the Group companies, matching between internal and external assets and liabilities, and remain stable to temporary market rate fluctuations.

The fixed-interest term for the individual Group company is to match its structure and the risk management strategy adopted for the Group company. The interest rate duration may be managed by means of interest rate swaps. At 31 December 2024, the Group had no interest rate swaps.

If interest rates change by 1 percentage point in all countries where the Ratos Group has loans or investments, the effect on net financial items, based on liabilities to credit institutions at year-end which are not hedged, will total approximately SEK 45m (45). This sensitivity analysis is based on all other factors (such as exchange rates) remaining unchanged.

As of 31 December 2024, all of the Group's loans carry variable interest.

Liquidity risks

Liquidity risk refers to the risk that a company may experience difficulties in meeting its obligations to third parties, mainly associated with financial liabilities, but also due to other obligations in its operating activities.

The parent company shall have committed loan facilities from banks with a maturity of at least 12 months. In total, the combination of available credit facilities and available cash is to exceed the forecast obligations for the next 12 months. Pledging shares or other assets as collateral for own commitments or for commitments of the holding's or a third party may be performed following a Board decision. The parent company shall not issue general guaranteed in favour of any lender for the commitments of a group company or a third party. Guarantees relating to provision of equity capital may be provided following a Board decision.

At 31 December 2024, the parent company had a credit facility of SEK 3 billion and bank overdraft facilities of SEK 150m. The facility is used for general corporate purposes. At 31 December 2024, the credit facility and the bank overdraft facility were unutilised. In addition, the parent company has an authorisation from the Annual General Meeting to issue shares in conjunction with agreements on acquisitions; see also Note 18 Equity management.

At the end of the year, the Group's interest-bearing liabilities to credit institutions amounted to SEK 4,506m (4,509). Total unutilised credit facilities amounted to SEK 3,194m (3,198), with predetermined interest margins. The majority of the Group's credit facilities have certain covenants, including that the leverage needs to be below a certain threshold level. All criteria were fulfilled throughout the year.

Maturity structure for financial liabilities

The following maturity structure is shown for the Group's financial liabilities at 31 December 2024, comprising undiscounted cash flows relating to amortisation and estimated interest payments based on forward contracts alternatively actual interest as well as estimated margins. Amounts in foreign currency are translated to SEK at the rate on the closing date.

The maturity analysis does not include liabilities relating to synthetic options. Synthetic options have established maturity dates, but depending on terms or conditions, such as the divestment of companies, the date of maturity may vary. At 31 December 2024, the Group's liabilities for synthetic options amounted to SEK 190m (149).

Maturity structure for financial liabilities

31 Dec 2024

SEKm	Within 1 year	Within 2 years	Within 3 years	Within 4 years	5 years or more	Total
Liabilities to credit institutions	540	173	4,202	1	5	4,920
Financial lease liabilities	850	808	640	535	1,367	4,199
Other interest-bearing liabilities	82	55	39	48		224
Trade payables	2,676					2,676
Call and put options	10	306	652			968
Contingent considerations	102	5	5			112
Forward contracts						
– outflow	5					5
– inflow	7					7
Total	**4,271**	**1,346**	**5,539**	**583**	**1,371**	**13,110**

31 Dec 2023

SEKm	Within 1 year	Within 2 years	Within 3 years	Within 4 years	5 years or more	Total
Liabilities to credit institutions	332	3,775	47	819	5	4,978
Financial lease liabilities	1,084	795	671	555	2,679	5,786
Other interest-bearing liabilities	128	51	54	38		271
Trade payables	2,803					2,803
Call and put options	750	166	987	269	26	2,197
Contingent considerations	125	14	2	3		145
Forward contracts						
– outflow	–6					–6
– inflow	–2					–2
Total	**5,214**	**4,801**	**1,762**	**1,684**	**2,710**	**16,171**

Credit risks

Credit risks comprise risks in financial and in commercial transactions. In its financial activities the Group is exposed to counterparty credit risk in conjunction with investment of surplus liquidity in bank accounts, fixed-income securities and in conjunction with the purchase of derivative instruments. Commercial exposure mainly comprises the credit risk in the Group's trade receivables and contract assets, and relates to customers failing to meet their payment commitments.

Current financial credit risks

In order to reduce the parent company's financial credit risk and provide the parent company with certainty of liquid assets for investments, cash and cash equivalents are invested in banks or fixed-income securities with low interest rate risk, low credit risk and high liquidity. In addition to placing cash and cash equivalents in bank accounts or deposit accounts with banks approved by Ratos, investments may only be made in securities (treasury bills, commercial papers, bonds or similar) issued by the Kingdom of Sweden, Swedish municipalities, banks and companies that have received a rating of at least A+ from independent credit rating institutes. The duration of investments of securities may not exceed six months except for securities issued by the Kingdom of Sweden where treasury bills may have a maximum duration of 12 months and government bonds a maximum of 24 months. At 31 December 2024, cash and cash equivalents in the parent company amounted to SEK 246m (876).

At 31 December 2024, cash and cash equivalents in the Group amounted to SEK 2,186m (2,360). During 2024, there were no credit losses from investments of cash and cash equivalents.

Current commercial credit risks

The parent company does not have any trade receivables or contract assets. The Group has trade receivables and contract assets that are within the scope of the model for expected credit losses. Cash and cash equivalents are also within the scope of impairment in accordance with IFRS 9, but the impairment in question is not deemed material.

The carrying amount of the Group's trade receivables and contract assets, in the statement of financial position, reflects maximum exposure to credit risk. Ratos's Group companies operate within a number of different sectors and in a large number of geographic markets, which provides a good risk spread.

Due to its industry spread, combined with its global operations, the Group has no significant concentration on individual customers. In accordance with the rules in IFRS 9, the Group applies the simplified approach for impairment testing of trade receivables and contract assets. The approach entails that the reserve for expected credit losses is calculated based on the risk of loss over the entire lifetime of the receivable and is recognised when the receivable is initially measured. The risk of loss is primarily based on historic outcomes but also on individual assessments if other factors indicate a diminished ability to pay. This includes a customer's payment history, loss history and current and forward-looking information on macroeconomic factors that may influence the customer's ability to pay. The historical level of losses is adjusted on the basis of anticipated changes to these factors.

Trade receivables and contract assets are grouped on the basis of credit risk characteristics and the number of days delay. Contract assets relate to not yet invoiced work and in all material respects have the same risk characteristics as already invoiced work for the same type of contract. The Group is therefore of the opinion that loss levels for trade receivables offer a reasonable estimate of loss levels for contract assets.

