# ANNUAL REPORT 2024

North Investment Group AB (publ)

# BOARD OF DIRECTORS' REPORT FOR NORTH INVESTMENT GROUP

The Board of Directors and CEO of North Investment Group AB (publ.), corp. ID no. 556972-0468, with registered office in Tranås, hereby submits the annual report and consolidated accounts for 2024. Unless otherwise stated, the report is presented in thousand Swedish kronor (TSEK). Amounts in parentheses refer to the previous year

## OPERATIONS

Sono Group is one of the leading Scandinavian suppliers of quality furniture and wardrobe solutions for schools, offices and industries. North Investment Group AB (publ.) is the parent company in the group Sono Group, which name comes from the operations common trademark Sono.

Sono Group can offer its customers the broadest product range in the industry and offer its own proprietary brands such as Ergoff, Form o Miljö, GBP, Sarpsborg Metall, Sonesson Inredningar and Tranås Skolmöbler. Sono Group´s core competence and competitive advantage is development and sourcing of products from an extensive network of several hundred qualified manufacturers in Europe and Asia. The operations are divided into the business areas Sono Sweden and Sono Norway.

Sono Group is one of Scandinavia's leading groups for developing and selling ergonomic workplace solutions, furniture for offices, schools and pre-schools, industry- and construction businesses, sport and leisure, as well as public offices and health care. The Group has seasonal variations, mostly related to one of its main categories, School furniture. A high share of these deliveries happens during the 3rd quarter.

### Legal structure

Sono Group consists of the parent company North Investment Group AB (publ.) and its fully owned daughter companies. For detailed information, see note 12.

### Segment

The Group is divided into two segments, Sono Norway (Norway) and Sono Sweden (Sweden).

Sono Norway consists of the Norwegian companies Sono Holding Norge AS, Sarpsborg Metall AS, Sono Norge AS, Sørlie Prosjektinnredninger AS and Sono Norop AS. In addition, the Norwegian segment consists of the Danish company Sono Danmark A/S, and Sono IPO Ltd in Hong Kong.
Sono Sweden consists of the Swedish companies NIG Sverige AB, Sonesson Inredningar AB, Brands Selection Sweden AB, Sono Sverige AB and Sono Sweop AB.

## NET SALES AND RESULTS

The Group's audited total net sales were SEK 865 (899) million and EBITDA was SEK 110 (119) million in 2024. The order intake was SEK 849 (851) million, corresponding to a decrease of 0,2 % compared to 2023. The Group's EBIT was SEK 35.3 (43.1) million and the net result was SEK -36.5 (-16.2) million. The Group's gross margin in 2024 was 43.4 % (44.2%). The gross margin is defined as the difference between net sales and direct costs. Gross margin tends to fluctuate somewhat from quarters to quarters (and year to year) depending on the development within each product category.

The split between the groups different segments was as follows; Sono Norway generated net sales of SEK 389.9 (430.6) million and EBITDA of 43.9 (46.7) million during the year, while Sono Sweden generated net sales of SEK 468.3 (448.7) million and EBITDA of SEK 67.6 (73.3) million.

During the second quarter, we have completed an internal sale of the company Sarpsborg Metall AB from Sono Holding Norge AS to Sono Brands AB. This company has therefore been moved from segment Sono Norway to segment Sono Sweden and subsequently merged into Brands Selection Sweden AB. The change in this segment follows the criteria in IFRS 5.5 regarding chief operating decision maker. This has no financial effect on the Group's total but has an effect between the segments of SEK 41.4 million in revenue and SEK -0.7 million in EBITDA (2023 values).

## SIGNIFICANT EVENTS DURING THE FINANCIAL YEAR

The revenues during 2024 are still at a low level. The decline we experienced in the Swedish market in 2023 has not recovered at the rate we expected in 2024. The market in Norway and Denmark remains at a good level. During 2024, the group carried out two mergers. In Denmark, the company Sono Denop ApS merged into its sister company Sono Danmark A/S. The merger was carried out in May and had no effects other than increased efficient administration of the company. In Sweden, the companies Sarpsborg Metall AB and Sono Brands AB have merged and changed their name to Brands Selection Sweden AB. By combining the group's sales to retailers in Sweden in one company, we will be able to offer our customers more efficient sales processes and higher competence among our salespeople.

During the second quarter, we launched our new brand pages online. The pages are designed to focus on our strong brands and are intended to provide inspiration to visitors through images, product information, etc. The pages gbp.se, formomiljo.se, ergoff.se, tranasskolmobler.se and sonesson.se are important tools for showing our customers how we can solve their needs in the best possible way.

At the beginning of 2025, we launched our own channel for used furniture in Sweden, called Sono Reuse. We have organized the flow of used products in a better way internally and dedicated space and resources in our own warehouse where we will gradually expand our portfolio of used products. We have also established several new collaborations with various suppliers in the renovation sector, so that we can offer both existing and new customers products with a lower environmental footprint. The products are available on our website sonoreuse.se.

## SHAREHOLDERS

The company is 88.6% owned by Frigaard Industries AS, corp. ID no. 999 210 384, with registered office in Sarpsborg, Norway. The consolidated financial statements for the group are prepared by Soland Invest AS, corp. ID no. 987 521 465, with registered office in Sarpsborg, Norway. A description of the ownership of the company at the balance sheet date is found in Note 23.

The remaining shareholders each hold less than 10% of the company.

## MULTI-YEAR SUMMARY

**Multi-year summary for the group:**

| (SEK million) | **2024** | **2023** | **2022** | **2021** |
|---|---|---|---|---|
| Net sales | 858.3 | 885.9 | 942.0 | 814.1 |
| Profit/loss after net financial income (expense) | -34.5 | -12.6 | 0.1 | -12.6 |
| Total assets | 801.8 | 875.9 | 812.5 | 689.4 |
| Equity/assets ratio (%) | -4.5% | 0.0% | 4.2% | 4.0% |
| Number of employees | 207 | 227 | 226 | 217 |

## INVESTMENTS AND CASH FLOWS

Gross investments in intangible assets totaled SEK 0.3 million. Gross investments in tangible assets totaled SEK 1 million.

The Group's net cash flow from operations was positive with SEK 43.6 (81.0) million. The Cash and cash equivalents as of 31st of December 2024 amount to SEK 4.4 (26.7) million. The group has an undrawn credit line of SEK 30.0 (30.0) million as of 31st of December 2024, e.g., total available funds of SEK 34.4 million.

## ENVIRONMENT

Sono Group is not engaged in activities that are notifiable to the local authority.

## SUSTAINABILITY

According to ÅRL (Swedish accounting act) a sustainability report is prepared for the group. This report can be read at https://www.sono-group.com/sono-group/sustainable-workday.

## RESEARCH AND DEVELOPMENT

The group is not engaged in research and development activities other than the continued development of existing sales and ERP systems and products

## USE OF FINANCIAL INSTRUMENTS

The group has long-term borrowings, which are measured at amortized cost.

## EMPLOYEES

The group has 217 employees as of the end of December, of which 31% are women. Approximately 56% of employees are employed in the Swedish segment.

## SIGNIFICANT RISKS AND UNCERTAINTIES

The Group´s main risks and uncertainties are related to its high exposure to certain markets. In addition, the Group are exposed to various types of financial risk – currency risk, interest rate risk, refinancing risk and general liquidity risk. The group's currency risk and liquidity risk have increased in the past few years due to a higher share of imported goods. The group uses a multi-currency group account structure to control the use of EUR and USD. On 31 December, the group had no open forward contracts. For further information, see note 3.

Refinancing risk is defined as the risk that it will be difficult to refinance the company, that financing cannot be obtained, or that it can only be obtained at increased cost. The group currently secures access to external financing through bonds.

## EVENTS AFTER THE END OF THE PERIOD

There are no changes to important aspects or occurred significant effects after the end of the accounting period that affects the financial statement.

## PARENT COMPANY

In the parent company North Investment Group AB (publ.) has no significant events occurred during the financial year. During 2024, the parent company received dividends corresponding to SEK 12.7 million from the subsidiary Sono Holding Norge AS and group contributions corresponding to SEK 5.0 million from the subsidiary ACAP Invest AB.

## OUTLOOK

The market conditions in Sweden have been challenging in 2023 and 2024. We have taken several measures to improve our competitiveness in the school category both in terms of purchasing strategy, organizational structure and product development. Several new and modified products have been launched with positive feedback from customers. We also see improvements in terms of the level of activity in Sweden during the beginning of 2025.

In 2024, we won several framework agreements in both Norway and Sweden. The signed agreements mainly relate to the public sector, where there have been limited funds to purchase furniture in 2024. For 2025, we expect increased sales through these agreements as we expect that there is a buildup need for furniture in the public sector in Sweden from the previous year, which will be met to some extent in 2025.

We are experiencing a growing trend where our products are attractive in Europe, also outside Scandinavia. This trend opens opportunities for growth in exports, primarily in the cabinet and industrial categories, both towards existing and new customers.

In 2025, the Group will replace the current ERP system. The change will contribute to more efficient operations and create opportunities for new types of business. The current system is over 20 years old, and a new system will simplify the process for both our employees and our customers.

The Group's bond loan has been extended until 31 December 2025. As interest rates in Sweden are expected to be lower on average than last year, the interest cost for the Group will decrease.

## APPROPRIATION OF RETAINED EARNINGS

The Board of Directors proposes the following appropriation of retained earnings (Swedish kronor):

| | |
|---|---|
| retained earnings | -7 969 071 |
| this year´s loss | -22 135 044 |
| | |
| To be carried forward | -30 104 115 |

# CORPORATE GOVERNANCE REPORT 2024

## Principles for corporate governance report

The Corporate Governance Report for North Investment Group AB (publ) are prepared according to the Swedish law for annual statement. The Swedish code of corporate governance is not applied.

## Ownership

North Investment Group AB (publ) is the parent company in the Group. The company is owned 88.6% by Frigaard Industries AS, org.no: 999 210 384, registered in Sarpsborg, Norway. The financial statement for the whole group is prepared in the company Soland Invest AS, org.no: 987 521 465, registered in Sarpsborg, Norway. None of the other share owners' control, directly or indirectly, more than 10% of the shares in the company. Detailed description of ownership at the balance date can be found in note 23. Each share owner can give one vote for each share at the shareholders meeting. The company is not familiar with any limitations in voting rights

## Shareholder meeting

The company's highest decision organ is the shareholder meeting, where the shareholders carry out its influence. In the parent company the shareholders meeting shall be held on an annual basis, no later than six months after the end of the accounting year. At the shareholders meeting the shareholders decide i.e. the financial statements for the parent company and the group, appropriation of the results, as well as discharge for the board members and CEO. It is also the shareholders meeting that elects the board and the director of the board, as well as elects the auditor and decides the renumeration to the board and other senior executive directors. The shareholders' meeting has not given authority to the board to decide if the company shall issue or acquire new shares.

The parent company held its shareholders meeting on 16th May 2024. At the meeting four shareholders attended, which is approximately 96% of the votes.

## Articles of associations

The parent company's articles of associations stipulate that the board shall consist of a minimum of three and maximum five ordinary board members and a maximum of three substitutes. The articles of associations have no articles that deviates from the Swedish limited company act.

## The board

The board has according to the Swedish limited company act the overall responsibility for the group's organization and management, as well as control over that the accounting and financial relationship are sufficient. It is the boards that decides regarding the group's strategy and policies, as well as what overall goals that shall be the target. It is also the board that decides the group's financing, acquisitions, disposals and investments.

In addition to the general task for the board set forth in the Swedish limited company act, the boards also decide each year the boards procedures and a work instruction for the CEO. The board's procedures contain amongst other things rules regarding the board's responsibility and tasks as well as how they shall be delegated, that the board normally shall meet four times per year and what shall be discussed on the respective meetings. During 2024 five board meetings were held. The work instruction for the CEO contains mainly the division of assignments and responsibility between the board and CEO, as well as instructions related to internal reporting to the board.

The parent company's board consists of three board members: Helge Stemshaug (director of the board), Trond Frigaard and Anita Kristiansen.

## Committee

The parent company's audit committee, same as the board, is responsible for preparing, follow up and assess questions related to the financial reporting, audit of the financial statement, and review and surveillance of the auditor impartiality and independence.

## Senior executives

The CEO of Sono Group is responsible for leading and developing the operations according to those guidelines and regulations that the board has decided, primarily through the written work instruction for CEO that yearly is decided by the board.

The CEO decides on his own the group's internal organization and appoints the senior management. For bigger organizational changes the CEO collect the board's view on the matter.

Sono Groups senior management consisted at year end of Tore Skedsmo (CEO), Hans Petter Borge (CPO), Torleif Tokle (COO Sono Norway) and Andreas Nilsson (COO Sono Sweden).

The CEO leads the senior management's work and make decisions together with the other management. The senior management meets at least twelve times per year to follow up on the operations and discuss group matters, as well as propose new strategic plans and budgets that the CEO then prepares for the board to decide.

Members of the senior management have created local management groups in their respective segments, Sono Norway and Sono Sweden, that meets quarterly. Quarterly business reviews are held for the respective companies within the segment. These forums are used for financial follow-up, business development and strategic questions on segment level.

## Internal control and risk management

The internal control overall goal is to a reasonable extent make sure that the company and the group's operational strategies and goals are followed up and that the owner's investments are protected. The internal control shall further make sure that the external financial reporting with reasonable assurance is correct and according to general accepted accounting standards, that laws and regulations are followed, together with regulations related to listed companies. As a tool for internal control there exists internal instructions, routines, systems, as well as a clear description of responsibilities both between the board and CEO, and within the operational activities. Policies and routines are documented and assessed on a regular basis.

Routines and activities have been developed to handle and reduce material risks that are related to financial reporting. The operative management does monthly follow-ups and analysis together with respective business managers based on the executive management defined operative and financial key performance indicators. These reports are consolidated for the group and analyzed and followed up by the CEO and finally the board. The analyses of the key performance indicators are done towards budget, prognosis, and previous year's outcome.

The group's material risks and uncertainties include business risks such as high exposure to certain markets and financial risks. Financial risks such as currency-, interest-, financing- and liquidity risks is mainly handled centrally by the group's finance function.

