

ÅRSREDOVISNING

för

Teknos Butiker Holding AB

Org.nr. 556759-1481

Styrelsen får härmed avlämna årsredovisning för räkenskapsåret 2023-01-01 - 2023-12-31


Innehåll	Sida
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Fastställelseintyg

Undertecknad styrelseledamot i Teknos Butiker Holding AB intygar härmed, dels att denna kopia av årsredovisningen överensstämmer med originalet, dels att resultat- och balansräkning fastställts på årsstämman den 27 maj 2024.

Stämman beslöt tillika godkänna styrelsens förslag till vinstdisposition.

Tranemo 2024-07-04


Sandra Linnvinge

ÅRSREDOVISNING

för

Teknos Butiker Holding AB

Org.nr. 556759-1481

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Teknos Butiker Holding AB

Org.nr. 556759-1481

FÖRVALTNINGSBERÄTTELSE

Årsredovisningen är upprättad i TSEK.

Allmänt om verksamheten

Bolaget agerar som holdingbolag till bolag som via butiker bedriver försäljning av färger och produkter för färgbranschen. Bolaget äger andelar i följande bolag: Teknos Butiker AB (org.nr 556759-8908) KB Ljungdahls Färghus (org.nr 969701-8001) och Ljungdahls Färgeekonomi AB (org.nr 556191-1115).

Företagets säte är Tranemo.

Väsentliga händelser under räkenskapsåret

Under året har det helägda dotterbolaget Ljungdahls Tranemo Holding AB, org.nr 556863-1781, fusionerades in i Teknos Butiker Holding AB. Fusionen registrerades 2023-07-14.

Flerårsöversikt

	2023	2022	2021	2020	2019
Nettoomsättning	0	0	0	0	0
Resultat efter finansiella poster	5 506	7 356	7 070	5 600	5 948
Soliditet (%)	99,99	99,99	100	100	100

Definitioner av nyckeltal, se not 8.

FÖRÄNDRINGAR I EGET KAPITAL

	Aktiekapital	Balanserat resultat	Årets resultat	Summa eget kapital
Belopp vid årets ingång	100	18 635	7 355	26 090
Balanseras i ny räkning		7 355	-7 355	0
Utdelning		-2 500		-2 500
Fusionsdifferens		7 525		7 525
Årets resultat			5 505	5 505
Belopp vid årets utgång	100	31 015	5 505	36 620

2024053016730

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Teknos Butiker Holding AB

Org.nr. 556759-1481

2024053016731

Resultatdisposition (kronor)

Medel att disponera:	
Balanserat resultat	31 014 894
Årets resultat	5 505 417
	<hr/>
	36 520 311
Förslag till disposition:	
Utdelning	5 000 000
Balanseras i ny räkning	31 520 311
	<hr/>
	36 520 311

Förslag till beslut om vinstutdelning

Styrelsen föreslår att utdelning lämnas med 5 000 000 kr vilket motsvarar 5 000 kr per aktie.

Styrelsen föreslår att utbetalning av utdelningen skall ske i omedelbar anslutning till årsstämman.

Styrelsen anser att den föreslagna vinstutdelningen är försvarlig med hänsyn till de krav som verksamhetens art, omfattning och risker ställer på storleken av det egna kapitalet samt bolagets konsolideringsbehov, likviditet och ställning i övrigt.

Yttrandet ska ske mot bakgrund av den information som framgår av årsredovisningen. Företagsledningen planerar inga väsentliga förändringar av befintlig verksamhet så som väsentliga investeringar, försäljningar eller avveckling.

Beträffande bolagets resultat och ställning i övrigt hänvisas till efterföljande resultat- och balansräkningar med tillhörande noter.

Teknos Butiker Holding AB

Org.nr. 556759-1481

RESULTATRÄKNING

		2023-01-01	2022-01-01
	Not	2023-12-31	2022-12-31
Rörelsekostnader			
Övriga externa kostnader		-41	-2
Summa rörelsekostnader		-41	-2
Rörelseresultat		-41	-2
Finansiella poster			
Resultat från andelar i koncernföretag	2	5 500	7 350
Övriga ränteintäkter och liknande resultatposter	3	47	9
Summa finansiella poster		5 547	7 359
Resultat efter finansiella poster		5 506	7 356
Resultat före skatt		5 506	7 356
Skatter			
Skatt på årets resultat		-1	-1
Årets resultat		5 505	7 355

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Teknos Butiker Holding AB

Org.nr. 556759-1481.