Based on this, loss provisions for trade receivables and contract assets are based on the following:

31 Dec 2024

SEKm	Not overdue	Overdue 0–60 days	Overdue 61–180 days	Overdue 181–365 days	Overdue more than one year	Total
Recognised trade receivables – gross	2,380	464	76	64	118	3,103
of which, construction operations	*308*	*81*	*9*	*16*	*55*	*468*
Expected loss level, %	0	0	12	36	36	3
Provisions for credit losses	**–1**	**–2**	**–9**	**–23**	**–43**	**–78**
Recognised contract assets – gross	669					
Expected loss level, %	0					
Provisions for credit losses	**0**					

31 Dec 2023

SEKm	Not overdue	Overdue 0–60 days	Overdue 61–180 days	Overdue 181–365 days	Overdue more than one year	Total
Recognised trade receivables – gross	2,616	93	107	48	101	2,965
of which, construction operations [1]	*321*	*31*	*27*	*23*	*43*	*445*
Expected loss level, %	0	1	5	11	33	1
Provisions for credit losses	**–1**	**–1**	**–5**	**–5**	**–33**	**–44**
Recognised contract assets – gross	725					
Expected loss level, %	0					
Provisions for credit losses	**0**					

1) Final settlements were reached in a number of disputes in 2023, resulting in a significant reduction in outstanding trade receivables related to these projects.

Changes to loss provisions during the year are specified below:

SEKm	Trade receivables 2024	Trade receivables 2023
Opening balance 1 January	**–44**	**–68**
Changes to loss provisions recognised in profit or loss	–26	–8
Receivables written off during the year	1	11
Reversal of unutilised amount	–10	4
Exchange rate differences	1	6
Loss provisions, acquired companies	0	
Other		11
At 31 December	**–78**	**–44**

The impairment of trade receivables is recognised in profit or loss and amounted to SEK –33m (–4). For contract assets, there was no loss for 2024 or 2023.

Credit risks, construction operations

The Group's construction operations account for a material share of the Group's total trade receivables and contract assets. Historically, the risk of loss on these receivables has been marginal, and no provision for future losses has therefore been recognised. As of the closing date, the Group's construction operations also had bank guarantees and other collateral for outstanding receivables totalling SEK 13m (107).

Note 26 Leases

Group

Leases

Of the total lease assets (right-of-use assets) of SEK 3,609m, 81 per cent comprises land and buildings. Accordingly, only the terms and conditions of this type of lease asset is described. The Group's leases consist primarily of commercial premises, warehouse facilities and offices.

A property lease also normally includes one or several extension options. An extension option is included in the calculation if it is deemed likely that it will be exercised. Variable expenses, including value-added tax and property expenses, such as maintenance costs, electricity, heat and water, etc., are excluded from lease liability calculations to the extent they can be separated from the cost of rent. To calculate the lease liability (present value of future lease payments) pertaining to property, the rate implicit in the lease/incremental borrowing rate is used. The majority of leases include some form of indexing, normally the consumer price index. The companies have applied the exemption rule and thus not included low-value assets, meaning leases with a value under SEK 50,000 or USD 5,000 or the individual company's materiality level. The initial cost for right-of-use assets corresponds to the initial value of the lease liability less direct expenditure and obligations.

The leases have terms that vary between 5 and 20 years, but the majority have terms of 10 to 15 years. Most of the leases give the companies a unilateral right to extend the lease term. Other leases give the companies an indirect right of tenure. The right to extend the lease can only be exercised by the companies and not by the lessor. The leases cannot be terminated prematurely. The leases may be extended multiple times after the end of the lease term and do not have a definitive end date, given that there are no obstacles to repeatedly extending the lease term. The companies expect that the leases for a small number of premises will be terminated prematurely and that the lease liability/asset will be adjusted since agreements have been reached to vacate the premises early.

In 2024, the reconstruction of Plantasjen had a significant impact on the Group's lease assets and lease liabilities due to the early termination and renegotiation of leases. For the other companies in the Group, the adjustment relating to prematurely terminated leases during the year amounts to a non-material value. The leases for other premises and land are not expected to be extended. Extension options are not included in most leasing liabilities/assets. The companies evaluate on a yearly basis whether or not it is reasonably certain that an extension option will be exercised.

The lease liability and right-of-use asset will be adjusted accordingly if future changes arise due to changes to the lease term in conjunction with the renegotiation of a lease or in the event that a lease is terminated prematurely.

Group

Income statement

SEKm	2024	2023	Included in the following line
Income from sub-leasing	39	44	Other operating income
Depreciation/amortisation and impairment for the year	–995	–998	Depreciation/amortisation and impairment of property, plant and equipment, intangible assets and right-of-use assets
Costs pertaining to short-term leases	–14	–22	Other external costs
Costs pertaining to low-value leases	–7	–5	Other external costs
Interest expenses	–274	–276	Financial expenses
Total impact on earnings, leases	**–1,251**	**–1,257**	

Statement of cash flows

SEKm	2024	2023	Included in the following line
Short-term leases, low-value leases and variable lease payments[1]	–21	–27	Operating activities
Amortisation of financial lease liabilities	–1,060	–970	Financing activities
Interest paid on financial lease liabilities	–274	–275	Financing activities
Total impact on cash flow, leases[1]	**–1,355**	**–1,272**	

1) Excluding the impact from sub-leasing

Statement of financial position

SEKm	31 Dec 2024	31 Dec 2023
Non-current lease liability, interest-bearing	3,201	4,450
Current lease liability, interest-bearing	804	948
Total	**4,005**	**5,398**

See Note 25 Financial risks and risk policy for the anticipated maturity date of the undiscounted financial lease liability value.

See Note 13 Right-of-use assets for right-of-use assets recognised in the statement of financial position.

Leases entered into with commencement in 2025 or later

Group companies entered into leases under which commencement will take place in 2025. The leases extend for one to four years, and a preliminary forecast of the right-of-use asset value is estimated at SEK 22m.

Note 27 Pledged assets and contingent liabilities

Group

Pledged assets

SEKm	2024	2023
Net assets	1,370	2,288
Other pledged assets	1,414	1,382
	2,784	**3,670**

Of other pledged assets amounting to SEK 1,414m, HENT accounts for SEK 1,319m. This amount pertains to assets that HENT has pledged to the bank in the form of collateral in inventories, trade receivables and other operating assets.

Parent company

The parent company has no pledged assets. The parent company has contingent liabilities to subsidiaries and associates amounting to SEK 34m (0).

Note 28 Related party disclosures

Transactions with related parties are made on market terms.

Parent company

The parent company has a related party relationship with its Group companies. For more information, refer to Note 29.