## Diversity policy

Diversity policy has been prepared and approved by Sono Group board of directors. The policy is published and communicated on the Group's intranet. The purpose of the policy is to emphasize the importance of human equal value and that human equality enriches. The policy shall guide the work with diversity in Sono Group as well as which assessments the Group has on the topic. Sono Group will employ, keep and develop its employees with care and equality. Sono Group works to achieve equality in gender and increased diversity. All employees shall be assessed and valued on objective terms.

# CONSOLIDATED INCOME STATEMENT

| All amounts in SEK thousand | Note | 2024 | 2023 |
|---|---|---|---|
| Revenue | 5,6 | 858 279 | 885 884 |
| Other operating revenue | 6 | 6 700 | 12 647 |
| **Total operating revenue** | | **864 979** | **898 531** |
| Cost of goods sold | | (486 211) | (494 308) |
| Other external cost | 7,9 | (84 134) | (95 518) |
| Salaries and personnel expense | 8,27 | (184 306) | (189 565) |
| Other operating expense | 9 | - | - |
| **EBITDA** | | **110 328** | **119 140** |
| Depreciation and amortization expense | 14,15,17 | (75 057) | (76 044) |
| **Operating profit** | | **35 271** | **43 096** |
| Interest income and similar | 10,11 | 7 312 | 10 734 |
| Interest expense and similar | 10,11 | (77 055) | (66 458) |
| Net financial income (expenses) | | **(69 743)** | **(55 724)** |
| **Profit before income tax** | | **(34 472)** | **(12 628)** |
| Income taxes | 13 | (1 986) | (3 549) |
| **Net profit for the period** | | **(36 458)** | **(16 177)** |

**Consolidated statement of comprehensive income**

| | | |
|---|---|---|
| **Items that may be reclassified subsequently to income statement** | | |
| Translation differences on net investment in foreign operations | (206) | (15 453) |
| | 0 | |
| ***Items that will not be reclassified to income statement*** | | |
| Remeasurement of defined benefit pension plans | 147 | (2 902) |
| Income taxes | (30) | 598 |
| Other comprehensive income (loss), net of taxes | **(89)** | **(17 757)** |
| **Total comprehensive income** | **(36 547)** | **(33 934)** |

## CONSOLIDATED BALANCE SHEET

| ASSETS<br>All amounts in SEK thousand | Not | 2024<br>31.12 | 2023<br>31.12 |
|---|---|---|---|
| Software | 15 | 2 030 | 5 781 |
| Goodwill | 15 | 231 683 | 234 473 |
| **Total intangible assets** | | **233 713** | **240 254** |
| Right of use assets | 17 | 346 401 | 383 819 |
| Land, buildings and other property | 14 | 1 575 | 1 597 |
| Machinery and plant | 14 | 509 | 560 |
| Office machinery, equipment and similar | 14 | 5 142 | 6 723 |
| **Total property, plant and equipment** | | **353 627** | **392 699** |
| Other long term receivables | | 126 | 127 |
| **Total non-current financial assets** | | **126** | **127** |
| Deferred tax receivables | 13 | 21 242 | 23 588 |
| **TOTAL NON-CURRENT ASSETS** | | **608 708** | **656 668** |
| **Inventories** | | | |
| Raw materials | 19 | 9 614 | 10 853 |
| Work in progress | 19 | 722 | 712 |
| Finished products | 19 | 65 229 | 62 307 |
| Advance payments to suppliers | 19 | - | - |
| **Total inventories** | | **75 565** | **73 872** |
| Accounts receivables | 18 | 101 708 | 101 486 |
| Other short term receivables | 20 | 2 400 | 3 026 |
| Tax recoverables | | 3 762 | 2 458 |
| Prepaid expenses and accrued income | 21 | 5 200 | 11 631 |
| **Total receivables** | | **113 070** | **118 601** |
| Cash and cash equivalents | 22 | 4 434 | 26 720 |
| **Total Cash and cash equivalents** | | **4 434** | **26 720** |
| **TOTAL CURRENT ASSETS** | | **193 069** | **219 193** |
| **TOTAL ASSETS** | | **801 777** | **875 861** |

# CONSOLIDATED BALANCE SHEET

| EQUITY AND LIABILITIES<br>All amounts in SEK thousand | Not | 2024<br>31.12 | 2023<br>31.12 |
|---|---|---|---|
| Share capital | 23 | 105 619 | 105 619 |
| Other equity | | (27 530) | (27 324) |
| Retained earnings | | (114 471) | (78 130) |
| **Equity attributable to majority shareholders** | | **(36 382)** | **165** |
| Liabilities to financial institutions | | 277 | 468 |
| Pension liabilities | 27,28 | 22 162 | 23 232 |
| Non-current Lease liabilities | 17 | 299 765 | 339 283 |
| **Total non-current liabilities** | | **322 204** | **362 983** |
| Bonds current | 25 | 290 311 | 283 718 |
| Current lease liabilities | 17 | 69 860 | 66 252 |
| Prepayments from customers | | 987 | 1 278 |
| Accounts payable | | 80 050 | 79 500 |
| Tax payable | | - | 2 200 |
| Other short-term liabilities | | 23 666 | 24 013 |
| Accrued expenses and deferred income | 26 | 51 081 | 55 752 |
| **Total current liabilities** | | **515 955** | **512 713** |
| **TOTAL EQUITY AND LIABILITIES** | | **801 777** | **875 861** |

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Attributable to equity holders of the parent company | | | | Total equity |
|---|---|---|---|---|---|
| All amounts in SEK thousand | Share capital | Other Equity | Retained earnings | Total other equity | |
| **Equity as at 01.01.2023** | **105 619** | **(11 871)** | **(59 649)** | **(71 520)** | **34 099** |
| **Comprehensive income** | | | | | |
| Profit for the period | | | (16 177) | **(16 177)** | **(16 177)** |
| **Other comprehensive income** | | | | | |
| *Items that will not be reclassified in profit or loss* | | | | | |
| Actuarial loss on pension obligations | | | (2 902) | **(2 902)** | **(2 902)** |
| *Items that may be reclassified in profit or loss* | | | | | |
| Translation difference, net assets in foreign currency | | (15 453) | - | **(15 453)** | **(15 453)** |
| Deffered tax | | | 598 | **598** | **598** |
| **Total comprehensive income** | **-** | **(15 453)** | **(18 481)** | **(33 934)** | **(33 934)** |
| **Equity as at 31.12.2023** | **105 619** | **(27 324)** | **(78 130)** | **(105 454)** | **165** |
| **Equity as at 01.01.2024** | **105 619** | **(27 324)** | **(78 130)** | **(105 454)** | **165** |
| Profit for the period | | | (36 458) | **(36 458)** | **(36 458)** |
| **Other comprehensive income** | | | | | |
| *Items that will not be reclassified in profit or loss* | | | | | |
| Actuarial loss on pension obligations | | | 147 | **147** | **147** |
| Issue of share capital | **-** | | **-** | **-** | **-** |
| Disposal of a subsidiary | | | **-** | **-** | **-** |
| Acquisition of non-controlling interests | | | | **-** | **-** |
| Dividends | | | | | **-** |
| *Items that may be reclassified in profit or loss* | | | | | |
| Translation difference, net assets in foreign currency | - | (206) | - | **(206)** | **(206)** |
| Deffered tax | | | (30) | **(30)** | **(30)** |
| **Total comprehensive income** | **-** | (206) | (36 341) | **(36 547)** | **(36 547)** |
| **Total shareholders transactions** | **-** | - | **-** | **-** | **-** |
| **Equity as at 31.12.2024** | **105 619** | **(27 530)** | **(114 471)** | **(142 001)** | **(36 382)** |

## CONSOLIDATED CASH FLOW STATEMENT

| All amounts in SEK thousand | 2024-12-31 | 2023-12-31 |
|---|---|---|
| **Cash flows from operations** | | |
| Profit/(loss) before income taxes | (34 472) | (12 628) |
| Taxes paid in the period | (3 144) | (2 288) |
| Adjustments for items without cash effects | 6 593 | 2 564 |
| Net (gains) losses from disposals of assets | (922) | - |
| Depreciation | 75 057 | 76 044 |
| Other adjustments | (1 070) | (1 140) |
| Currency (gains) losses not related to operating activities | 1 321 | (1 453) |
| **Net cash flow from operations before changes in working capital** | **43 363** | **61 099** |
| Change in inventory | (2 280) | 14 404 |
| Change in trade debtors | (1 423) | 9 825 |
| Change in trade creditors | 1 251 | 913 |
| Change in other provisions | 2 713 | (5 273) |
| **Net cash flow from operations** | **43 624** | **80 968** |
| **Cash flows from investments** | | |
| Purchase of intangible assets | (329) | (2 089) |
| Purchase of fixed assets | (1 000) | (4 260) |
| **Net cash flows from investments** | **(1 329)** | **(6 349)** |
| **Cash flow from financing** | | |
| Proceeds from long term loans | (192) | 468 |
| Repayment of borrowings | - | - |
| Repayment of leasing liabilities | (65 282) | (64 172) |
| **Net cash flow from financing** | **(65 474)** | **(63 704)** |
| **Net change in cash and cash equivalents** | **(23 179)** | **10 915** |
| Cash and cash equivalents at the beginning of the period | 26 720 | 17 508 |
| Exchange rate differences in cash and cash equivalents | 893 | (1 703) |
| **Cash and cash equivalents at the end of the period** | **4 434** | **26 720** |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1 GENERAL INFORMATION

North Investment Group AB (publ.) (NIG), corp. ID no. 556972-0468 is a limited company with registered office in Tranås, Sweden. The address of the head office is North Investment Group AB (publ.), Box 196, 573 22 Tranås, Sweden. These consolidated financial statements were approved for publication by the Board of Directors on 29 April 2025.

Unless otherwise stated, all amounts are expressed in thousands of Swedish kronor (TSEK)

## NOTE 2 SUMMERY OF KEY ACCOUNTING POLICIES

The note contains a list of significant accounting principles that have been applied in preparing these consolidated financial statements. Unless otherwise stated, these principles have been applied consistently for all the years presented. The consolidated financial statements comprise the legal parent company North Investment Group AB (publ.) and its subsidiaries.

*Basis of preparation of financial statements*

The consolidated financial statements of the Sono Group have been prepared in accordance with the Swedish Annual Accounts Act, Recommendation RFR 1 Supplementary Financial Reporting Rules for Corporate Groups of the Swedish Financial Reporting Board, the International Financial Reporting Standards (IFRS) and the interpretations of the IFRS Interpretations Committee (IFRS IC), as adopted by the EU. The principles applied are unchanged from the previous year.

The consolidated financial statements have been prepared using the cost method.

The preparation of financial statements in compliance with IFRS requires the use of critical accounting estimates. Management is also required to make certain judgements in applying the group's accounting principles. Areas which involve a high degree of judgement are complex or where assumptions and estimates have a material impact on the consolidated financial statements are described in notes.

*New and amended standards that have not yet been applied by the group*

There have not been any new IFRS-standards or IFRIC interpretations that have changed the group's results and balance sheet during financial year 2024. No new IFRS standards or interpretations have been early adopted. There are no changes to accounting principles that is likely to have a material impact on the Groups results and balance for financial year starting 1st January 2025.

*Consolidation*

(a) Subsidiaries

All entities over which the group has control are classified as subsidiaries. The group controls an entity when it is exposed to, or has the right to, a variable return on its investment in the entity and is able to influence the return through its interest in the entity. Subsidiaries are included in the consolidated financial statements from the date on which control is transferred to the group. They are excluded from the consolidated financial statements from the date when control is lost.

The purchase method is applied in accounting for the group's business combinations. The consideration paid for the acquisition of a subsidiary comprises the fair value of the transferred assets and liabilities incurred by the group to previous owners of the acquired entity. Identifiable assets acquired and liabilities assumed in a business combination are initially measured at fair value at the acquisition date. Goodwill refers to the amount by which the transferred consideration and any non-controlling interest in the acquired entity exceed the fair value of identifiable acquired net assets.

Acquisition-related costs are expensed as incurred. Intercompany transactions and balances, and unrealized gains and losses on transactions between group companies are eliminated. Where applicable, the accounting principles for subsidiaries have been amended to guarantee consistent application of the group's principles.

*Segment reporting*

Operating segments are accounted for in a way that is consistent with the internal reports submitted to the chief operating decision maker. The chief operating decision maker is the function responsible for allocating resources and assessing the results of operating segments. Sono Group's Chief Executive Officer is the group's chief operating decision maker. The group has identified two operating segments: Sono Sweden and Sono Norway.

*Translation of foreign currency*

(i) Functional currency and reporting currency

The various entities in the group have the local currency as their functional currency, as the local currency has been defined as the currency of the primary economic environment in which each entity operates. Swedish kronor (SEK), the functional and reporting currency of the parent company and group, are used in the consolidated financial statements.

The group adapts IAS 21.15 related to the exchange rate difference for the loan nominated in SEK between North Investment Group AB (publ.) and Sono Holding Norge AS. The loan is in substance a part of the entity's net investment in foreign operations and the exchange rate difference from this loan is recognized in other comprehensive income.

(ii) Transactions and balances

Transactions in foreign currency are translated to the functional currency at transaction date exchange rates. Foreign exchange gains and losses arising from such transactions and on translation of monetary assets and liabilities in foreign currency at closing rates are recognized in the statement of comprehensive income.

Foreign exchange gains and losses are attributable to loans, and cash and cash equivalents are accounted for in the statement of comprehensive income as financial income or financial expense. All other foreign exchange gains and losses are recognized in the items other operating expenses and other operating income in the statement of comprehensive income.

(iii) Translation of foreign group companies

Results and financial position for all group companies that have a different functional currency than the reporting currency are translated to the group's reporting currency. Assets and liabilities for each balance sheet are translated from the functional currency of the foreign operation to the group's reporting currency, Swedish kronor, at the closing rate. Income and expenses for each of the income statements are translated to Swedish kronor at the average exchange rate at each transaction date. Translation differences arising on translation of foreign operations are recognized in other comprehensive income. The cumulative amount of gains and losses is recognized in profit or loss when the foreign operation is wholly or partially disposed of. Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities in this operation and translated at the closing rate.

*Recognition of revenue*

The group's principles for recognition of revenue from contracts with customers are described below.

(i) Sales of goods

The group manufactures and sells interior design solutions for the school, office, industrial and construction, sport and leisure, and public environment and care sectors. Most of the group's customers are from the public sector. Sales of products are recognized as revenue when control of the goods is transferred, which occurs when risks and rewards are transferred to the customer in accordance with the applicable delivery terms.