2024053016733

BALANSRÄKNING

2023-12-31

2022-12-31

TILLGÅNGAR

Not

Anläggningstillgångar

Finansiella anläggningstillgångar

Andelar i koncernföretag

4

35 309

25 012

Summa finansiella anläggningstillgångar

35 309

25 012

Summa anläggningstillgångar

35 309

25 012

Omsättningstillgångar

Kortfristiga fordringar

Fordringar hos koncernföretag

5

1 312

1 079

Övriga fordringar

1

0

Summa kortfristiga fordringar

1 313

1 079

Summa omsättningstillgångar

1 313

1 079

SUMMA TILLGÅNGAR

36 622

26 091

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Teknos Butiker Holding AB

Org.nr. 556759-1481

BALANSRÄKNING

2023-12-31

2022-12-31

EGET KAPITAL OCH SKULDER

Eget kapital

Bundet eget kapital

Aktiekapital

100

100

Summa bundet eget kapital

100

100

Fritt eget kapital

Balanserat resultat

31 015

18 635

Årets resultat

5 505

7 355

Summa fritt eget kapital

36 520

25 990

Summa eget kapital

36 620

26 090

Kortfristiga skulder

Skatteskulder

2

1

Summa kortfristiga skulder

2

1

SUMMA EGET KAPITAL OCH SKULDER

36 622

26 091

2024053016734

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Teknos Butiker Holding AB

Org.nr. 556759-1481

NOTER

Not 1 Redovisnings- och värderingsprinciper

Årsredovisningen är upprättad i enlighet med årsredovisningslagen och Bokföringsnämndens allmänna råd (BFNAR 2016:10) om årsredovisning i mindre företag.

Fusionen av Ljungdahls Tranemo Holding AB, org.nr 556863-1781, har redovisats i enlighet med Bokföringsnämndens allmänna råd (BFNAR 2020:5) om redovisning av fusion. De övertagna tillgångarna och skulderna har övertagits till bokförda värden med tillämpning av punkt 2.8 i ovan nämnda råd.

Med undantag för fusionen är principerna oförändrade jämfört med föregående år.

UPPLYSNINGAR TILL ENSKILDA POSTER

Not 2 Resultat från andelar i koncernföretag	2023	2022
Utdelning	5 500	7 350
	<hr/> 5 500	<hr/> 7 350
Not 3 Övriga ränteintäkter och liknande resultatposter	2023	2022
Ränteintäkter, koncernföretag	47	9
	<hr/> 47	<hr/> 9

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Teknos Butiker Holding AB

Org.nr. 556759-1481

NOTER

Not 4 Andelar i koncernföretag

2023-12-31

2022-12-31

Företag

Teknos Butiker AB

Organisationsnummer:

556759-8908

Säte: Tranemo

Andel: 100%, andelar: 1000

Eget kapital: 13 609 tsek

Resultat: -551 tsek

Ingående anskaffningsvärde

100

100

Årets anskaffning

5 555

0

Utgående anskaffningsvärde

5 655

100

Företag

Ljungdahls Tranemo Holding AB

Organisationsnummer:

556863-1781

Säte: Tranemo

Andel: 100%, andelar: 1000

Eget kapital: 0 tsek

Resultat: 0 tsek

Ingående anskaffningsvärde

24 911

70

Årets anskaffning

0

24 841

Årets avyttring pga fusion

-24 911

0

Utgående anskaffningsvärde

0

24 911

Företag

KB Ljungdahls Färghus

Organisationsnummer:

969701-8001

Säte: Tranemo

Andel: 0%, andelar: 1

Eget kapital: 7 768 tsek

Resultat: 687 tsek

Ingående anskaffningsvärde

1

1

Årets förändring

0

0

Utgående anskaffningsvärde

1

1

2024053016736

Teknos Butiker Holding AB

Org.nr. 556759-1481

NOTER

2024053016737

Företag

Ljungdahls Färgekonomi AB
Organisationsnummer: 556191-1115
Säte: Göteborg
Andel: 100%, andelar 1 000
Eget kapital: 11 132 tsek
Resultat: 4 869 tsek

Ingående anskaffningsvärde	0	0
Årets anskaffning genom fusion	29 653	0
Utgående anskaffningsvärde	<u>29 653</u>	<u>0</u>
Totalt redovisat värde	35 309	25 012

Not 5 Fordringar hos koncernföretag

Bolaget ingår sedan 2017 i koncernens cashpool. Av fordringar hos koncernföretag utgör hela beloppet 1 312 tkr (1 079 tsek) banktillgodohavanden.

Not 6 Ställda säkerheter

2023-12-31

2022-12-31

Inga

Inga

Not 7 Koncernförhållanden

Bolaget är helägt dotterbolag till Teknos Group Oy, (org.nr 2210042-4), med säte i Helsingfors, Finland. Bolaget är moderbolag, men med stöd av ÅRL 7 kap 2 § upprättas inte någon koncernredovisning. Övergripande koncernredovisning upprättas av Teknos Group Oy, (org.nr 2210042-4), med säte i Helsingfors, Finland. Koncernredovisningen finns tillgänglig hos Teknos AB (org.nr 556047-6714).

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Teknos Butiker Holding AB

Org.nr. 556759-1481

NOTER

Not 8 Definition av nyckeltal

Nettoomsättning

Rörelsens huvudintäkter, fakturerade kostnader, sidointäkter samt intäktskorrigeringar

Resultat efter finansiella poster

Resultat efter finansiella intäkter och kostnader, men före extraordinära intäkter och kostnader

Soliditet

Justerat eget kapital i procent av balansomslutning

Tranemo

Paula Salastie
Styrelseledamot
Ordförande

Sandra Linnvinge
Styrelseledamot

Tuukka Ryyänen
Styrelseledamot

Vår revisionsberättelse har lämnats den

KPMG

Oscar Grönesjö
Auktoriserad revisor

2024053016738

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Revisionsberättelse

Till bolagsstämman i Teknos Butiker Holding AB, org. nr 556759-1481

Rapport om årsredovisningen

Uttalanden

Vi har utfört en revision av årsredovisningen för Teknos Butiker Holding AB för år 2023.

Enligt vår uppfattning har årsredovisningen upprättats i enlighet med årsredovisningslagen och ger en i alla väsentliga avseenden rättvisande bild av Teknos Butiker Holding ABs finansiella ställning per den 31 december 2023 och av dess finansiella resultat för året enligt årsredovisningslagen. Förvaltningsberättelsen är förenlig med årsredovisningens övriga delar.

Vi tillstyrker därför att bolagsstämman fastställer resultaträkningen och balansräkningen.

Grund för uttalanden

Vi har utfört revisionen enligt International Standards on Auditing (ISA) och god revisionssed i Sverige. Vårt ansvar enligt dessa standarder beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Teknos Butiker Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för att årsredovisningen upprättas och att den ger en rättvisande bild enligt årsredovisningslagen. Styrelsen ansvarar även för den interna kontroll som den bedömer är nödvändig för att upprätta en årsredovisning som inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag.

Vid upprättandet av årsredovisningen ansvarar styrelsen för bedömningen av bolagets förmåga att fortsätta verksamheten. Den upplyser, när så är tillämpligt, om förhållanden som kan påverka förmågan att fortsätta verksamheten och att använda antagandet om fortsatt drift. Antagandet om fortsatt drift tillämpas dock inte om beslut har fattats om att avveckla verksamheten.