The parent company's transactions with subsidiaries and associates for the period and the parent company's balance sheet items in relation to its subsidiaries and associates at the end of the period are presented below.

SEKm	2024	2023
Financial income	447	459
Other income	7	9
Financial expenses	–180	–133
Other expenses	–4	–2
Dividend		192
Group contributions	177	158

SEKm	31 Dec 2024	31 Dec 2023
Cash pool receivable	346	1,222
Other receivables	6,767	5,671
Cash pool liability	3,357	2,752
Other liabilities	977	1,339

Transactions with key persons in leading positions

Remuneration to senior executives and Board members is specified in Note 7.

Note 29 Participations in Group companies

Parent company

SEKm	2024	2023
Accumulated cost at 1 January	11,818	13,127
Investments	1,398	9,396
Repaid shareholder contribution	–960	–113
Divestments		–10,592
At the end of the year	**12,256**	**11,818**
Accumulated impairment at 1 January	–1,082	–2,977
Divestments		1,895
At the end of the year	**–1,082**	**–1,082**
Value according to balance sheet	**11,174**	**10,736**

Based on the impairment tests that Ratos does annually, see Note 11, the possible indication of impairment of the recognised carrying amount of participations in Group companies is evaluated. No impairment took place in 2024 or 2023.

Subsidiary, Corp. Reg. No., registered office SEKm	Number of shares	Owned share, %	31 Dec 2024	31 Dec 2023
Directly owned companies				
Ratos Ind. AB, 556809-4402, Stockholm	50,000	100	6,039	5,899
Ratos Infra AB, 559052-2057, Stockholm	50,000	100	1,540	3,390
Ratos Consumer AB, 559077-8675, Stockholm	50,000	100	3,589	1,441
Ratos Fastighets AB, 556308-3863, Stockholm	50,000	100	6	6
			11,174	**10,736**

Share in % [1]	31 Dec 2024	31 Dec 2023	Sub-group
Indirect share in the sub-group			
Ratos Ind. AB			
Semcon AB, 556539-9549, Gothenburg		100	Semcon [3]
Aleido Group AB, 556606-0363, Gothenburg	100	100	Aleido
Knightec Group AB, 559384-1058, Stockholm [2]	87	75	Knightec Group [3]
HL Display Holding AB, 556809-4394, Stockholm	100	99	HL Display
Diab Group AB, 556603-1711, Helsingborg	96	97	Diab
TFS Trial Form Support International AB, 556513-1660, Lund	100	100	TFS
Ledil Group Oy, 2365174-6, Salo	67	66	LEDiL
Speed Group Holding AB, 559017-4578, Borås	70	70	Speed
Sunrise TopCo ApS, 37940682, Give	78	78	Oase Outdoors
Ratos Infra AB			
SSEA Group Svenska Samverkansentreprenadaktiebolag, 559281-7323, Stockholm [1]		78	SSEA Group [5]
NCS Invest AB, 556914-7530, Stockholm	32	32	Aibel
Miehdnort AB, 556801-4731, Stockholm [6]		73	HENT [5]
Sentia AS, 999 256 864, Trondheim [4]	75		Sentia [5]
NVBS Railtech Holding AB, 559304-1329, Stockholm	95	74	Expin Group
Presis Infra Holdco AS, 927 459 574, Oslo	97	72	Presis Infra
Airteam TopCo A/S, 37495077, Viby	70	70	airteam
Ratos Consumer AB			
Plantasjen Holding AS, 917763933, Kongsvinger	99	99	Plantasjen
KVD of Sweden AB, 556826-5697, Stockholm	100	100	KVD

1) For SSEA, the figure refers to the weighted holding of the subsidiary's earnings after tax.
2) The company changed its name during the year, formerly Knightec HoldCo AB.
3) Semcon and Knightec merged during the year and formed Knightec Group.
4) The company changed its name during the year, formerly HENT Invest I AS.
5) HENT and SSEA Group merged during the year and formed Sentia.
6) The company merged with Ratos Infra AB during the year.

Note 30 Cash flow statement

	Group		Parent company	
SEKm	2024	2023	2024	2023
Interest received	62	67	315	380
Interest paid	–606	–619	–379	–372

Adjustment for non-cash items

	Group		Parent company	
SEKm	2024	2023	2024	2023
Share of profit from investments recognised according to the equity method	–439	–433		
Capital gain from Group companies	–83	–68		
Depreciation/amortisation and impairment of assets	1,853	2,298	1	1
Unrealised exchange differences	24	48	–18	59
Reversal of impairment in associates		–1,656		
Provisions and other	213	377	–252	–37
Adjustment for non-cash items	**1,568**	**565**	**–269**	**23**

Cash and cash equivalents

	Group		Parent company	
SEKm	2024	2023	2024	2023
Cash and bank balances	2,186	2,360	246	876
Cash and cash equivalents	**2,186**	**2,360**	**246**	**876**

Unutilised credit facilities

Unutilised credit facilities amount to SEK 3,194m (3,198) for the Group and SEK 3,150m (3,150) for the parent company.

Divested companies – Group

SEKm	2024	2023
Non-current assets	365	
Current assets	269	4
Cash and cash equivalents	25	2
Total assets	**660**	**6**
Non-current liabilities and provisions	423	
Current liabilities and provisions	313	4
Total liabilities	**735**	**4**
Consideration transferred	0	5
Less:		
Promissory note		–5
Cash and cash equivalents in the divested company	–25	–2
Effect on Group's cash and cash equivalents	**–25**	**–2**

Acquired companies – Group

SEKm	2024	2023
Intangible assets	45	26
Property, plant and equipment	42	34
Right-of-use assets	29	40
Financial assets		0
Deferred tax assets		0
Trade receivables	110	56
Current assets	81	–247
Cash and cash equivalents	17	14
Total assets	**323**	**–78**
Non-controlling interests	0	
Deferred tax liabilities	8	7
Non-current liabilities and provisions	26	
Current liabilities and provisions	118	92
Total liabilities	**152**	**99**
Net identifiable assets and liabilities	171	–176
Goodwill	437	343
Recognised call and put options issued to minority owners		86
Equity value	608	252
Less:		
Promissory note		–35
Provision contingent consideration	–80	–57
Shares issued	–3	
Cash and cash equivalents in the acquired operations	–17	–14
Paid contingent consideration previous acquisitions	100	187
Effect on Group's cash and cash equivalents	**–608**	**–333**