The products are mainly sold under an arrangement in which most discounts are deducted directly in the price list. In a few cases, products are sold with volume discounts based on cumulative sales over a twelve-month period. Revenue from the sale of furniture is recognized based on the price in the contract less estimated volume discounts. Historical data is used to estimate the expected value of discounts and revenue is recognized only to the extent that it is highly probable that a significant reversal will not occur. A liability is recognized for expected volume discounts relative to sales up to and including the balance sheet date.

No significant financing component is considered to exist at the time of sale, as the credit period is normally 30 days.

The group's obligation to repair or replace defective instruments in accordance with normal warranty rules is accounted for through provisions.

(ii) Interest income

Interest income is recognized using the effective interest method.

*Leases*

The group leases warehouse-and office-type premises as well as production premises in Tranås. The group only acts as lessee. The leases are recognized as right-of-use assets with corresponding liabilities on the day when the leased asset is available for use by the group. Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is amortized on a straight-line basis over the shorter of the asset's useful life and the lease term.

Assets and liabilities arising from leases are initially stated at present value.

Lease liabilities include the present value of the following lease payments

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payments that depend on an index or a rate
- amounts expected to be payable by the lessee to the lessor under residual value guarantees
- the exercise price of a purchase option, if the lessee is reasonably certain to exercise that option
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising the option to terminate the lease.

Lease payments are discounted using the interest rate implicit in the lease, but if this cannot be determined then the lessee's incremental borrowing rate is used.

Right-of-use assets are measured at cost, which includes the following:

- the amount of the initial measurement of the lease liability
- any lease payments made at, or before the commencement date, less any lease incentives received
- initial direct costs
- costs to be incurred in restoring the asset to the condition required by the terms and conditions of the lease.

Payments for short-term leases and leases of low-value assets are expensed on a straight-line basis In the statement of comprehensive income. Short-term leases are leases with a term of twelve months or less.

*Current and deferred income tax*

The tax expense for the year comprises current tax calculated on the taxable profit for the year at the applicable tax rates. The tax expense for the year is adjusted for changes in deferred tax assets and liabilities arising from temporary differences and unused tax losses.

The current tax expense is calculated based on the tax rules that have been enacted or substantively enacted at the balance sheet date in those countries where the parent company and its subsidiaries operate and generate taxable revenue. Management regularly evaluates claims made in tax returns which relate to situations where the applicable tax rules are subject to interpretation and, where this is deemed appropriate, makes provisions for amounts that will probably be payable to the tax authority.

Deferred tax is recognized for all temporary differences between the carrying amounts and tax bases of assets and liabilities in the consolidated financial statements. A deferred tax liability is not recognized if it is incurred as a result of initial recognition of goodwill. Deferred tax is also not recognized if it is incurred as a result of a transaction which constitutes the initial recognition of an asset or liability that is not a business combination and which at the time of the transaction affects neither the accounting profit nor the tax profit. Deferred income tax is calculated by applying tax rates (and tax laws) that have been enacted or announced at the balance sheet date and that are expected to apply when the deferred tax asset is realized, or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the temporary differences can be wholly or partially offset.

Deferred tax assets and liabilities are offset when there is a legally enforceable right of set-off for the tax assets and liabilities concerned, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority and refer to either the same taxable entity or different taxable entities, and there is an intention to settle the balances on a net basis.

Current and deferred tax is recognized in the statement of comprehensive income, except when the tax refers to items which are recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or equity.

*Government grants*

Government grants have been recognized at fair value as there is reasonable certainty that the grants will be permanent and that the Group will meet the terms for the grants. The grants have been recognized as reduced personnel cost.

*Intangible assets*

(i) Goodwill

Goodwill arising from business combinations is included in intangible assets. Goodwill is not amortized but is tested for impairment at least annually if events or changes in circumstances indicate that goodwill might be impaired. Goodwill is stated at cost less accumulated impairment losses. When an entity is sold, the carrying amount of goodwill is included in the resulting gain or loss. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill has been allocated represents the lowest level within the group at which the goodwill is monitored for internal management purposes, which for the Sono Group is the operating segment level.

(ii) Software

Software that has been acquired separately is reported at cost less accumulated depreciation. The estimated useful life is 5–10 years, which is the estimated period during which the assets will generate cash flows.
The Group amortizes intangible assets on a straight-line basis over their estimated useful lives:

- Software 5–10 years

*Tangible fixed assets*
Property, plant, and equipment are stated at cost less depreciation and any impairment losses. Cost includes expenditure that is directly attributable to the purchase and for bringing the asset to its place of use and preparing it for use in accordance with the purpose of the purchase.

Any additional expenditure is added to the carrying amount of the asset or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will accrue to the group and the cost can be reliably measured. The carrying amount of a replaced portion is removed from the balance sheet. All other forms of repairs and maintenance are expensed in the statement of comprehensive income in the periods in which they are incurred.

To distribute the cost of assets over their estimated useful lives down to the estimated residual value, assets are depreciated on a straight-line basis as follows:

- Buildings 10-25 years
- Land improvements 25 years
- Plant and machinery 5–10 years
- Equipment, tools, fixtures, and fittings 3–10 years

Residual values and useful lives of assets are tested at the end of each reporting period and adjusted where necessary.

An asset’s carrying amount is written down to the recoverable amount immediately if the carrying amount exceeds the estimated recoverable amount.

Gains and losses on the sale of an item of property, plant and equipment is determined by comparing the sale proceeds and the carrying amount. The difference is recognized in other operating income or other operating expenses in the statement of comprehensive income.

*Impairment of non-financial assets*

Goodwill is not amortized but is tested for impairment annually or if there are indications that the goodwill might be impaired. Assets which are depreciated or amortized are tested for impairment when an event or change of circumstance indicates that the carrying amount may not be recoverable. The difference between the carrying amount and recoverable amount is recognized as an impairment loss. The recoverable amount is the higher of the fair value of the asset, less costs to sell and value in use. In testing for impairment, assets are grouped to the lowest levels at which there are essentially independent identifiable cash flows (cash-generating units). For assets which have previously been written down, an impairment test is made at each balance sheet date to determine if a reversal is required.

*Financial instruments*

(i) Initial recognition

Financial assets and financial liabilities are recognized when the group becomes party to the contractual provisions of the instrument. Purchases and sales of financial assets are recognized on the trade date, which is the date on which the group commits to purchase or sell the assets.

Financial instruments are initially recognized at fair value plus, in case of assets that are not measured at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue of a financial asset or financial liability, such as fees and commissions. Transaction costs directly attributable to financial assets at fair value through profit or loss are expensed directly in the statement of comprehensive income.

(ii) Classification and measurement

The group classifies its financial assets and liabilities in the categories amortized cost and fair value through profit or loss. The classification depends on the purpose for which the financial asset or liability was acquired.

*Financial assets at amortized cost*

The classification of investments in debt instruments depends on the group’s business model for managing financial assets and their contractual cash flow characteristics. The group reclassifies debt instruments only when its business model for the instruments is changed.

Assets held for the purpose of collecting contractual cash flows that are solely payments of principal and interest are measured at amortized cost. The carrying amount of these assets is adjusted by any expected credit losses that have been recognized (see description below). Interest income from these financial assets is recognized using the effective interest method and is included in financial income in the statement of comprehensive income.

The group’s financial assets at amortized cost consist of the item's other long-term receivables, accounts receivable, other receivables, accrued income, and cash and cash equivalents.

*Financial liabilities at amortized cost*

After their initial recognition, the group’s other financial liabilities are measured at amortized cost using the effective interest method.

The group’s financial liabilities at amortized cost consist of liabilities to owners, liabilities to credit institutions (current and non-current), lease liabilities (non-current and current), bonds, accounts payable and portion of other liabilities and accrued expenses.

(iii) Derecognition of financial instruments

*Derecognition of financial assets*

Financial assets are derecognized from the statement of financial position when the right to receive cashflows from the instrument has expired or been transferred and the group has transferred substantially all risks and rewards of ownership.

Gains and losses on derecognition from the statement of comprehensive income are recognized directly in the statement of comprehensive income in the item's financial income and expenses.

*Derecognition of financial liabilities*

Financial liabilities are derecognized from the statement of financial position when the obligations are discharged, cancelled or expired. The difference between the carrying amount of a financial liability (or part of a financial liability) that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in the statement of comprehensive income.

When the terms of a financial liability are renegotiated, and the liability is not derecognized from the statement of financial position, a gain or loss is recognized in the statement of comprehensive income or the loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

(iv) Offset of financial instruments

Financial assets and liabilities are offset, and the net amount presented in the statement of financial position only when there is a legally enforceable right to set off the recognized amounts and an intention to settle them on a net basis or to realize the asset and settle the liability simultaneously. The legally enforceable right must not depend on future events and must be legally binding for the company and the counterparty both in case of normal business activities and in case of default, insolvency or bankruptcy.

(v) Impairment of financial assets

*Assets at amortized cost*

The group estimates expected future credit losses on assets at amortized cost. The group recognizes a provision for such expected credit losses at each reporting date.

For accounts receivable, the group applies the simplified approach for expected credit losses, which means that it recognizes a provision equal to the expected loss over the expected life of the accounts receivable. To measure expected credit losses, accounts receivable is grouped based on allocated credit risk characteristics and days past due. The group uses forward-looking variables for expected credit losses. Expected credit losses are recognized in the consolidated statement of comprehensive income in the item other external expenses. The primary inputs are historical losses. These have previously been insignificant.

Other than accounts receivable, the group has no other financial assets where the exposure to credit risk is significant.

*Accounts receivable*

Accounts receivable are amounts due from customers for goods sold or services provided in the ordinary course of business. Accounts receivable falling due within twelve months are classified as current assets. Accounts receivable are initially recognized at fair value (the transaction price). The group holds accounts receivable for the purpose of collecting contractual cash flows and therefore measures accounts receivable at subsequent accounting dates at amortized cost using the effective interest method.

*Inventories*
Inventories are stated at the lower of cost and net realizable value. Cost is calculated using the first in, first out method (FIFO). Cost comprises direct costs of goods, direct salaries and attributable indirect manufacturing costs (based on normal manufacturing capacity). Borrowing costs are not included. The cost of merchandise is determined net of any discount. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling expenses and net of provision for obsolescence.

*Cash and cash equivalents*
In the statement of financial position as well as the cash flow statement, cash and cash equivalents comprise cash and bank deposits.

*Share capital*
Common stock is classified as equity. Transaction costs that are directly attributable to the issue of new ordinary shares are recognized, net of tax, in equity less a deduction from the proceeds of the issue.

*Accounts payable*
Accounts payable are financial instruments and refer to obligations to pay for goods and services purchased from suppliers in the ordinary course of business. Accounts payable are classified as current liabilities if they fall due within one year. If not, they are recognized as non-current liabilities.

Accounts payable are initially recognized at fair value and subsequently measured at amortized cost using the effective interest method.

*Borrowings*
Borrowings are initially recognized at fair value, net of transaction costs. Subsequently, borrowings are recognized at amortized cost and any difference between the amount received (net of transaction costs) and the amount repayable is recognized in the statement of comprehensive income over the term of the loan using the effective interest method.

The liability is classified as current in the statement of financial position if the group does not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

*Employee benefits*
*Pension obligations*

The group has both defined contribution and defined benefit pension plans. Defined contribution pension plans are post-employment benefit plans under which the company pays fixed contributions to a separate legal entity. The group has no legal or constructive obligations to pay further contributions if this legal entity does not hold sufficient assets to pay all employee benefits relating to current and past service. The contributions are recognized as personnel expenses in the statement of comprehensive income as they fall due.

For salaried employees in Sweden, defined benefit pension obligations for retirement and family pensions under the ITP 2 plan are secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10 Recognition of the ITP 2 Plan that is funded through insurance with Alecta, this is a multi-employer defined benefit plan. For the financial year

2024, Sono has not had access to information that would enable it to account for its proportionate share of the plan's obligations, assets and expenses. It has therefore not been possible to recognize the plan as a defined benefit plan. The ITP 2 pension plan secured through insurance with Alecta has therefore been accounted for as a defined contribution plan. The contribution for defined benefit retirement and family pensions is calculated individually and depends on factors such as salary, previously earned pension and expected remaining period of service. Expected fees in the next reporting period for ITP 2 insurance policies with Alecta are TSEK 1 661.

The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its commitments to policyholders calculated using Alecta's actuarial methods and assumptions, which do not comply with IAS 19. The collective funding ratio is normally permitted to vary between 125 and 175 per cent. If Alecta's collective funding ratio were to fall below 125 per cent or exceed 175 per cent, it would be necessary to take measures that will allow the ratio return to the normal range. In case of a low funding ratio, one measure that can be taken is to raise the agreed price for new policies and the expansion of existing benefits. If the funding ratio is high, contributions can be reduced. At the end of the financial year 2024, Alecta's surplus, defined as the collective funding ratio, was 162 per cent (158 per cent) on a preliminary basis.

One pension plan in Sweden is unfunded and are financed in-house by PRI. The liability recognized in the statement of financial position in respect of defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit pension obligation is calculated annually by independent actuaries by applying the projected unit credit method. The present value of the defined benefit obligation is determined by discounting estimated future cash flows using the yield on high-quality corporate bonds/mortgage bonds issued in the same currency as that in which the payment will be made and with maturity comparable to that of the pension obligation.

Remeasurement gains and losses arising from experience adjustments and changes to actuarial assumptions are recognized in other comprehensive income in the period in which they arise. These are included in the retained earnings in the statement of changes in equity and in the statement of financial position.

Past service costs are recognized directly in the statement of comprehensive income.

*Short-term benefits*

Liabilities for salaries and benefits, including non-monetary benefits and paid leave which are expected to be settled within twelve months of the end of the financial year, are recognized as current liabilities at the undiscounted amount that is expected to be paid when the liabilities are settled. The cost is recognized as the services performed by the employees. The liability is recognized as an employee benefit obligation in the statement of financial position.

*Termination benefits*

Compensation in case of termination is paid when an employee's employment has been terminated by the group before the normal time of retirement or when an employee accepts voluntary redundancy in exchange for such compensation. The group recognizes termination benefits at the earliest of the following: (a) when the group can no longer withdraw the offer of such benefits; and (b) when the company recognizes restructuring costs provided for under IAS 37 which involve the payment of severance pay. If the company has made an offer to encourage voluntary redundancy, termination benefits are calculated based on the number of employees that are expected to accept the offer. Benefits expiring more than twelve months after the end of the reporting period are discounted to present value.

*Dividends*

Dividend payments to the shareholders of the parent company are recognized as a liability in the consolidated financial statements in the period in which the payment is approved by the shareholders of the parent company. Group contributions made by North Investment Group AB (publ.) to a higher level in the group (Frigaard Industries) are recognized as dividends paid.

*Cashflow statement*

The cash flow statement has been prepared using the indirect method. The reported cash flow only includes transactions which involve incoming or outgoing payments.

*Non-GAAP financial measures reflect adjustments based on the following items:*

The company applies the European Securities and Markets Authority's (ESMA) guidelines on Alternative Financial Ratios. The guidelines aim to make alternative key figures in financial reports more comprehensible, reliable, and comparable and thus promote their usefulness. An alternative key figure, according to these guidelines, means a financial measure of historical or future earnings trend, financial position, financial result or cash flows that are not defined or specified in the applicable rules for financial reporting: IFRS and the Annual Accounts Act. North Investment Group AB believes that these alternative key ratios provide a better understanding of the company's financial trends and that they are widely used by the company's management team, investors, securities analysts and other stakeholders as complementary measures of earnings performance. In addition, such alternative key ratios, as defined by North Investment Group AB, should not be compared with other alternative key ratios with similar names used by other companies. This is because the key ratios given below are not always defined in the same way and that other companies can calculate them in a different way than North Investment Group AB. For definitions and description of the reason for the use of financial ratios, see below:

| **Financial measures** | **Definition** | **Justification** |
|---|---|---|
| *EBITDA* | *Earnings before deducting interest expense, taxes and depreciation charges.* | *Similar to the gross margin for the company, to be used as key performance indication to follow up for leaders on daughter company level.* |
| *EBIT* | *Earnings before taxes and interest expense.* | *Indicates the company's profitability.* |
| *Solidity* | *Equity divided on total equity and liability.* | *Describes the company's ability to have losses.* |

## NOTE 3 RISK AND RISK MANAGEMENT

### 3.1 Financial risks

Through its operations, the group is exposed to a wide variety of financial risks related to accounts receivable, accounts payable and loans: market risk (mainly comprising interest rate risk and currency risk), credit risk, liquidity risk and refinancing risk. The group strives to minimize potential adverse effects on the group’s financial results.

The objective of the group's financial activities is to:

- ensure that the group can meet its payment obligations,
- manage financial risks,
- ensure access to the necessary financing, and
- optimize the group's net financial income (expense)

The group's risk management is handled by a central finance department, which identifies, assesses and hedges financial risks in close collaboration with the operating units. The group has a financial policy which defines guidelines and limits for the group's financial activities. Responsibility for the management of the group's financial transactions and risks is centralized to the parent company.

**(a) Market risk**

*Currency risk*

The group is exposed to currency risks arising from exposures to various currencies, mainly the Norwegian krone (NOK), euro (EUR) and US dollar (USD). Currency risks arise from payment flows in foreign currency (transaction exposure) and from the translation of balance sheet items in foreign currency as well as from the translation of income statements and balance sheets of foreign subsidiaries to the group's reporting currency, Swedish kronor (SEK) (balance sheet exposure).

In the group, currency risk arises from cross-border trade as well as the translation of foreign subsidiaries' results and net assets. The Group does not hedge net investments outside Sweden.

*Sensitivity analysis*

If the Swedish krona had weakened/strengthened by 10 per cent against EUR, with all other variables held constant, the translated profit after tax on 31 December 2024 would have been TSEK 16,076 (14,802) lower/higher mainly as a result of purchases in EUR.

If the Swedish krona had weakened/strengthened by 10 per cent against NOK, with all other variables held constant, the translated profit after tax on 31 December 2024 would have been TSEK 106 (53) lower/higher.

*Exposures*

| | 31 Dec 2024 | | 31 Dec 2023 | |
|---|---|---|---|---|
| | EUR | USD | EUR | USD |
| Accounts payable | 3,680 | 61 | 3,809 | 88 |
| Liability to credit institutions (*) | 0 | 0 | 0 | 0 |

(*) Gross currency exposure to banks in group account.

On 31 December 2024 the group had agreed common credit facilities of SEK 30 mill. There is still a gross exposure within the group account structure.

*Interest rate risk*

The group's main interest rate risk arises from long-term borrowing at variable interest rates, which exposes the group to cash flow interest rate risk. The bond matures on the 31 December 2025. For more information, see note 25. The Group has covenants attached to the bonds that all was met as of 31 December 2024.

If interest rates on borrowings on 31 December 2024 had been 150 basis points higher/lower, with all other variables held constant, the estimated profit after tax for the financial year would have been TSEK 4,275 (4,275) lower/higher, mainly as an effect of higher/lower interest expenses for borrowings at variable rates.

**(b) Credit risk**

Credit risk is managed at group level, except for credit risk arising from outstanding accounts receivable, for which an analysis is made by each group company. Credit risk arises from cash and cash equivalents, deposits with banks, and credit exposures to customers. If no independent credit assessment exists, a risk assessment is made of the customer's creditworthiness based on the customer's financial position, previous experiences, and other factors. The customers are spread over a large number. Expected losses on account receivables are provisioned based on historical losses as well as on forward-looking indicators. Sono Group impairs receivable when there is no expectation for payments and active measures to collect payments have ceased.

On 31 December 2024, the provision for expected credit losses on accounts receivable was TSEK 1,443 (1,040). Historically, actual credit losses have been low. The reason for this is that most of the group's customers are public-sector organizations or large customers with strong credit histories. The group only uses banks with a rating of AA or higher. Cash and cash equivalents are included in assets subject to impairment, but the potential impairment loss is immaterial.

**c) Liquidity risk**

The group defines liquidity risk as the risk that the group will have problems meeting its obligations related to financial liabilities. The group has liquidity as an important key performance indicator that is reported monthly to the board. The group has today a common cash pool to use excess liquidity in the most efficient way. These cash pools are in our most used currencies. The liquidity risk is handled centrally in the group. Through cautious liquidity management, the group ensures that adequate cash is available to meet the group's operational requirements. Cash flow forecasts are prepared by the group's operating companies and aggregated at group level. Rolling forecasts for the group's liquidity reserve are monitored closely at group level to ensure that the group has sufficient cash to meet its operational requirements. Cash flow forecasts are prepared in the currencies SEK and NOK. The group also monitors the balance sheet-based liquidity measure cash and cash equivalents against internal requirements and secures access to external financing. Following the bond issue, the group has a credit facility in the group account structure.

**(d) Refinancing risk**

Refinancing risk is defined as the risk that it will be difficult to refinance the company, that financing cannot be obtained, or that it can only be obtained at increased cost. The group secures access to external financing through bonds. The group also has established a revolving credit facility. The finance function does not have a formal policy for refinancing targets but reports the status to the board on a regular basis. The bond loan in the balance sheet as of 31 December was originally due in May 2024, but in April 2024 the bond loan was extended to 31 December 2025.

The following table shows an analysis of the group's non-derivative financial liabilities that constitute the group's financial liabilities, broken down by remaining maturity from the balance sheet date. The amounts indicated in the table are the contractual, undiscounted cash flows. Future foreign currency cash flows related to variable interest rates have been calculated based on the balance sheet date, exchange rate and interest rate.

| | Less than 3 months | Between 3 months and 1 year | Between 1 and 2 years | Between 2 and 5 years | More than 5 years | Total agreed cash flows | Amount in financial statement. |
|---|---|---|---|---|---|---|---|
| **As of 31st December 2023** | | | | | | | |
| Bond loan | 9 400 | 285 000 | - | - | - | 294 400 | 283 718 |
| Accounts payables | 79 500 | - | - | - | - | 79 500 | 79 500 |
| Other liabilities | 24 013 | - | - | - | - | 24 013 | 24 013 |
| Accrued cost | - | 55 752 | - | - | - | 55 752 | 55 752 |
| Leasingliability (short and longterm) | 16 242 | 58 125 | 69 468 | 164 258 | 168 848 | 476 941 | 405 540 |
| Total financial liabilities | 129 155 | 398 877 | 69 468 | 164 258 | 168 848 | 930 606 | 848 523 |
| | | | | | | | |
| **As of 31st December 2024** | | | | | | | |
| Bond loan | 8 603 | 317 892 | - | | | 326 495 | 290 311 |
| Accounts payables | 80 050 | | | | | 80 050 | 80 050 |
| Other liabilities | 23 666 | | | | | 23 666 | 23 666 |
| Accrued cost | | 51 081 | | | | 51 081 | 51 081 |
| Leasingliability (short and longterm) | 16 184 | 61 014 | 70 717 | 138 127 | 143 418 | 429 460 | 369 625 |
| Total financial liabilities | 128 503 | 429 987 | 70 717 | 138 127 | 143 418 | 910 752 | 814 733 |

*Management of capital*

The group’s goal in respect of capital structure is to secure its ability to continue as a going concern to generate a return for the shareholders and benefits for other stakeholders, and to maintain an optimal capital structure aimed at keeping the costs of capital down. Executive management regularly monitors the need to refinance external loans with the aim of renegotiating the group's credit facilities and long-term loans 6-12 months before the maturity date.

To maintain or adjust its capital structure, the group can issue new shares or sell assets to reduce its liabilities.

The group does not have any formal guidelines for assessing its capital.

## NOTE 4 SIGNIFICANT ESTIMATES AND ASSESSMENTS

The group makes estimates and assumptions about the future. The resulting accounting estimates will seldom by definition equal the related actual results. Estimates and assumptions which involve a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in the next financial year are addressed below.

*Goodwill impairment testing*
Each year, the group tests goodwill for impairment in accordance with the accounting principle described in a note 15 to the accounts. The recoverable amounts for the cash-generating units (Sono Norway and Sono Sweden) have been determined by calculating value in use. For these calculations, certain estimates need to be made. The calculations are based on cash flow, as forecast in budgets adopted by management for the coming five years. Cash flows after the five-year period are extrapolated using the growth rate 2 (2). The assumed growth rate is consistent with industry forecasts for the industry of each cash-generating unit. For each CGU to which a significant amount of goodwill has been allocated, the material assumptions used in calculating value in use are indicated below.

- Pre-tax discount rate
- Long-term growth rate

*Valuation of tax losses*
On 31 December 2024, the group had unused tax losses of TSEK 90,210. A deferred tax asset is recognized for tax losses only to the extent that it is probable that these can be used to offset future taxable profits and taxable temporary differences. The amount recognized TSEK 86,840 in balance sheet.

Material assessments and estimates have been carried out related to revenue, order income and costs. Essential information that has been considered in the budget process is such as customer agreements, organizational restructurings, and more synergies within the group. Our new business area 3PL gives a positive effect on profitability. Due to the cost reductions made, the group managed to go through last year with relatively good results. The measures taken will give a good reason for increased profitability when the market recovers. The effect of the cost reductions has not yet fully shown but will have a further positive effect in the coming year. The measures taken in the group's active companies, combined with the fact that the rental agreements in the passive companies soon will end, implies that we assess the likelihood that the group is able to use its tax loss carry forwards in the coming years as very high. The tax losses carried forward in the group are to a large part related to losses aroused from restructurings and closing businesses. These costs had the character as one-offs and will not occur in the coming years. Our best estimate is therefore that the future profitability to the group's companies and the deficits historical background, make it possible to use the group's deferred tax assets related to losses to be used in full during the year 2026-2028.

Several assumptions have been made related to what profits each company is expected to have and in what year the tax loss can be used. The new regulations related to deduction of interest expenses have been assessed on a company-by-company level, which also determines the decision not to recognize any deferred tax asset on this year's deficit in the parent company.

*Defined benefit pension obligations*

An estimate of defined benefit pension obligations is presented in note 27 to the accounts. The company’s costs and the value of the outstanding obligations are estimated using actuarial calculations.

*Measurement of inventories*

A significant item in the consolidated balance sheet is inventories. In determining inventories, the risk of obsolescence is considered. The company applies a central group principle for assessing obsolescence, which takes account of the individual products' turnover rates and estimated future sales volumes. The size of the obsolescence reserve is thus sensitive to changes in estimated future sales volumes. Information on inventory obsolescence is provided in Note 19.

*Significant estimates and judgements concerning the lease term*

When the lease term has been determined, management considers all available information that creates an economic incentive to exercise an option to extend, or not to terminate, a lease. An option to extend a lease is included in the lease term only if it is reasonable to assume that the lease will be extended (or not terminated). When it is not reasonable to assume that the leases will be extended (or not terminated), potential future cash flows are not included in the lease liability. The assessment is reviewed in case of a significant event or change of circumstances that affects this assessment, and the change is within the control of the lessee.

## NOTE 5 INFORMATION ON OPERATING SEGMENTS

Operating segments are accounted for in a way that is consistent with the internal reports submitted to the chief operating decision maker. The chief operating decision maker is the function that is responsible for allocating resources and assessing the results of operating segments. In the group, this function has been identified as the CEO of Sono Group.

Sono has identified two operating segments based on geographic location. These are consistent with the internal reporting. Reports on products or business activities are not produced, as no customer or product accounts for more than 10 per cent of net sales in any of the segments.