Changes in liabilities attributable to financing activities – Group

		Cash flow			Non-cash effect changes					
SEKm	Opening balance 1 January 2024	Borrowings	Amortisation	Repurchase/ final settlement of options	Acquired and divested companies	Reclassifica-tions	Change in exchange rates	New and amended leases	Other changes	Closing balance 31 December 2024
Liabilities to credit institutions, non-current	4,421	3,312	–10		–5	–3,605	9			4,123
Liabilities to credit institutions, current	88	47	–3,360		–1	3,605	5		–1	383
Financial lease liabilities	5,398		–1,060		–404		–2	577	–504	4,005
Convertible debentures	126	44				–5			–6	161
Other interest-bearing liabilities[1]	255	1	–32	–45	–48		–2		88	219
Total liabilities from financing activities	**10,288**	**3,405**	**–4,463**	**–45**	**–458**	**–5**	**10**	**577**	**–423**	**8,890**

		Cash flow			Non-cash effect changes					
SEKm	Opening balance 1 January 2023	Borrowings	Amortisation	Repurchase/ final settlement of options	Acquired and divested companies	Reclassifica-tions	Change in exchange rates	New and amended leases	Other changes	Closing balance 31 December 2023
Liabilities to credit institutions, non-current	6,314	1,766	–3,529			–75	–54			4,421
Liabilities to credit institutions, current	558	77	–609			75	–1		–12	88
Financial lease liabilities	5,670		–970		2		–162	859		5,398
Convertible debentures	99	38				–3			–7	126
Other interest-bearing liabilities[1]	160	3	–3	–80		99	–4		80	255
Total liabilities from financing activities	**12,800**	**1,884**	**–5,111**	**–80**	**2**	**95**	**–221**	**859**	**61**	**10,288**

[1] In addition to the above, contingent considerations of SEK 112m (141) are also included in other interest-bearing liabilities, which amount to a total of SEK 331m (396).

Note 31 Key estimations and assessments

Ratos's financial statements are prepared in accordance with IFRS. This requires management to make assessments, estimations and assumptions that affect the application of accounting principles and the recognised amounts of assets, liabilities, income and expenses. Estimations and assessments are based on historical experience, external information and assumptions which management regards as reasonable under prevailing circumstances. Changed assumptions can result in adjustments to carrying amounts and the actual outcome can differ from estimations and assessments made.

Within the framework of IFRS, a choice can be made in certain cases between different principles. The choice of principle requires in some cases management to make assessments as to which principle provides the most true and fair picture of Ratos's operations.

Development within accounting and the choice of principles are discussed also with Ratos's audit committee.

Key sources of uncertainty in estimations are shown below.

Key sources of uncertainty in estimations

Testing of subsidiaries and associates, including goodwill

The value of subsidiaries and associates, including goodwill, is tested annually by calculating a recoverable amount, meaning the higher of value in use or fair value with deduction for selling costs for each company. Calculation of these values requires a number of assumptions on future conditions and estimations of parameters such as profit multiples and future profitability levels. A description of this procedure is provided in Note 11. Future events and new information can change these assessments and estimations.

Acquisitions

Ratos and its subsidiaries conduct acquisition analyses related to business acquisitions. Acquisition analyses use valuation models to establish the fair value of assets and liabilities at the time of the acquisition. The valuation methods require making several assumptions about future conditions and estimates of parameters such as future cash flows and remaining economic lifetime. Due to these estimates and assessments, the final results may vary from the estimated outcome.

Revenue recognition over time

With respect to construction contracts and service contracts, Ratos recognises revenue over time, applying the percentage of completion method. A basic condition for assessing the percentage of completion is that revenue and costs can be reliably determined. Reliability requires that the companies' project management systems are followed and their project management has the necessary qualities. The assessment of project revenue and project costs is based on a number of estimations and assessments that are dependent on the project management team's experience and knowledge regarding project management, education and previous project management experience. Due to the use of assessments, the final results may differ from the gradually accrued earnings.

Disputes

From time to time, Ratos and its respective companies become party to legal processes, the outcome of which may be uncertain. Current disputes, and provisions attributable to them, are continuously monitored. Due to the use of assessments, the final results may differ from the recognised provision. Disclosures about provisions are presented in Note 23.

Deferred tax assets on loss carry-forwards

Deferred tax assets on loss carry-forwards are only recognised to the extent it is probable that these will be utilised against future surpluses. Accordingly, assumptions about deferred tax assets are made when recognising deferred tax assets.

Note 32 Contract assets and contract liabilities

SEKm	2024	2023
Contract assets		
Construction contracts	339	392
Other contract assets	330	333
Total current contract assets	**669**	**725**
Contract liabilities		
Other contract liabilities	4	6
Total non-current contract liabilities	**4**	**6**
Construction contracts	2,102	1,945
Other contract liabilities	296	462
Total current contract liabilities	**2,398**	**2,407**
Date for recognition of non-current contract liabilities		
Other contract liabilities		
Within 1–3 years	4	6
Total non-current contract liabilities	**4**	**6**
Contract liabilities included in the opening balance, recognised as income during the year		
Construction contracts	1,549	1,015
Other contract liabilities	218	238
Total contract liabilities recognised as income	**1,766**	**1,253**

Order backlog

HENT, Presis Infra and SSEA Group had the largest order backlogs out of all of Ratos's subsidiaries as of 31 December 2024. HENT had an order backlog amounting to NOK 17.2 billion at 31 December 2024 (NOK 15.8 billion at 31 December 2023). Approximately 50 per cent of the order backlog is expected to be recognised in revenue in 2025 and the rest in 2026–2028. Presis Infra had an order backlog of NOK 7.4 billion at 31 December 2024 (NOK 6.7 billion at 31 December 2023), of which 34 per cent is expected to be recognised in revenue in 2025. SSEA Group had an order backlog of SEK 2.7 billion at 31 December 2024 (SEK 1.9 billion at 31 December 2023), of which 83 per cent is expected to be recognised in revenue in 2025.

Significant changes to contract assets and contract liabilities

The change in non-current and current contract assets and contract liabilities attributable to construction contracts primarily pertains to HENT. Given the nature of HENT's operations, which comprise construction contracts, a certain degree of variation in these items is expected between the periods, since the items are dependent on the progress and invoicing in projects in progress.

Loss provision for contract assets

Contract assets are within the scope of the model for expected credit losses. See the section on credit risk in Note 25 for a description and calculation of the loss provision.

Construction contracts

Construction contracts are recognised as revenue according to the stage of completion of the project in accordance with IFRS 15. Refer to Note 1 Accounting principles and Note 3 Revenue recognition.