Shared overhead costs have been allocated to the segments and are based on an arm's length allocation. Other, unallocated costs for the parent company and consolidated eliminations are included in Others.

| | 2024 | | | |
|---|---|---|---|---|
| | **Sono Norway** | **Sono Sweden** | **Others/ Eliminations** | **Total** |
| Revenue per segment | 427 478 | 492 018 | - | **919 496** |
| Net sales to other segment | -37 543 | -23 674 | - | **-61 217** |
| **Revenue from external customers** | **389 935** | **468 344** | **-** | **858 279** |
| **EBITDA** | **43 854** | **67 612** | **-1 138** | **110 328** |
| Amortisation and depreciation | -23 522 | -51 535 | - | -75 057 |
| **EBIT** | **20 332** | **16 077** | **-1 138** | **35 271** |
| Financial items net | -12 461 | -18 540 | -38 742 | -69 743 |
| **Profit before tax** | **7 871** | **-2 463** | **-39 880** | **-34 472** |
| Total Non-current assets | 169 565 | 438 822 | 321 | **608 708** |
| *of which Deferred tax assets* | 1 954 | 18 967 | 321 | **21 242** |

| | 2023 | | | |
|---|---|---|---|---|
| | **Sono Norway** | **Sono Sweden** | **Others/ Eliminations** | **Total** |
| Revenue per segment | 461 761 | 508 769 | - | **970 530** |
| Net sales to other segment | -31 155 | -53 491 | - | **-84 646** |
| **Revenue from external customers** | **430 606** | **455 278** | **-** | **885 884** |
| **EBITDA** | **46 699** | **73 315** | **-874** | **119 140** |
| Amortisation and depreciation | -22 613 | -53 431 | - | -76 044 |
| **EBIT** | **24 086** | **19 884** | **-874** | **43 096** |
| Financial items net | -9 631 | -18 920 | -27 173 | -55 724 |
| **Profit before tax** | **14 455** | **964** | **-28 047** | **-12 628** |
| Total Non-current assets | 275 964 | 380 383 | 321 | **656 668** |
| *of which Deferred tax assets* | 3 903 | 19 364 | 321 | **23 588** |

## NOTE 6 REVENUES

| | 2024 | 2023 |
|---|---|---|
| Income from contract with customers | **858 279** | 885 884 |
| | | |
| **Total revenues** | **858 279** | 885 884 |
| | | |
| Exchange-rate gains on operating receivables/liabilities | **1 107** | 3 000 |
| Rental income | **4 239** | 5 751 |
| Other | **1 354** | 3 896 |
| **Total other income** | **6 700** | 12 647 |
| **Total operating revenues** | **864 979** | 898 531 |

| **Geographic distribution of external revenues based on customer location** | **2024** | **2023** |
|---|---|---|
| Sweden | **444 014** | 477 997 |
| Norway | **302 022** | 306 894 |
| Denmark | **93 240** | 81 442 |
| Finland | **719** | 775 |
| Other Nordic | **198** | 161 |
| Great Britain | **992** | 63 |
| Other Europe | **16 352** | 17 921 |
| Other countries | **742** | 631 |
| **Total revenues** | **858 279** | 885 884 |

## NOTE 7 AUDITORS´FEES

| **Specification auditor's fee PricewaterhouseCoopers** | **2024** | **2023** |
|---|---|---|
| Statutory audit | **1 764** | **1 921** |
| of which PWC Sweden | 1 353 | 1 484 |
| Other assurance services | **20** | - |
| of which PWC Sweden | **20** | - |
| Other non-assurance services | **9** | - |
| of which PWC Sweden | **-** | - |
| Tax consultant services | **100** | **67** |
| of which PWC Sweden | **20** | 0 |
| Total | **1 893** | **1 988** |

| **Specification auditor's fee other companies** | **2024** | **2023** |
|---|---|---|
| Statutory audit | **158** | 118 |
| Other assurance services | **-** | - |
| Other non-assurance services | **22** | 20 |
| Tax consultant services | **-** | - |
| **Total** | **180** | **138** |

Of 2024 fees to auditors the following fees is to PriceWaterhouseCoopers AB:
Statutory audit 1353k, Other assurance services 20k, Other non-assurance services and Tax consultant services 20k.

With audit assignment means audit of annual statement and accounting, as well as the Board of Directors and CEO's management, other assignments related to auditor to perform and other reviews that comes from the audit. Everyhting else is other services.

## NOTE 8 EMPLOYEES, PERSONNEL EXPENSES AND DIRECTORS´ FEES

**Salary to employees etc.**

| | 2024 | 2023 |
|---|---|---|
| Salaries and other renumerations | 140 538 | 139 425 |
| Social security fee | 32 006 | 32 384 |
| Pension cost* | 11 762 | 13 197 |
| **Total renumeration to employees** | **184 306** | **185 006** |

**of which 2.992k (3.055)) refers to defined benefit plans.*

| Salaries and other renumerations incl soc. Sec fees | 2024 | | 2023 | |
|---|---|---|---|---|
| | Salaries and other renumerations (whereas bonus = 98) | Social security fee incl pension costs. | Salaries and other renumerations (whereas bonus = 150) | Social security fee incl pension costs. |
| Board members, CEO and other management | 7 055 | 1 977 | 6 906 | 1 946 |
| *Pension cost* | - | (791) | - | (655) |
| Other employees | 133 483 | 41 791 | 132 519 | 43 635 |
| *Pension cost* | - | (10 971) | - | (13 197) |
| **Group total** | **140 538** | **43 768** | **139 425** | **45 581** |

| Average number of employees by country | 2024 | | 2023 | |
|---|---|---|---|---|
| | Total | of which men | Total | of which men |
| Sweden | 117 | 78 | 134 | 91 |
| Norway | 82 | 62 | 85 | 66 |
| Denmark | 8 | 6 | 7 | 5 |
| Other | 1 | 1 | 1 | 1 |
| **Group total** | **208** | **147** | **227** | **163** |

**Gender population in Group (incl subsidiary) for board members and other management in %**

| | 2024 | | 2023 | |
|---|---|---|---|---|
| | Women | Men | Women | Men |
| Board members | 0 % | 100 % | 0 % | 100 % |
| CEO and other management | 0 % | 100 % | 0 % | 100 % |

**Salaries, renumeration and other 2024**

| | Salary | Bonuses etc | Other | Pension-cost | Consultancy | Total |
|---|---|---|---|---|---|---|
| Board director | - | - | - | - | - | - |
| Board member Trond Frigaard | - | - | - | - | - | - |
| Board member Simon Nyqvist Martinsen | - | - | - | - | - | - |
| CEO | 1 741 | - | 150 | 107 | - | 1 998 |
| Other management (3 persons) | 4 649 | 98 | 416 | 686 | - | 5 849 |
| **Total** | **6 391** | **98** | **566** | **792** | **-** | **7 847** |

**Salaries, renumeration and other 2023**

| | Salary | Bonuses etc | Other | Pension-cost | Consultancy | Total |
|---|---|---|---|---|---|---|
| Board director | - | - | - | - | - | - |
| Board member Trond Frigaard | - | - | - | - | - | - |
| Board member Simon Nyqvist Martinsen | - | - | - | - | - | - |
| CEO | 1 665 | - | 153 | 94 | - | 1 912 |
| Other management (3 persons) | 4 502 | 150 | 436 | 561 | - | 5 649 |
| **Total** | **6 167** | **150** | **589** | **655** | **-** | **7 561** |

Variable remuneration for 2024 (2023) refers to expensed bonuses that will be paid in 2025 (2024). For information on how bonuses have been calculated, see below. "Other" mainly relates to car benefits.

## Guidelines

The Chairman and other members of the Board of Directors receive no fees in accordance with the resolution of the shareholders' meeting.

The shareholders' meeting has adopted the following guidelines for remuneration of management. The remuneration paid to the Chief Executive Officer and other senior executives consists of a basic salary, variable remuneration, other benefits and pension contributions, etc. Other senior executives refer to the three people who, together with the CEO, make up the senior management team.

The balance between basic salary and variable remuneration must be proportionate to the executive's responsibilities and authority. For the CEO in 2024, variable remuneration is capped at 25 per cent of the basic salary. For other senior executives, variable remuneration is capped at 0–20 per cent of the basic salary. Variable remuneration is based on outcomes in relation to individually defined targets.

Pension benefits and other benefits for the CEO and other senior executives form part of the total remuneration.

The notice period for the CEO is 3 months. For other senior management there is a notice period between 3 and 9 months. Specific agreements related to retirement age, future pensions, severance pay to the board members or other senior management do not exist.

## Bonus

For the CEO 2024, the bonus is based on the consolidated operating profit. The bonus for 2024 represented 0% (0%) of the basic salary.

For other senior executives, the bonus is based on the consolidated operating profit. Bonuses for other senior executives for 2024 range from 0-6% (0-10%) of the basic salary.

## Pension

The group has both defined benefit and defined contribution pension plans. Retirement benefit cost refers to the cost which affects profit for the year.

### Defined contribution pension

The pension contribution is 4–25 per cent of the pensionable salary. Pensionable pay refers to the basic salary plus average variable pay for the last three years. The retirement age for the CEO is 70 years. For other senior executives, the retirement age ranges from 65 to 70 years.

### Defined benefit pension

This type of pension applies only to former employees and is not offered to any new employees. All defined benefit plans are final salary pension plans, which give the employees benefits in the form of guaranteed pension payments during their lifetimes. The level of the benefit depends on the employee's period of service and salary at the time of retirement.

## NOTE 9 OTHER EXTERNAL COSTS AND OPERATING EXPENSES

| | 2024 | 2023 |
|---|---|---|
| Freight costs | 12 220 | 20 141 |
| Exchange-rate losses on operating receivables/liabilities | 4 255 | 3 245 |
| Advertising | 14 234 | 14 121 |
| Travel costs | 8 644 | 9 386 |
| Consultancy fees and external personnel | 2 925 | 3 041 |
| IT costs | 11 003 | 12 750 |
| Facility costs | 9 405 | 10 095 |
| Bad debts | 917 | 166 |
| Energy Cost | 4 541 | 6 353 |
| Repair and maintenance | 7 442 | 8 073 |
| Other operating costs | 8 548 | 8 147 |
| **Total operating expenses** | **84 134** | **95 518** |

## NOTE 10 INTEREST AND SIMILAR INCOME AND EXPENSES

| **Interest and similar income** | 2024 | 2023 |
|---|---|---|
| Exchange rate gains | 5 315 | 7 787 |
| Gains repurchase of issued bonds | - | - |
| Other interest income | 1 997 | 2 947 |
| **Total** | **7 312** | **10 734** |

| **Interest and similar expense** | 2024 | 2023 |
|---|---|---|
| Exchange rate losses | 6 558 | 6 287 |
| Other interest expense | 4 195 | 5 325 |
| Interest expense, leasing liability | 15 501 | 16 249 |
| Interest expense bonds | 50 801 | 38 597 |
| **Total** | **77 055** | **66 458** |

## NOTE 11 NET FOREIGN EXCHANGE DIFFERENCES

| | 2024 | 2023 |
|---|---|---|
| Exchange rate differences affecting operating results | -3 148 | -245 |
| Exchange rate differences in financial items | -1 243 | 1 500 |
| **Total** | **-4 391** | **1 255** |

## NOTE 12 INVESTMENTS IN GROUP COMPANIES

On 31 December 2024, the group had the following subsidiaries:

| Subsidiary | Corp. Reg. no | registered office | Ownership/ voting right | Carrying amount 2024-12-31 | Carrying amount 2023-12-31 |
|---|---|---|---|---|---|
| ***Directly owned*** | | | | | |
| Sono Holding Norge AS ( prev. NIG Norge AS) | 995 246 511 | Borgenhaugen, NO | 100 % | **193 609** | 193 609 |
| ACAP Invest AB | 556087-7838 | Tranås, SE | 100 % | **112 847** | 112 847 |
| ***Indirectly owned*** | | | | | |
| Sono Norge AS | 991 625 216 | Borgenhaugen, NO | 100 % | | |
| Sarpsborg Metall AS | 929 567 528 | Borgenhaugen, NO | 100 % | | |
| Sono Danmark A/S | 29153205 | Ikast, DK | 100 % | | |
| Sono Norop AS | 989 263 900 | Borgenhaugen, NO | 100 % | | |
| Sono IPO Ltd | 1698211 | Hong Kong, CN | 100 % | | |
| NIG Sverige AB | 556475-9545 | Malmö, SE | 100 % | | |
| Sono Sweop AB | 556591-2374 | Tranås, SE | 100 % | | |
| Brands Selection Sweden AB (fd Sono Brands AB) | 556862-5536 | Tranås, SE | 100 % | | |
| Sono Sverige AB | 556595-7809 | Göteborg, SE | 100 % | | |
| Sonesson Inredningar AB | 556139-0336 | Göteborg, SE | 100 % | | |
| Sørlie Prosjektinnredninger AS | 975 378 535 | Sarpsborg, NO | 100 % | | |
| **Total investments in subsidiaries** | | | | **306 456** | **306 456** |

## NOTE 13 TAXES

| | 2024 | 2023 |
|---|---|---|
| **Income tax expense:** | | |
| | | |
| ***Current tax:*** | | |
| Tax payable | **362** | **-2 587** |
| Correction of previous years current income taxes | | |
| ***Deferred tax*** | | |
| Changes in deferred tax | **-2 348** | **-962** |
| **Tax expense** | **-1 986** | **-3 549** |
| | | |
| **Pre-tax profit** | | |
| Tax on profit for the year based on Sweden's tax rate (21.4%) | 7 101 | 2 601 |
| Non deductible expenses | -9 640 | -6 346 |
| Non-taxable income | -419 | **531** |
| Effect of other tax rates in subsidiaries | 130 | -75 |
| Usage of tax losses carried forward | **528** | **-242** |
| Other | 314 | -19 |
| **Tax expense** | **-1 986** | **-3 549** |

| **Tax loss carried forward** | **2024** | **2023** |
|---|---|---|
| Losses carried forward | **86 840** | **88 394** |
| Not booked losses carried forward | **3 370** | **5 928** |
| *Potential tax, 20.6%* | | |
| *No tax loss carried forward in the Group has maturity date.* | | |

| **Deferred tax assets (liabilities)** | **2024** | **2023** |
|---|---|---|
| Pensions | 397 | 729 |
| Tax losses carried forward | 17 962 | 18 262 |
| Software | 0 | -486 |
| Property, plant and equipment | 13 | -13 |
| Inventories | 333 | 602 |
| Leasing | 79 137 | 86 950 |
| Right of use assets | -74 164 | -82 521 |
| Other temporary differences | -2 435 | 65 |
| **Net deferred tax asset (liabilities)** | **21 242** | **23 588** |

| **Changes in deferred tax assets** | **2024** | **2023** |
|---|---|---|
| Opening balance | 23 588 | 24 550 |
| Changes in temporary differences in accordance with income statement | -2 290 | -1 527 |
| Changes in temporary differences booked toward OCI | -30 | 598 |
| Translation effects | -26 | -33 |
| **Net deferred tax asset (liabilities)** | **21 242** | **23 588** |

For further information regarding valuation of deferred tax assets, see note 4, "valuation of tax losses".

## NOTE 14 PROPERTY, PLANT AND EQUIPMENT

| | Buildings and land | Machinery and equipment | Equipment tools and fixtures & fittings | Total |
|---|---|---|---|---|
| **1 of January 2023** | | | | |
| Acquisition cost | 5 039 | 15 367 | 34 423 | 54 829 |
| Accumulated depreciation and write downs | -3 533 | -15 212 | -28 849 | -47 594 |
| **Accumulated cost** | **1 506** | **155** | **5 574** | **7 235** |
| | | | | |
| **Financial year 2023** | | | | |
| Initial carrying amount | 1 506 | 155 | 5 574 | 7 235 |
| Additions | 458 | 600 | 3 202 | 4 260 |
| Purchase of subsidairies | - | - | - | - |
| Reclassifications | - | - | - | - |
| Disposals | - | - | - | - |
| Depreciations | -262 | -177 | -2 030 | -2 469 |
| Exchange differences | -105 | -18 | -23 | -146 |
| **Carrying amount** | **1 597** | **560** | **6 723** | **8 880** |
| | | | | |
| **Per 31 december 2023** | | | | |
| Acquisition cost | 5 151 | 15 949 | 37 602 | **58 702** |
| Accumulated depreciation and write downs | -3 554 | -15 389 | -30 879 | **-49 822** |
| **Accumulated cost** | **1 597** | **560** | **6 723** | **8 880** |
| | | | | |
| **Financial year 2024** | | | | |
| Initial carrying amount | 1 597 | 560 | 6 723 | **8 880** |
| Additions | 336 | 124 | 540 | 1 000 |
| Purchase of subsidairies | - | - | - | - |
| Reclassifications | -58 | - | - | -58 |
| Disposals | -41 | - | -7 | -48 |
| Depreciations | -232 | -165 | -2 110 | -2 507 |
| Exchange differences | -27 | -10 | -4 | -41 |
| **Carrying amount** | **1 575** | **509** | **5 142** | **7 226** |
| | | | | |
| **Per 31. December 2024** | | | | |
| Acquisition cost | 5 335 | 16 057 | 38 065 | **59 457** |
| Accumulated depreciation and write downs | -3 760 | -15 548 | -32 923 | **-52 231** |
| **Carrying amount** | **1 575** | **509** | **5 142** | **7 226** |

## NOTE 15 INTANGIBLE ASSETS

| | Goodwill | Software | Total |
|---|---|---|---|
| **1 of January 2023** | | | |
| Acquisition cost | 245 700 | 39 110 | **284 810** |
| Accumulated depreciation and write downs | - | -29 963 | **-29 963** |
| **Carrying amount** | **245 700** | **9 147** | **254 847** |
| | | | |
| **Financial year 2023** | | | |
| Initial carrying amount | 245 700 | 9 147 | 254 847 |
| Additions | - | 2 089 | 2 089 |
| Purchase of subsidiary | - | - | - |
| Disposals | - | - | - |
| Exchange differences | -11 227 | -447 | -11 674 |
| Depreciations | - | -5 008 | -5 008 |
| **Carrying amount** | **234 473** | **5 781** | **240 254** |
| | | | |
| **Per 31 december 2023** | | | |
| Acquisition cost | 234 473 | 40 137 | 274 610 |
| Accumulated depreciation and write downs | 0 | -34 356 | -34 356 |
| **Accumulated cost** | **234 473** | **5 781** | **240 254** |
| | | | |
| **Financial year 2024** | | | |
| Initial carrying amount | 234 473 | 5 781 | 240 254 |
| Additions | - | 329 | 329 |
| Purchase of subsidairies | - | - | - |
| Disposals | - | - | - |
| Exchange differences | -2 790 | -54 | -2 844 |
| Depreciations | - | -4 026 | -4 026 |
| **Carrying amount** | **231 683** | **2 030** | **233 713** |
| | | | |
| **Per 31 december 2024** | | | |
| Acquisition cost | 231 683 | 40 225 | 271 908 |
| Accumulated depreciation and write downs | - | -38 195 | -38 195 |
| **Accumulated cost** | **231 683** | **2 030** | **233 713** |

| Summary of goodwill by segment | 31.des.24 | 31.des.23 |
|---|---|---|
| Sono Sweden | 93 176 | 76 369 |
| Sono Norway | 138 507 | 158 104 |
| **Total** | **231 683** | 234 473 |

In connection with the sale of Sarpsborg Metall AB from Sono Holding AS to Sono Brands AB, goodwill corresponding to SEK 16.8 million was transferred from the Sono Norway segment to Sono Sweden.

*Goodwill impairment testing*

The Board of Directors monitors goodwill broken down by the two operating segments identified in Note 5.

The recoverable amount for goodwill has been determined based on calculations of value in use. The CEO has made the assessment that sales growth, EBITDA margin, discount rate and long-term growth are the most significant assumptions in the impairment test. Calculations of value in use are made on the basis of estimated future cash flows before tax based on five-year financial budgets that have been approved by management. The calculation is based on management experience and historical data. For both operating segments, the sustainable long-term growth rate has been estimated based on industry forecasts and is 2 per cent. The most significant assumptions are changes in society (war etc.) and changes in inflation and interest rates.

For each operating segment to which a significant amount of goodwill has been allocated, the material assumptions, long-term growth rates and discount rates used in calculating value in use are indicated below.

| | 31.12.2024 | 31.12.2023 |
|---|---|---|
| Discount rate before taxes* | 10,25 % | 10,70 % |
| Long term growth rate** | 2 % | 2 % |

* Pre-tax discount rate used in Sweden (Norway 11% (10,4%)), calculating the present value of estimated future cash flows.

** Weighted average growth rate used to extrapolate cash flows beyond the budget period. Same for both segments.

### Goodwill sensitivity analysis

The recoverable amount comfortably exceeds the carrying amount of goodwill. A reduction in future profits of 20% or an increase in the discount rate of 3% would not result in any impairment in either segment.

## NOTE 16 CLASSIFICATIONS OF FINANCIAL INSTRUMENTS

| All amounts in SEK thousand | Assets measured at initial cost | |
|---|---|---|
| | **2024-12-31** | **2023-12-31** |
| Non-current financial assets | **126** | 127 |
| Aktuella skattefordringar | **3 762** | 2 458 |
| Trade and other receivables | **104 108** | 104 512 |
| Cash and cash equivalents | **4 434** | 26 720 |
| **Total financial assets** | **112 430** | **133 817** |

| | Liabilities measured at initial cost | |
|---|---|---|
| | **2024-12-31** | **2023-12-31** |
| Bond loans | **290 311** | 283 718 |
| Current interest-bearing liabilities | **-** | 2 200 |
| Accounts payable | **80 050** | 79 500 |
| Other current liabilities | **23 666** | 24 013 |
| Accrued expenses | **51 081** | 55 752 |
| **Total financial liabilities** | **445 108** | **445 183** |

In addition to the financial liabilities presented above, there are lease liabilities that are valued in accordance with IFRS 16.

# NOTE 17 LEASES

| Right-of-use assets | Buildings | Machinery and equipment | Vehicles | Total |
|---|---|---|---|---|
| **Acquisition cost 1 January 2023** | **388 825** | **10 985** | **14 561** | **414 371** |
| Addition of right-of-use assets | 141 587 | 14 217 | 9 418 | 165 222 |
| Disposals | -6 335 | -58 | -3 729 | -10 122 |
| Transfers and reclassifications | -742 | -45 | -27 | -814 |
| Currency exchange differences | -11 496 | -19 | -468 | -11 983 |
| **Acquisition cost 31 December 2023** | **511 839** | **25 080** | **19 755** | **556 674** |
| | | | | |
| **Accumulated depreciation and impairment 1 January 2022** | **-108 187** | **-1 916** | **-9 811** | **-119 914** |
| Depreciation | -58 751 | -3 755 | -5 558 | -68 064 |
| Disposals | 6 335 | 58 | 3 729 | 10 122 |
| Transfers and reclassifications | 742 | 45 | 27 | **814** |
| Currency exchange differences | 4 116 | 12 | 56 | 4 184 |
| **Accumulated depreciation and impairment 31 December 2023** | **-155 745** | **-5 556** | **-11 557** | **-172 858** |
| | | | | |
| **Carrying amount of right-of-use assets 31 December 2023** | **356 094** | **19 524** | **8 198** | **383 814** |
| | | | | |
| Lower of remaining lease term or economic life | 2-15 years | 3-6 years | 4 years | |
| Depreciation method | Linear | Linear | Linear | |

| Right-of-use assets | Buildings | Machinery and equipment | Vehicles | Total |
|---|---|---|---|---|
| **Acquisition cost 1 January 2024** | **511 839** | **25 080** | **19 755** | **556 674** |
| Addition of right-of-use assets | 26 073 | 739 | 5 672 | 32 484 |
| Disposals | -8 767 | -1 114 | -2 788 | -12 669 |
| Old Disposals | -874 | -102 | -3 417 | -4 393 |
| Currency exchange differences | -2 980 | -9 | -90 | -3 079 |
| **Acquisition cost 31 December 2024** | **525 291** | **24 594** | **19 132** | **569 017** |
| | | | | |
| **Accumulated depreciation and impairment 1 January 2024** | **-155 745** | **-5 556** | **-11 557** | **-172 858** |
| Depreciation | -57 608 | -4 881 | -6 119 | -68 608 |
| Disposals | 8 767 | 1 776 | 2 235 | 12 778 |
| Old Disposals | 867 | 135 | 3 662 | 4 664 |
| Currency exchange differences | 1 359 | 6 | 40 | 1 405 |
| **Accumulated depreciation and impairment 31 December 2024** | **-202 360** | **-8 520** | **-11 739** | **-222 619** |
| | | | | |
| **Carrying amount of right-of-use assets 31 December 2024** | **322 931** | **16 074** | **7 393** | **346 396** |
| | | | | |
| Lower of remaining lease term or economic life | 2-15 years | 3-6 years | 4 years | |
| Depreciation method | Linear | Linear | Linear | |

| Summary of the lease liabilities in the financial statements | Statement of: | Total |
|---|---|---|
| At initial application 01.01.2023 | | **312 723** |
| New lease liabilities recognised in the year | | **165 181** |
| Cash payments for the principal portion of the lease liability | Cash flows | **-64 021** |
| Cash payments for the interest portion of the lease liability | Cash flows | **-16 247** |
| Interest expense on lease liabilities | Profit and loss | **16 167** |
| Currency exchange differences | income | **-8 505** |
| **Total lease liabilities at 31 December 2023** | | **405 298** |
| **Current lease liabilities** | Financial position | **66 257** |
| **Non-current lease liabilities** | Financial position | **339 283** |
| **Total cash outflows for leases** | Cash flows | **-64 021** |

| Summary of the lease liabilities in the financial statements | Statement of: | Total |
|---|---|---|
| At initial application 31.12.2024 | | 405 358 |
| New lease liabilities recognised in the year | | 32 359 |
| Cash payments for the principal portion of the lease liability | Cash flows | -65 282 |
| Cash payments for the interest portion of the lease liability | Cash flows | -15 501 |
| Interest expense on lease liabilities | Profit and loss | 15 501 |
| Currency exchange differences | Profit and loss and Other comprehensive | -1 906 |
| **Total lease liabilities at 31 December 2024** | | 370 529 |
| **Current lease liabilities** | Financial position | 69 860 |
| **Non-current lease liabilities** | Financial position | 299 765 |
| **Total cash outflows for leases** | Cash flows | -65 282 |

Interest expenses related to lease liabilities are presented in Note 10.

### Practical expedients are applied

The group also leases PCs, IT equipment and machinery with lease terms of one to three years. The group has elected not to recognize lease liabilities or right-of-use assets for low-value leases. Such lease payments are instead expensed as incurred. Nor does the group recognize lease liabilities and right-of-use assets for short-term leases.

| Summary of other lease expenses recognised in profit or loss | Total |
|---|---|
| Operating expenses related to short-term leases (including short-term low value assets) | 1 265 |
| **Total lease expenses included in other operating expenses** | 1 265 |

The leases do not contain any restrictions on the company's dividend policy or financing.

### Option to extend

The group's leases for properties have lease terms ranging from 2 to 15 years and several of the leases include an option to extend the lease term at the end of the original term. At the commencement of the lease, the group assesses whether it is reasonable to assume that the option to extend will be exercised or not.

### Option to purchase

The group leases machinery, equipment and vehicles with lease terms of 3 to 6 years. Some of the leases include an option to purchase the assets at the end of the lease term. At the commencement of the lease, the group assesses whether it is reasonable to assume that this option will be exercised. This assessment is updated when circumstances indicate renewed operational plans for the leased assets.

## NOTE 18 ACCOUNTS RECEIVABLE

In the table below the Group's accounts receivable are presented according to functional currency. The amounts are revaluated to SEK according to balance date.

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Receivables related to revenue from contracts with customers - external | **103 151** | 102 526 |
| Provision for bad debts | **-1 443** | -1 040 |
| **Total accounts receivables** | **101 708** | **101 486** |

Reported amounts, per currency, for the Group's accounts receivable are as follows:

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| SEK | **47 895** | 55 343 |
| DKK | **9 926** | 6 769 |
| EUR | **1 286** | 114 |
| GBP | **-492** | - |
| USD | **1** | 2 |
| NOK | **43 093** | 39 258 |
| **Total** | **101 708** | **101 486** |

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Receivables not due for payment | **85 131** | 80 355 |
| Less that 30 days since due date | **13 649** | 19 188 |
| 30-60 days since due date | **1 879** | 2 619 |
| 60-180 days since due date | **3 883** | 2 309 |
| More than 180 days since due date | **-1 391** | -1 945 |
| Minus: provisions for bad debts | **-1 443** | -1 040 |
| **Total contract assets** | **101 708** | **101 486** |

The maximum exposure to credit risk for accounts receivable at the balance sheet date is the carrying amount, as shown above. The fair value of accounts receivable is equal to the amount carried, as the discount effect is insignificant.

## NOTE 19 INVENTORIES

The value of the group's inventories on 31 December 2024 was TSEK 75,565 (73,872). In the financial year 2024, costs of goods sold of TSEK 486,211 (494,308) were recognized in the statement of comprehensive income. They were accounted for as Raw materials and consumables in the statement of comprehensive income.