Income statement

SEKm	2024	2023
Contract revenue	13,061	14,535
Net profit	1,628	1,529

Statement of financial position

Receivables from customers for assignments under a construction contract

SEKm	2024	2023
Contract revenue	9,698	11,625
Billing	–9,359	–11,232
Total receivables from customers	**339**	**392**
Of which, current contract receivables	339	392

Liabilities to customers for assignments under a construction contract

SEKm	2024	2023
Billing	33,591	22,058
Contract revenue	–30,886	–19,549
Total liabilities to customers	**2,704**	**2,509**
Of which, current contract liabilities	2,102	1,945

Note 33 Events after the end of the reporting period

The reconstruction of Plantasjen gained legal force in Norway and Sweden on 18 February 2025 and is thus completed. Shorter lease terms and a reduction in the number of stores will reduce Plantasjen's debt for future lease commitments by approximately SEK 1,500m. The proceeds from the reconstruction total approximately SEK 260m, which will partially impact the company's debt for future lease commitments. Impairment of external liabilities and thus the gains from the reconstruction amounted to approximately SEK 220m.

In January 2025, it was announced that two changes will be made to Ratos's management team: Anna Vilogorac will replace CFO Jonas Ågrup, who will retire, and Katarina Grönwall will become Vice President Communication & Sustainability and replace Josefine Uppling, who will leave Ratos for a new role outside the company.

Note 34 Exchange rates

Average rates

SEK	2024	2023
Danish kronor, DKK	1.533	1.540
Euro, EUR	11.435	11.477
Norwegian kronor, NOK	0.983	1.005

Closing date rates

SEK	31 Dec 2024	31 Dec 2023
Danish kronor, DKK	1.540	1.489
Euro, EUR	11.487	11.096
Norwegian kronor, NOK	0.970	0.987

Note 35 Parent company details

Ratos AB is a Swedish registered limited company with its registered office in Stockholm. The parent company's shares are registered on Nasdaq Stockholm. The address of the head office is Box 511, SE-114 11 Stockholm and the visiting address is Sturegatan 10.

The consolidated financial statements for 2024 comprise the parent company and its Group companies. The Group also includes the owned shares in investments recognised according to the equity method.

The Board of Directors' and CEO's certification

The consolidated financial statements and annual accounts have been prepared in accordance with the international financial reporting standards referred to in European Parliament and Council of Europe Regulation (EC) No. 1606/2002 of 19 July 2002, on application of international financial reporting standards and generally accepted auditing standards, and give a true and fair view of the parent company's and Group's financial position and results of operations. The statutory Directors' Report gives a true and fair view of the development of the Group's and parent company's operations, financial position and results of operations and describes significant risks and uncertainties facing the parent company and Group companies.
Our certification also encompasses the statutory sustainability report.

Stockholm, 5 March 2025

Per-Olof Söderberg
Chairman

Mats Granryd
Board member

Ulla Litzén
Board member

Tone Lunde Bakker
Board member

Cecilia Sjöstedt
Board member

Jan Söderberg
Board member

Jonas Wiström
Board member,
CEO

The annual accounts and the consolidated financial statements were approved for publication by the Board on 5 March 2025.
The consolidated income statement and statement of financial position and the parent company income statement and balance sheet will be presented for adoption at the Annual General Meeting to be held on 26 March 2025.

Our auditor's report was submitted on 5 March 2025

Ernst & Young AB

Erik Sandström
Authorised Public Accountant

Auditor's report

To the general meeting of the shareholders of Ratos AB (publ), corporate identity number 556008-3585

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of Ratos AB (publ) except for the corporate governance statement on pages 72–79 and the statutory sustainability report on pages 45–69 for the year 2024. The annual accounts and consolidated accounts of the company are included on pages 40–143 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2024 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2024 and their financial performance and cash flow for the year then ended in accordance with IFRS Accounting Standards, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 72–49 and the statutory sustainability report on pages 45–69. 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 income statement and the statement of financial position for the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) 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. For each matter below, our description of how our audit addressed the matter is provided in that context.

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

Valuation of Goodwill and participation in group companies

Description

Goodwill amounts to 14.3 billion SEK in the consolidated statement of financial position and participation in group companies amounts to 11.2 billion SEK in the parent company's balance sheet at year end. As disclosed in note 11, the goodwill value is tested annually, and as soon as indicators of impairment are identified, by calculating the recoverable amount and comparing it to the carrying value. Participation in group companies is assessed regularly if there are indications of decline in value and, if so, the asset's recoverable amount is calculated and compared to the carrying value. The impairment tests for 2024 resulted in an impairment of goodwill of 246 MSEK.

As stated in note 11, the recoverable amount is determined as the value in use or the fair value less cost to sell. Significant estimates in the calculation of value in use are, amongst others, expected future earnings, growth and discount rate. For fair value, future earnings and earnings multiple constitute significant assumptions.

Due to the estimates and judgments required to prepare the impairment test and due to the size of the carrying amounts, we have assessed the valuation of goodwill in the group, and participation in group companies in the parent company, to be a key audit matter.

How our audit addressed this key audit matter

In our 2024 audit we have evaluated the groups, and the parent company's, process to identify indicators of impairment, prepare impairment tests and to identify cash generating units. We have examined the significant estimates used in the impairment test by, among other procedures, comparing them to historical outcome, forecasts and to peer companies. We have also performed sensitivity analyses for changes in key estimates.

We have involved internal valuations specialists in our audit of significant assumptions and to evaluate the valuations models that have been used.

Finally, we have assessed the appropriateness of the disclosures in the annual report.

Revenue recognition over time

Description

Service contracts and construction contracts, recognized over time, are accounted for based on percentage of completion and the accounting principles are disclosed in note 3. Revenue recognition over time requires estimates and judgements to assess, among others, the total cost to complete the contract, and where applicable, assess the outcome of disputes related to the contracts. Key estimations and assessments are disclosed in note 31.

Due to the estimates and judgments required, we assessed revenue recognition over time to be a key audit matter.

How our audit addressed this key audit matter
In our 2024 audit we have assessed the group's process for revenue recognition over time. We have evaluated and assessed the group's estimations and judgements by, on a sample basis, examining significant contracts recognized over time compared to agreements and percentage of completion. Furthermore, we have, where applicable, obtained legal opinions from the group's legal advisors.

Finally, we have audited and assessed the disclosures in the annual report.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 3–37 and 150–155. The remuneration report for 2024 which will be authorized for release after the date of this auditors report also constitutes other information. 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.

If we conclude that the remuneration report contains a material misstatement, we are required to raise the matter with the Board of Directors and request a correction.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated accounts. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our opinions.