The write-down of net realizable value is TSEK 7,793 (7,024). The write-down was recognized in Raw materials and consumables in the income statement in 2024.

## NOTE 20 OTHER RECEIVABLES

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Deposits | **-** | - |
| Other | **2 400** | 3 026 |
| **Totalt** | **2 400** | **3 026** |

## NOTE 21 PREPAID EXPENSES AND ACCRUED INCOME

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Insurance | **607** | 620 |
| Leasing | **48** | 212 |
| Delivered, not invoiced goods | **1 466** | 2 193 |
| Prepaid cost (e.g. salary) 3PL | **1 438** | 3 339 |
| Other | **1 641** | 5 267 |
| **Totalt** | **5 200** | **11 631** |

## NOTE 22 CASH AND CASH EQUIVALENTS

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Cash at banks and on hand | **4 434** | 26 720 |
| **Total** | **4 434** | **26 720** |

In addition to cash and cash equivalents, Sono Group has an undrawn credit facility of SEK 30 million (30 million). The agreed credit for 2024 is SEK 30 million (30 million).

## NOTE 23 SHARE CAPITAL AND OTHER PAID IN CAPITAL

On 31 December 2024, the share capital consisted of 759 201 ordinary shares with a quotient value of SEK 139.12 per share.

| | 2024 | 2023 |
|---|---|---|
| Ordinary shares, nominal amount SEK 139.12 | **759 201** | 759 201 |
| **Total number of shares** | **759 201** | **759 201** |

Each share carries one vote. All shares issued by the parent company are fully paid up.

The shareholders at 31.12.24 are:

| | Number of shares: | Ownership interest: |
|---|---|---|
| Frigaard Industries AS | 672 405 | 88,57 % |
| Nye Sørlie Bygg AS | 33 857 | 4,46 % |
| Opulentia Invest AS | 15 008 | 1,98 % |
| VHS Holding AS | 10 816 | 1,42 % |
| Add Relax AB | 8 181 | 1,08 % |
| Funtus AS | 3 605 | 0,47 % |
| PH Capital AS | 3 605 | 0,47 % |
| Jacob Iqbal | 3 605 | 0,47 % |
| Fredrik Juntti | 3 605 | 0,47 % |
| Stian Folker Larsen | 3 605 | 0,47 % |
| TG Sport AB | 909 | 0,12 % |
| | 759 201 | 100,00 % |

## NOTE 24 ACQUISITIONS

The group has not completed any company acquisitions that were consolidated in either 2024 or 2023. In April 2023 a new company, Sibilia Nordic AB, was established which was then sold during the year.

## NOTE 25 BORROWINGS

| **Longterm** | **31.12.2024** | **31.12.2023** |
|---|---|---|
| Leasing liability | **299 765** | 339 283 |
| Liabilities to credit institutions | **277** | 468 |
| **Total long term** | **300 042** | **339 751** |

| **Shortterm** | **31.12.2024** | **31.12.2023** |
|---|---|---|
| Leasing liability | **69 860** | 66 252 |
| Bonds short term | **285 000** | 285 000 |
| Call fee bond | **9 975** | - |
| Cost related to bonds | **-4 664** | -1 282 |
| **Total short term** | **360 171** | 349 970 |
| **Totals liabilities** | **660 213** | **689 721** |

*Bonds*

The bonds mature on 31 December 2025 and have a variable interest rate of 3 months STIBOR + 9 per cent.

The carrying amounts are considered to approximate the fair values.

The fair value of the bond loan is the listed price as of 31 December 2024 and the bond loan is classified at level 1 in the fair value hierarchy.

The group was in compliance with all the covenants in 2024. This is mainly covenants on rolling 12 months profitability, interest-bearing debt as a percentage of earnings and limit on available liquidity. These are related to credit facilities and bond. Agreed credit facility for the group was as of 31st December 2024 SEK 30m (30m).

## NOTE 26 ACCRUED EXPENSES AND DEFERRED INCOME

| | **2024-12-31** | **2023-12-31** |
|---|---|---|
| Accrued salaries incl. holiday pay and social security | **27 150** | 29 802 |
| Cost of goods | **2 693** | 2 494 |
| Interest | **5 236** | 5 701 |
| Deferred income 3PL | **3 322** | 3 417 |
| Customer bonus | **6 437** | 4 762 |
| Other items | **6 243** | 9 576 |
| **Total** | **51 081** | **55 752** |

## NOTE 27 OBLIGATIONS, INTEREST-BEARING

The group has defined benefit pension plans in Sweden. All defined benefit plans are final salary pension plans, which give the employees benefits in the form of guaranteed pension payments during their lifetimes. The level of the benefit depends on the employee's period of service and salary at the time of retirement.

The amounts presented in the statement of financial position and changes in the defined benefit pension plan during the year are as follows.

| | Pension liability |
|---|---|
| **1 January 2023** | 21 262 |
| Current service cost this year | - |
| Current service cost previous years | - |
| (gains)/losses from regulations | -502 |
| Interest cost/(-income) | 824 |
| **Total amount recognised in profit or loss** | **322** |
| Actuarial gains/losses: | |
| - (gain)/loss from change in demographic assumptions | 1 302 |
| - (gain)/loss from change in financial assumptions | 1 601 |
| **Total amount recognised in other comprehensive income** | **2 903** |
| Fees from: | |
| Employer | |
| Employees covered by plan | |
| Settlements | - |
| Payments from plan | -1 254 |
| **Per 31 December 2023** | **23 232** |
| | |
| **Per 1 januari 2024** | 23 232 |
| Current service cost this year | - |
| Current service cost previous years | - |
| (gains)/losses from regulations | -296 |
| Interest cost/(-income) | 721 |
| **Total amount recognised in profit or loss** | **425** |
| Actuarial gains/losses: | |
| - (gain)/loss from change in demographic assumptions | 171 |
| - (gain)/loss from change in financial assumptions | -318 |
| **Total amount recognised in other comprehensive income** | **-147** |
| Fees from: | |
| Employer | |
| Employees covered by plan | |
| Settlements | - |
| Payments from plan | -1 346 |
| **Per 31 december 2024** | **22 162** |

| Actuarial assumptions as follows: | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Discount rate | 3,50 % | 3,20 % |
| Inflation | 1,80 % | 1,60 % |

Assumptions about life expectancy are based on official statistics and experience from mortality studies in Sweden and are determined in consultation with actuarial experts.

The above sensitivity analyses are based on a change in one assumption while other assumptions are held constant. In practice, it is unlikely that this would occur, and changes in some of the assumptions may be correlated. In calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation using the projected unit credit method at the end of the reporting period) is used for calculating the pension liability that is recognized in the statement of financial position. The duration of the obligation is 12 years for 2024.

The sensitivity of the defined benefit obligation to changes in the weighted key assumptions is:

| | Change in assumption | | Increase in assumption | | Decrease in assumption | |
|---|---|---|---|---|---|---|
| | **31.12.2024** | **31.12.2023** | **31.12.2024** | **31.12.2023** | **31.12.2024** | **31.12.2023** |
| Discount rate | 0,50 % | 0,50 % | Reduction with 6.9 % | Reduction with 7.3 % | Increase with 7.7 % | Increase with 7.3 % |
| Inflation | 0,50 % | 0,50 % | Increase with 7.7 % | Increase with 7.3 % | Reduction with 6.7% | Reduction with 7.4% |
| Life expectancy | +/- 1 year | +/- 1 year | Increase with 4.9 % | Increase with 4.2 % | Reduction with 4.6% | Reduction with 4.9% |

## NOTE 28 PLEDGED ASSETS

| **Carrying amount for assets pledged as security** | **2024-12-31** | **2023-12-31** |
|---|---|---|
| Shares in subsidiaries | 194 558 | 208 970 |
| Chattel | 12 000 | 12 000 |
| | **206 558** | 220 970 |

Shares in subsidiaries are pledged as security for the group's credit line and bond loan.

## NOTE 29 RELATED PARTY TRANSACTIONS

North Investment Group AB (publ.) is 88.6 per cent owned by Frigaard Industries AS, corp. ID no. 999 210 384, with registered office in Sarpsborg, Norway. The ultimate consolidated financial statements are prepared by Soland Invest AS, corp. ID no. 987 521 465, with registered office in Sarpsborg, Norway. Related parties are all subsidiaries in the group as well as senior executives in the group and their close family members.

Services are purchased and sold to related parties on normal commercial terms and on a commercial basis, and in compliance with the applicable transfer pricing policy.

The group has not made any provisions for doubtful debts attributable to related parties and did not recognize any expenses for doubtful debts from related parties during the period. No collateral has been posted for the receivables.

| | | |
|---|---|---|
| Rental income properties | 634 | 803 |
| Other sale of goods and services | 1 795 | 2 394 |
| **Total** | **2 429** | **3 197** |

| **Purchase of goods and services** | **2024** | **2023** |
|---|---|---|
| Purchase of services | 3 554 | 2 495 |
| **Total** | **3 554** | **2 495** |

| **Receivables and payables at year end due to sale/purchase of goods and services** | **2024-12-31** | **2023-12-31** |
|---|---|---|
| *Receivables to related parties* | | |
| Frigaard Gruppen AS | 54 | 23 |
| Other related parties | 378 | 343 |
| | | |
| *Payables to related parties* | | |
| Frigaard Gruppen AS | 34 | 207 |
| Other related parties | 31 | 50 |

All trade with goods and services shown in the table above to which no name is attached are to other group companies/legal entities.

All receivables and liabilities at year-end arising from sales of goods and services to which no name is attached are to other group companies/legal entities.

## NOTE 30 EVENTS AFTER THE END OF THE FINANCIAL YEAR

There are no changes to important aspects or significant effects occurred after the end of the accounting period that affects the financial statement.

# PARENT COMPANY FINANCIAL STATEMENTS

## PARENT COMPANY INCOME STATEMENT

| **All amounts in SEK thousand** | **Note** | **jan-dec 2024** | **jan-dec 2023** |
|---|---|---|---|
| Revenue | | - | - |
| Other operating revenue | | - | - |
| **Total operating revenue** | | **-** | **-** |
| Cost of goods sold | | - | - |
| Other external cost | 2 | (1 138) | (1 874) |
| Salaries and personnel expense | | - | - |
| Depreciation and amortization expense | | - | - |
| Other operating expense | | - | - |
| **Total operating expense** | | **(1 138)** | **(1 874)** |
| **Operating profit** | | **(1 138)** | **(1 874)** |
| Interest income and similar | 3 | 36 709 | 74 755 |
| Gain from sale of shares in subsidairies | | | 1 000 |
| Interest expense and similar | 3 | (62 706) | (50 212) |
| **Net financial income (expenses)** | | **(25 997)** | **25 543** |
| Appropriations | 10 | **5 000** | - |
| **Profit before income tax** | | **(22 135)** | **23 669** |
| Income taxes | 4 | - | - |
| **Net profit for the period** | | **(22 135)** | **23 669** |

In the parent company no amounts has been booked towards other comprehensive income, as a result total comprehensive income is equal to net profit for the year.

PARENT COMPANY BALANCE SHEET

| ASSETS | Note | 2024<br>31.des | 2023<br>31.des |
|---|---|---|---|
| Participations in Group companies | 5,8 | 306 456 | 306 456 |
| Deferred tax receivables | 4 | 321 | 321 |
| Other long term receivables group | 9 | 94 310 | 94 310 |
| **Total non-current financial assets** | | **401 087** | **401 087** |
| **Total non-current assets** | | **401 087** | **401 087** |
| Other short term receivables group | 9,10 | 160 650 | 166 527 |
| Other short term receivables | | 31 | 1 032 |
| Prepaid expenses and accrued income | | 73 | 70 |
| **Total current receivables** | | **160 754** | **167 629** |
| Cash and cash equivalents | | 1 693 | 24 269 |
| **Total cash and cash equivalents** | | **1 693** | **24 269** |
| **Total current assets** | | **162 447** | **191 898** |
| **TOTAL ASSETS** | | **563 534** | **592 985** |

| EQUITY AND LIABILITIES | Note | 2024<br>31.des | 2023<br>31.des |
|---|---|---|---|
| Share capital | 7 | 105 619 | 105 619 |
| Other equity | | -7 968 | -31 637 |
| This years result | 12 | -22 135 | 23 669 |
| **Equity attributable to majority shareholders** | | **75 516** | **97 651** |
| Prepayments from customers | 6 | 290 311 | 283 718 |
| Accounts payable | | 50 | 21 |
| Other short term liabilities group companies | | 192 212 | 205 621 |
| Other short term liabilities | | 144 | 208 |
| Accrued expenses and deferred income | | 5 301 | 5 766 |
| **Total current liabilities** | | **488 018** | **495 334** |
| **TOTAL EQUITY AND LIABILITIES** | | **563 534** | **592 985** |

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

**PARENT COMPANY STATEMENT OF CHANGES IN EQUITY**

| | | Restricted equity | Unrestricted equity | | | |
|---|---|---|---|---|---|---|
| **Amount in SEK thousand** | **Note** | **Share capital** | **Other paid-in capital** | **Retained earnings** | **This years result** | **Total equity** |
| **Equity on 1 January 2023** | | **105 619** | **-** | **-12 013** | **-19 624** | **73 982** |
| Appropriation of profit according to General meeting | | **-** | **-** | -19 624 | 19 624 | **-** |
| This years result | | - | - | - | 23 669 | **23 669** |
| **Total comprehensive income** | | **105 619** | **-** | **-31 637** | **23 669** | **97 651** |
| **Transaction with shareholders related to ownership** | | | | | | |
| **Equity on 1 January 2024** | | **105 619** | **-** | **-31 637** | **23 669** | **97 651** |
| Appropriation of profit according to General meeting | | **-** | **-** | 23 669 | -23 669 | - |
| This years result | 12 | | | | -22 135 | **-22 135** |
| **Total comprehensive income** | | **105 619** | **-** | **-7 968** | **-22 135** | **75 516** |
| **Equity on 31 December 202** | | **105 619** | **-** | **-7 968** | **-22 135** | **75 516** |

PARENT COMPANY CASH-FLOW STATEMENT

All amounts in SEK thousand

| | 2024 | 2023 |
|---|---|---|
| **Cash flows from operations** | | |
| Profit/(loss) before income taxes | -22 135 | 23 669 |
| Taxes paid in the period | - | - |
| Dvidend received from assosiated companies | 6 593 | 2 564 |
| **Net cash flow from operations before changes in working capital** | **-15 542** | **26 233** |
| Change in trade debtors | 998 | -690 |
| Change in trade creditors | -500 | 1 169 |
| Change in other provisions | | - |
| **Net cash flow from operations** | **-15 044** | **26 712** |
| **Cash flows from investments** | | |
| Payment on loan receivables group (short/long) | -7 532 | -18 899 |
| **Net cash flows from investments** | **-7 532** | **-18 899** |
| **Cash flow from financing** | | |
| Proceeds from long term loans | | - |
| Repayment of borrowings group | | - |
| Repayments of borrowings | | - |
| **Net cash flow from financing** | **-** | - |
| **Net change in cash and cash equivalents** | **-22 576** | **7 813** |
| Cash and cash equivalents at the beginning of the period | 24 269 | 16 456 |
| **Cash and cash equivalents at the end of the period** | **1 693** | **24 269** |

## 1 SUMMARY OF PARENT COMPANY ACCOUNTING PRINCIPLES

Significant accounting principles applied in preparing these annual accounts are described in the following. Unless otherwise stated, these principles have been applied consistently for all the years presented.