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

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

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

Report on other legal and regulatory requirements

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

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

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

Basis for opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

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

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

The auditor's examination of the ESEF report

Opinion

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

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

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

Basis for opinion

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

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

Responsibilities of the Board of Directors and the Managing Director

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

Auditor's responsibility

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

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

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

The audit firm applies ISQM 1 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with professional 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 and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

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

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

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 72–79 has been prepared in accordance with the Annual Accounts Act.

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

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

The auditor's opinion regarding the statutory sustainability report

The Board of Directors is responsible for the statutory sustainability report on pages 45–69, and that it is prepared in accordance with the Annual Accounts Act in accordance with the old version in force before 1 July 2024.

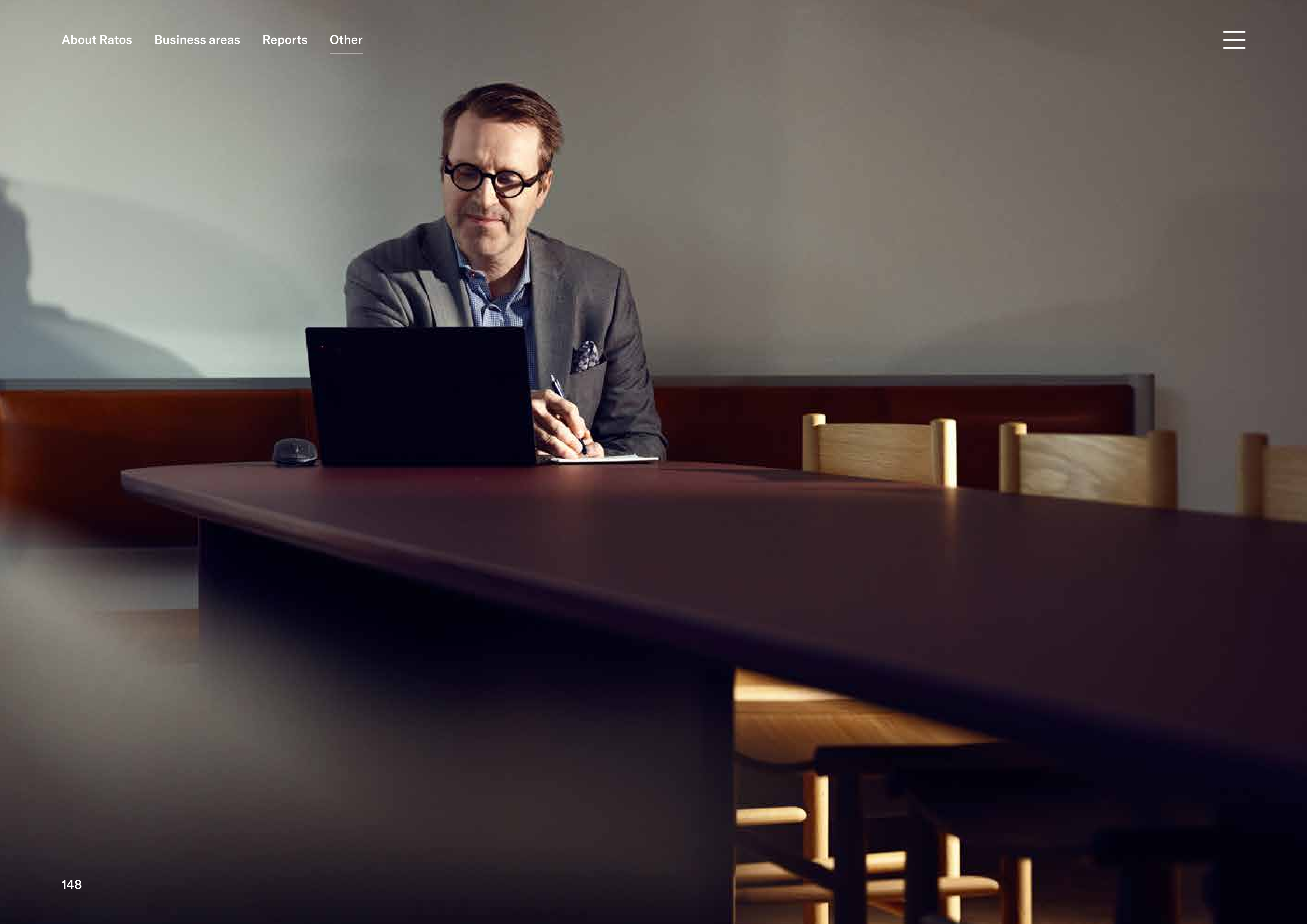
My (Our) examination has been conducted in accordance with FAR's auditing standard RevR 12 The auditor's opinion regarding the statutory sustainability report. This means that our examination of the statutory sustainability report is different and substantially less in scope than an audit conducted in 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 opinion.

A statutory sustainability report has been prepared.

Ernst & Young AB, Box 7850, 103 99 Stockholm, was appointed auditor of Ratos AB (publ) by the general meeting of the shareholders on the 26th of March 2024 and has been the company's auditor since the 8th of May 2019.

Stockholm, 5 March, 2025
Ernst & Young AB

Erik Sandström
Authorized Public Accountant



Other

Five-year summary, Group

	2024	2023	2022	2021	2020
Key figures[1]					
Basic earnings per ordinary share, SEK	0.76	3.73	1.69	8.17	2.17
Dividend per Class A and B share, SEK	1.35[2]	1.25	0.84	1.20	0.95
Dividend yield, %	4.3[2]	3.5	2.0	2.1	2.5
Total return, %	–10	–11	–27	54	17
Market price, year-end, SEK	31.34	36.08	41.49	57.95	38.48
Equity per share, 31 December, SEK[3]	37	38	38	37	29
Equity, SEKm[4]	12,270	12,314	12,289	11,940	9,366
Return on equity, %	2	10	5	24	7
Return on capital employed, excl. finance leases, %	10.1	10.0	10.2	11.0	8.4
Return on capital employed, %	9.4	8.8	8.6	9.0	7.0
Return on invested capital, %	7.5	7.4	7.3	9.0	8.6
Leverage excl. finance leases	1.3x	0.7x	2.5x	0.1x	1.1x
Leverage	1.9x	1.5x	3.5x	1.3x	2.3x
Equity ratio, %	43	40	37	47	39
Average number of ordinary shares before dilution	327,182,990	326,042,022	325,223,889	322,945,842	319,014,634
Number of Class A and B shares outstanding	327,385,688	326,516,488	325,898,988	324,676,320	319,014,634
Income statement, SEKm					
Net sales	32,125	33,748	29,875	22,551	20,941
EBITDA	3,523	5,308	2,958	2,669	2,422
Adjusted EBITA	2,329	2,244	1,966	1,802	1,468
Operating profit	1,670	3,010	1,618	1,656	1,457
Profit before tax	1,020	2,273	1,178	1,306	873
Profit for the year from continuing operations	662	2,006	879	1,139	614
Profit for the year from discontinued operations				1,715	269
Profit for the year	662	2,006	879	2,855	883
Profit attributable to owners of the parent	249	1,218	548	2,637	693

1) Relates to Class B shares unless specified otherwise.
2) Proposed ordinary dividend.
3) Equity attributable to owners of the parent divided by the number of outstanding ordinary shares at the end of the period.
4) Attributable to owners of the parent.

	2024	2023	2022	2021	2020
Statement of financial position, SEKm					
Intangible assets	16,072	15,978	16,908	11,418	8,082
Property, plant and equipment	1,547	1,617	1,725	1,503	1,198
Right-of-use assets	3,609	4,816	5,100	5,006	4,677
Financial assets	3,522	3,307	1,675	2,157	1,072
Deferred tax assets	555	477	357	303	156
Current assets	9,232	9,935	11,411	7,998	6,995
Assets held for sale					6,458
Assets	**34,536**	**36,129**	**37,175**	**28,385**	**28,638**
Equity	14,752	14,451	13,788	13,326	11,281
Provisions	666	619	543	535	561
Deferred tax liabilities	708	801	742	440	275
Lease liabilities	4,005	5,398	5,670	5,507	5,155
Other interest-bearing liabilities	5,001	5,049	7,371	2,575	3,206
Non-interest bearing liabilities	9,404	9,811	9,061	6,002	4,660
Liabilities attributable to assets held for sale					3,501
Equity and liabilities	**34,536**	**36,129**	**37,175**	**28,385**	**28,638**

Company KPIs

2024, SEKm	Net sales	EBITA
Aibel [1]	–	434
airteam	1,714	160
Aleido [2]	751	104
Diab	1,435	90
Expin Group [2]	995	–193
HL Display	2,759	368
Knightec Group [2]	2,475	232
KVD	1,552	97
LEDiL	511	77
Oase Outdoors	394	44
Plantasjen [2]	3,785	–37
Presis Infra	3,312	458
Sentia	10,359	569
Speed Group	944	36
TFS [2]	1,237	99

[1] 49.99 per cent of Aibel's earnings after tax (EAT).
[2] Pertains to adjusted EBITA.

Reconciliations of alternative performance measures

Ratos applies financial measures that are not defined in IFRS but are so-called alternative performance measures (APMs). The alternative performance measures presented are considered to be valuable supplementary information for analysts and other stakeholders for the evaluation and assessment of the Group's financial performance and position. Ratos's definitions of these performance measures may differ from other companies and, accordingly, these are not always comparable with similar performance measures used in other companies.

The following reconciliations and accounts pertain to sub-components included in the material APMs used in the Annual Report. Reconciliation is made against the most reconcilable item, subtotal or total provided in the financial statements for the corresponding period. Definitions are available at www.ratos.com and on page 154.

Organic growth

SEKm	2024	2023
Growth net sales, %	**–5**	**13**
Net sales	**32,125**	**33,748**
Acquired net sales	437	3,166
Effects of change in currency	–370	–112
Other	48	–194
Adjusted net sales	**32,010**	**30,888**
Divested net sales in the comparative period	11	2
Net sales adjusted for the comparative period	**33,737**	**29,873**
Organic growth	**–1,727**	**1,014**
Organic growth, %	**–5**	**3**

EBITDA, EBITA and operating profit

SEKm	2024	2023
EBITDA	**3,523**	**5,308**
Depreciation and impairment	–1,483	–1,408
EBITA	**2,039**	**3,901**
Reversal of impairment in associates		1,656
Reconstruction	–187	
Restructuring	–54	
Other	–49	
Adjusted EBITA	**2,329**	**2,244**
Amortisation and impairment of intangible assets in connection with company acquisitions	–369	–890
Operating profit	**1,670**	**3,010**

Interest-bearing net debt

SEKm	31 Dec 2024	31 Dec 2023
Interest-bearing liabilities, other	5,001	5,049
Provisions for pensions	68	65
Interest-bearing assets	–68	–34
Cash and cash equivalents	–2,186	–2,360
Interest-bearing net debt excl. finance leases	**2,815**	**2,720**
Financial lease liabilities	4,005	5,398
Interest-bearing net debt incl. finance leases	**6,820**	**8,118**

Definitions

Growth measures

Organic growth

Net sales growth in comparable units. The effects of acquisitions, divestments and exchange rate changes are excluded.

This measure displays underlying sales growth driven by changes to volume, price and product mix for comparable units between different periods.

Return measures

Return on equity

Profit for the year attributable to owners of the parent for the last 12 months divided by average equity attributable to owners of the parent during the five most recent quarters.

This measure is used to display total profitability in relation to equity invested by the parent company's shareholders.

Return on invested capital

Adjusted EBITA less tax paid for the last 12 months as a percentage of average capital invested during the five most recent quarters.

This measure is used to display profitability in relation to how efficiently capital is used.

Return on capital employed

Adjusted EBITA for the last 12 months as a percentage of average capital employed during the five most recent quarters.

This measure is used to display profitability in relation to how efficiently capital is used.

Dividend yield

Proposed dividend on ordinary shares expressed as a percentage of the Class B share's closing price at the period's last trading day.

This measure displays the size of the percentage of shareholders' investments that are regained annually in the form of a dividend.

EBITDA

EBITA with depreciation, amortisation and impairment reversed (Earnings Before Interest, Tax, Depreciation and Amortisation).

This measure displays the operating result and the ability to generate revenue from operations without taking the capital structure, investments in non-current assets or the tax situation into consideration.

EBITDA margin

EBITDA expressed as a percentage of net sales.

EBITA

Operating profit before impairment of goodwill as well as amortisation and impairment of other intangible assets that arose in conjunction with company acquisitions and similar transactions (Earnings Before Interest, Tax and Amortisation).

This measure is central for management's earnings follow-up since it displays the underlying profitability generated from operating activities.

EBITA margin

EBITA expressed as a percentage of net sales.

Adjusted EBITA

EBITA adjusted for capital gains and the revaluation of listed shares and non-recurring items affecting comparability at the business area level.

Adjusted EBITA margin

Adjusted EBITA expressed as a percentage of net sales.

Total return

Price development of Class B shares including reinvested dividends (this year's paid dividend) on ordinary shares.

This measure displays the total return on shares from an owner perspective.

Capital measures

Invested capital

Non-current assets (including goodwill) and working capital.