The annual accounts for the parent company have been prepared in accordance with Recommendation RFR 2 Financial Reporting for Legal Entities of the Swedish Financial Reporting Board and the Swedish Annual Accounts Act. In cases where the parent company applies other accounting principles than the group's accounting principles, as described in the notes to the consolidated financial statements, this is indicated in the following.

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

Preparing financial statements in compliance with RFR 2 requires the use of critical accounting estimates. Management is also required to make certain judgements in applying the parent company's accounting principles. Areas which involve a high degree of judgement are complex or where assumptions and estimates have a material impact on the annual accounts are described in a note to the consolidated financial statements.

Through its activities, the parent company is exposed to a wide range of financial risks: market risk (currency risk and interest rate risk), credit risk and liquidity risk. The parent company's overall risk management policy focuses on the unpredictability of financial markets and strives to minimize potential adverse effects on the group's financial results. For more information on financial risks, see note 3 to the consolidated financial statements.

The parent company applies other accounting principles than the group in the cases indicated below.

*Formats*

The format prescribed in the Annual Accounts Act is used for the income statement and balance sheet. The statement of changes in equity also follows the format used in the group but is required to contain the columns specified in the Annual Accounts Act. This also means that different names are used than in the consolidated financial statements, primarily with regard to financial income and expense, and equity.

*Investments in subsidiaries*

Investments in subsidiaries are stated at cost less any impairment. Cost includes acquisition-related costs and any additional considerations.

When there is an indication that investments in subsidiaries are impaired, an estimate is made of the recoverable amount. If the recoverable amount is less than the carrying amount, an impairment loss is recognized. Impairment losses are recognized in the item "Profit/loss from investments in group companies".

*Shareholder contributions and group contributions*

Group contributions from the parent company to subsidiaries and group contributions received by the parent company from subsidiaries are recognized as appropriations. Shareholder contributions paid are recognized as an increase in the carrying amount of the interest in the parent company and as an increase in equity in the receiving entity.

*Financial instruments*

IFRS 9 is not applied in the parent company. The parent company instead applies the sections specified in RFR 2 (IFRS 9 Financial Instruments, sections 3–10).

Financial instruments are measured at cost. In subsequent periods, financial assets that have been acquired with the intention of being held for the short term are recognized at the lower of cost or market value using the lower of cost or market method.

In calculating the net realizable value of receivables that are current assets, the principles for impairment testing and expected loss provisioning in IFRS 9 is applied. For a receivable that is recognized at amortized cost at group level, this means that the loss provision recognized in the consolidated financial statements in accordance with IFRS 9 is also recognized in the parent company.

*Leases*

As regards IFRS 16, the parent company intends to apply the exemption provided for in RFR 2 and account for all leases as operating leases.

All leases in which the company is the lessee are accounted for as operating leases regardless of whether the leases are finance or operating leases. Lease payments are expensed on a straight-line basis over the lease term. The company has no leases.

## Note 2 Auditors' fees

| **PricewaterhouseCoopers** | **2024** | **2023** |
|---|---|---|
| Statutory audit | 689 | 759 |
| Other assurance services | - | - |
| Other non-assurance services | - | - |
| Tax consultant services | - | - |
| **Total** | **689** | **759** |

## Note 3 Interest and similar income and expenses

| **Interest and similar income** | **2024** | **2023** |
|---|---|---|
| Exchange rate gain | 383 | 360 |
| Interest income, other | 1 800 | 1 153 |
| Interest income, group | 21 781 | 21 526 |
| Dividend, group | 12 745 | 51 716 |
| **Total** | **36 709** | **74 755** |

| **Interest and similar expense** | **2024** | **2023** |
|---|---|---|
| Exchange rate losses | 493 | 596 |
| Interest expense group | 8 392 | 8 722 |
| Interest expense other | 3 020 | 2 297 |
| Interest expense bonds | 50 801 | 38 597 |
| **Total** | **62 706** | **50 212** |

## Note 4 Tax

| | 2024 | 2023 |
|---|---|---|
| **Income tax expense:** | | |
| | | |
| ***Current tax*** | | |
| Tax payable | - | - |
| | | |
| ***Deferred tax*** | | |
| Changes in deferred tax | - | - |
| Changes in tax rate | - | - |
| **Tax expense** | **-** | **-** |
| | | |
| This years result before tax | **-22 135** | **23 669** |
| | | |
| Tax on profit for the year (average effective tax rate) | 4 560 | -4 876 |
| Changes in unrecognised deferred tax asset | 773 | -229 |
| Non deductible expenses | -7 958 | -5 549 |
| Effect of change in tax rate* | 2 625 | 10 654 |
| **Tax expense** | **-** | **-** |

| Tax loss carried forward | 2024 | 2023 |
|---|---|---|
| Losses carried forward | 1 557 | 1 557 |
| Not capitilised losses carried forward | 2 614 | 5 240 |
| | **4 171** | **6 797** |

## Note 5 Investments in group companies

| Subsidiary | Corp. Reg. no | registered office | Ownership/ voting right | Carrying amount 2024-12-31 | Carrying amount 2023-12-31 |
|---|---|---|---|---|---|
| ***Directly owned*** | | | | | |
| Sono Holding Norge AS ( prev. NIG Norge AS) | 995 246 511 | Borgenhaugen, NO | 100 % | **193 609** | 193 609 |
| ACAP Invest AB | 556087-7838 | Tranås, SE | 100 % | **112 847** | 112 847 |

The share of equity and the share of voting rights are the same.

## Note 6 Borrowings

| **Longterm** | **2024-12-31** | **2023-12-31** |
|---|---|---|
| Bonds | - | - |
| Cost related to bonds | - | - |
| | **-** | **-** |
| | | |
| **Shortterm** | **2024-12-31** | **2023-12-31** |
| Bonds short term | 285 000 | 285 000 |
| Call fee bonds | 9 975 | - |
| Cost related to bonds | -4 664 | -1 282 |
| | **290 311** | 283 718 |
| | | |
| **Total liabilities** | **290 311** | **283 718** |

## Note 7 Share capital

See Note 23 to the consolidated financial statements for information on the parent company's share capital.

## Note 8 Pledged assets

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Shares in subsidiaries | **306 456** | 306 456 |

## Note 9 Related party transactions

North Investment Group AB (publ.) is 88.6 per cent owned by Frigaard Industries AS, corp. ID no. 999 210 384, with registered office in Sarpsborg, Norway. The ultimate consolidated financial statements are prepared by Soland Invest AS, corp. ID no. 987 521 465, with registered office in Sarpsborg, Norway Related parties are all subsidiaries in the group as well as senior executives in the group and their close family members. Services are purchased and sold to related parties on normal commercial terms and on a commercial basis, and in compliance with the applicable transfer pricing policy. The group has not made any provisions for doubtful debts attributable to related parties and did not recognize any expenses for doubtful debts from related parties during the period. No collateral has been posted for the receivables.

| **Receivables on related parties:** | 2024-12-31 | 2023-12-31 |
|---|---|---|
| ACAP Invest AB | 44 310 | 44 310 |
| NIG Norge AS | 50 000 | 50 000 |
| Other | - | - |
| | | |
| **Liabilities on related parties:** | | |
| Frigaard Gruppen AS | - | - |
| ACAP Invest AB | - | - |
| NIG Norge AS | - | - |

## Note 10 Appropriations received

| | 2024-12-31 | 2023-12-31 |
|---|---|---|
| Group contribution received | 5 000 | - |

## Note 11 Events after the end of the financial year

There are no changes to important aspects or significant effects that occurred after the end of the accounting period that affect the financial statement.

## Note 12 Appropriations of profit or loss

Proposed appropriation

The Board of Directors proposes that the earnings be appropriated as follows (TSEK):

| | |
|---|---|
| retained earnings | -7 969 |
| this year's loss | -22 135 |
| | |
| To be carried forward | -30 104 |

The group's income statement and balance sheets will be presented for approval at the Annual General Meeting on 16 May 2025.

The Board of Directors and Chief Executive Officer certify that the consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the EU, and provide a true and fair view of the group's financial position and results. The annual accounts have been prepared in accordance with generally accepted accounting standards and provide a true and fair view of the parent company's financial position and results.

The auditor's report for the group and parent company provides a true and fair overview of the development of the group's and parent company's business, financial position, and results, and describes significant risks and uncertainties faced by the parent company and the companies included in the group

Tranås, the date of the document electronic signatures

| | | |
|---|---|---|
| Helge Stemshaug | Trond O. Frigaard | Anita Kristiansen |
| Chairman of the Board | Director | Director |

Tore Knut Skedsmo

Chief Executive Officer

We submitted our auditor's report on the day that appears on our electronic signature

PricewaterhouseCoopers AB

| | |
|---|---|
| Kristoffer Johansson | Amanda Jönsson |
| Authorized Public Accountant | Authorized Public Accountant |
| Chief Accountant | |

# Auditor's report

To the general meeting of the shareholders of North Investment Group AB (publ), corporate identity number 556972-0468

## Report on the annual accounts and consolidated accounts

### Opinions

We have audited the annual accounts and consolidated accounts of North Investment Group AB (publ) for the year 2024 except for the corporate governance statement on pages 7-8.

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 7-8. 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 the income statement and 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/EU) Article 11.

### Basis for Opinions

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

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

### Our audit approach

#### Focus and scope of the audit

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

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

#### Materiality

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

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

## Key audit matters

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

| *Key audit matter* | *How our audit addressed the key audit matter* |
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| ***Valuation of goodwill***<br>The Group recognised goodwill of SEK 232 MSEK as per 31 December 2024, divided between two cash-generating units – Sono Sweden and Sono Norway.<br>Since this asset is not amortised on a continuous basis, an impairment test is to take place at least once a year. North Investment Group performed a test in the fourth quarter of 2024 and had not identified any impairment requirement as per 31 December 2024.<br>Such a test includes assumptions about, for example, future growth, profitability and the discount rate. Accordingly, management and the Board must make complex assessments and estimates.<br>This is a key audit matter since the amount of the asset is material and the assumptions required include judgements and estimates that individually could be crucial to the valuation.<br>The significant assumptions applied to impairment testing are described in Notes 4 and 15. | We observed, together with PwC's valuation specialists, that the impairment tests prepared, one per segment, were conducted in accordance with accepted principles and methods.<br>The most important assumptions made by management and the Board in the impairment test are profitability and the discount rate.<br>We have assessed these assumptions by comparing against budget for 2025, as well as past outcomes.<br>We also performed an independent assessment based on market-economic conditions for the cash-generating units. We compared discount rates with observable market data. We also examined the consistency of the significant assumptions compared with prior years.<br>Based on the impairment testing, we conducted simulations and sensitivity analyses to understand how a change impacts the values and any impairment requirement. These tests also formed the basis of our examination of the disclosures provided in Note 4 and Note 15 of the annual report. |
| ***Valuation of deferred tax assets attributable to tax loss carry-forwards***<br>Notes 4 and 13 state that the Group recognises a deferred tax asset of a material amount. These tax assets are primarily attributable to tax loss carry-forwards in Sweden.<br>To assess the value of the deferred tax assets, management and the Board have to make assumptions about the amount of future taxable earnings, which is affected by market conditions, the performance of the company and applicable tax legislation. Complexity increases due to rules on limiting interest deductions, including time restrictions. Swedish loss carry-forwards are otherwise not limited in time.<br>This is a key audit matter since the amount of the asset is material and the assumptions required include judgements and estimates that individually could be crucial to the valuation. | Our audit procedures included an evaluation of the calculations of future forecast tax surpluses in Sweden, which management prepared for Sweden to assess the possibility of utilising the loss carry-forwards in future years.<br>We checked that the forecasts used were those approved by the Board and we compared net sales and profitability with the outcomes in prior years. We audited to ensure that the calculations were consistent with budgets and financial plans for future years.<br>We tested the reasonableness of the assumptions and assessments made by management in relation to the impact of the rules on limiting interest reductions on the possibility of utilising the loss carry-forwards and their size.<br>Finally, we assessed that the Group made satisfactory provision of relevant disclosures in Note 4 and Note 13 on the estimates and assessments made to value the asset on 31 December 2024. |

## Responsibilities of the Board of Directors and the Managing Director

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

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

### Auditor's responsibility

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

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

## Report on other legal and regulatory requirements

### Auditor's audit of the administration and the proposed appropriations of 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 North Investment Group AB (publ) for year 2024 and the proposed appropriations of the company's profit or loss.

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

#### Basis for Opinions

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

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

#### Responsibilities of the Board of Directors and the Managing Director

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

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

#### Auditor's responsibility

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

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

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

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

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

### The auditor's examination of the corporate governance statement

It is the Board of Directors who is responsible for that the corporate governance statement on pages 7-8 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.

PricewaterhouseCoopers AB, Torsgatan 21, SE-113 97 Stockholm, was appointed auditor of North Investment Group AB (publ) by the general meeting on 16 May 2024 and has been the company's auditor since 2014.

Jönköping the date indicated by our electronic signature

PricewaterhouseCoopers AB

Kristoffer Johansson
Authorized Public Accountant
Auditor in charge

Amanda Jönsson
Authorized Public Accountant

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