Interest-bearing net debt

Interest-bearing liabilities (including financial lease liabilities) and pension provisions minus interest-bearing assets and cash and cash equivalents.

This measure is used to define financing via financial liabilities taking financial assets into consideration, and used as a component of the assessment of financial risk.

Leverage

Interest-bearing net debt in relation to EBITDA for the last 12 months.

This measure displays financial risk and the ability to pay off debt. It is used by management for following up on and monitoring the debt level.

Leverage excl. finance leases

Interest-bearing net debt excluding finance leases in relation to EBITDA for the last 12 months.

Equity ratio

Reported equity expressed as a percentage of total assets. Non-controlling interests are included in equity.

This measure displays financial risk expressed as the percentage of total assets that are financed by the owners.

Capital employed

Equity, non-controlling interests and interest-bearing liabilities.

Share-related measures

Equity per share

Equity attributable to owners of the parent divided by the number of outstanding ordinary shares at the end of the period.

This measure provides an indication of the amount of capital per share that is attributable to the parent company's owners.

P/E ratio

Market share price for Class B share in relation to earnings per share.

Basic earnings per share

Profit for the year attributable to owners of the parent company divided by the average number of outstanding ordinary shares.

Diluted earnings per share

When calculating diluted earnings per share, earnings and the average number of shares are adjusted to take into account the effects of potential ordinary shares, which, for the reported periods, pertain to convertible debt instruments and warrants issued to employees.

Other measures

Cash flow from operating activities

Includes cash flow from operating activities, dividends received from associates, interest and financial items, income tax paid, and changes in working capital.

This measure displays the cash flow that the operations generate and that could potentially be used to repay creditors, for investments, for dividends to owners and for other strategic initiatives.

Average number of employees

Total number of hours worked during the period restated as full-time positions.

Shareholder information

Annual General Meeting 26 March 2025

The Annual General Meeting of Ratos AB (publ) will be held on Wednesday, 26 March 2025 at 2:00 p.m. at Grand Hôtel, Spegelsalen entrance, Studio Stockholm, Södra Blasieholmshamnen 8, Stockholm.

Right to participate and registration

There are two ways for shareholders to participate in the AGM: (i) attend in person or through a proxy, or (ii) participate through postal voting. In both cases, shareholders whose shares are registered in the name of a nominee must temporarily register the shares in their own name (described below).

Participation in person or through proxy

In order to participate in the AGM in person or through a proxy, shareholders must:

- be recorded as a shareholder in the register of shareholders maintained by Euroclear Sweden AB on Tuesday, 18 March 2025
- notify the company of their intention to participate in the AGM no later than Thursday, 20 March 2025, according to the following instructions.

Notification of participation in the AGM may be submitted online at www.ratos.com, by phone at +46 8 518 01 550 on business days from 9:00 a.m. to 4:00 p.m. or by post at Computershare AB, "Ratos årsstämma 2025", Box 5267, SE-102 46 Stockholm, Sweden. When submitting a notification of participation, the shareholder must state their name, personal identity number/corporate registration number, postal address, phone number and the number of assistants, if relevant (no more than two).

For shareholders wishing to participate through a proxy, a written, dated power of attorney signed by the shareholder is to be sent to the above address ahead of the AGM. Power of attorney forms are available on the company's website www.ratos.com. If power of attorney is issued by a legal entity, enclose a copy of the registration certificate or an equivalent document for the legal entity. To facilitate registration for the AGM, the power of attorney and registration certificate or equivalent document must be received by the company at the above address by Thursday, 20 March 2025 at the latest.

Postal voting

The Board has resolved to allow shareholders to exercise their voting right through postal voting. In order to participate in the AGM through postal voting, shareholders must:

- be recorded as a shareholder in the register of shareholders maintained by Euroclear Sweden AB on Tuesday, 18 March 2025
- notify the company of their intention to participate in the AGM by casting their postal vote no later than Thursday, 20 March 2025 in accordance with to the instructions below.

A separate form is to be used for postal voting. It is available on the company's website (www.ratos.com). The completed and signed document is to be e-mailed to info@computershare.se or sent by post to Computershare AB, "Ratos årsstämma 2025", Box 5267, SE-102 46 Stockholm, Sweden. Computershare must receive the completed form no later than Thursday, 20 March 2025. Shareholders may also cast their votes electronically by signing with BankID on the company's website (www.ratos.com). Such votes must also be submitted by no later than Thursday, 20 March 2025.

Shareholders may not give any other instructions or conditions on the advanced voting form. Modified forms are rendered invalid. Further instructions and conditions are provided on the postal voting form.

If a shareholder submits their postal vote through a proxy, a written, dated power of attorney signed by the shareholder is to be enclosed with the postal voting form. Power of attorney forms are available on the company's website www.ratos.com. If power of attorney is issued by a legal entity, enclose a copy of the registration certificate or an equivalent document for the legal entity.

Shareholders who wish to participate in the AGM in person or through a proxy must notify the company according to the instructions under the heading "Participation in person or through proxy" above. This means that a notification of participation through postal voting is not sufficient to participate in the AGM in person or through a proxy.

For any questions regarding advance voting, please contact Computershare AB, tel: +46 8 518 01 550, between 9:00 a.m. and 4:00 p.m.

Nominee-registered shares

To participate in the AGM (including through postal voting), shareholders whose shares registered in the name of a nominee must temporarily register the shares in their own name so that the shareholder is listed in the register of shareholders on Tuesday, 18 March 2025. Note that this procedure also applies for shares registered with bank custody accounts and certain investment savings accounts. Such voting right registration is to be carried out in accordance with the nominee's procedures and at the time decided by the nominee. Voting right registration carried out by the nominee no later than Thursday, 20 March 2025 will be included in the register of shareholders.

Dividend and record date

The Board proposes a dividend for the 2024 financial year of SEK 1.35 (1.25) per Class A and Class B share. The record date for the right to receive dividends is proposed as 28 March 2025 and dividends are expected to be paid from Euroclear Sweden on 2 April 2025.

Calendar

26 March	2025 Annual General Meeting
5 May	Interim Report, January–March 2025
17 July	Interim Report, January–June 2025
21 October	Interim Report January–September 2025

Reports can be accessed on Ratos's website directly after publication and are issued in Swedish and English. The Annual Report is sent by post to shareholders who have so requested.

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Production: Ratos in cooperation with Hallvarsson & Halvarsson
Photos: Karl Nordlund, Getty Images, Shutterstock and own photos from the companies.
Printing: Larsson Offsettryck AB, Linköping 2025
Paper: Munken Polar ID
Ratos AB (publ) Corp. Reg. No. 556008-3585
This annual report is also available in Swedish.

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