Revisorns ansvar

Våra mål är att uppnå en rimlig grad av säkerhet om huruvida årsredovisningen som helhet inte innehåller några väsentliga felaktigheter, vare sig dessa beror på oegentligheter eller misstag, och att lämna en revisionsberättelse som innehåller våra uttalanden. Rimlig säkerhet är en hög grad av säkerhet, men är ingen garanti för att en revision som utförs enligt ISA och god revisionssed i Sverige alltid kommer att upptäcka en väsentlig felaktighet om en sådan finns. Felaktigheter kan uppstå på grund av oegentligheter eller misstag och anses vara väsentliga om de enskilt eller tillsammans rimligen kan förväntas påverka de ekonomiska beslut som användare fattar med grund i årsredovisningen.

Som del av en revision enligt ISA använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Dessutom:

- identifierar och bedömer vi riskerna för väsentliga felaktigheter i årsredovisningen, vare sig dessa beror på oegentligheter eller misstag, utformar och utför granskningsåtgärder bland annat utifrån dessa risker och inhämtar revisionsbevis som är tillräckliga och ändamålsenliga för att utgöra en grund för våra uttalanden. Risker för att inte upptäcka en väsentlig felaktighet till följd av oegentligheter är högre än för en väsentlig felaktighet som beror på misstag, eftersom oegentligheter kan innefatta agerande i maskopi, förfalskning, avsiktliga utelämnanden, felaktig information eller åsidosättande av intern kontroll.
- skaffar vi oss en förståelse av den del av bolagets interna kontroll som har betydelse för vår revision för att utforma granskningsåtgärder som är lämpliga med hänsyn till omständigheterna, men inte för att uttala oss om effektiviteten i den interna kontrollen.

- utvärderar vi lämpligheten i de redovisningsprinciper som används och rimligheten i styrelsens uppskattningar i redovisningen och tillhörande upplysningar.
- drar vi en slutsats om lämpligheten i att styrelsen använder antagandet om fortsatt drift vid upprättandet av årsredovisningen. Vi drar också en slutsats, med grund i de inhämtade revisionsbevisen, om huruvida det finns någon väsentlig osäkerhetsfaktor som avser sådana händelser eller förhållanden som kan leda till betydande tvivel om bolagets förmåga att fortsätta verksamheten. Om vi drar slutsatsen att det finns en väsentlig osäkerhetsfaktor, måste vi i revisionsberättelsen fästa uppmärksamheten på upplysningarna i årsredovisningen om den väsentliga osäkerhetsfaktorn eller, om sådana upplysningar är otillräckliga, modifiera uttalandet om årsredovisningen. Våra slutsatser baseras på de revisionsbevis som inhämtas fram till datumet för revisionsberättelsen. Dock kan framtida händelser eller förhållanden göra att ett bolag inte längre kan fortsätta verksamheten.
- utvärderar vi den övergripande presentationen, strukturen och innehållet i årsredovisningen, däribland upplysningarna, och om årsredovisningen återger de underliggande transaktionerna och händelserna på ett sätt som ger en rättvisande bild.

Vi måste informera styrelsen om bland annat revisionens planerade omfattning och inriktning samt tidpunkten för den. Vi måste också informera om betydelsefulla iakttagelser under revisionen, däribland de eventuella betydande brister i den interna kontrollen som vi identifierat.

Rapport om andra krav enligt lagar och andra författningar

Uttalanden

Utöver vår revision av årsredovisningen har vi även utfört en revision av styrelsens förvaltning för Teknos Butiker Holding AB för år 2023 samt av förslaget till dispositioner beträffande bolagets vinst eller förlust.

Vi tillstyrker att bolagsstämman disponerar vinsten enligt förslaget i förvaltningsberättelsen och beviljar styrelsens ledamöter ansvarsfrihet för räkenskapsåret.

Grund för uttalanden

Vi har utfört revisionen enligt god revisionssed i Sverige. Vårt ansvar enligt denna beskrivs närmare i avsnittet Revisorns ansvar. Vi är oberoende i förhållande till Teknos Butiker Holding AB enligt god revisorssed i Sverige och har i övrigt fullgjort vårt yrkesetiska ansvar enligt dessa krav.

Vi anser att de revisionsbevis vi har inhämtat är tillräckliga och ändamålsenliga som grund för våra uttalanden.

Styrelsens ansvar

Det är styrelsen som har ansvaret för förslaget till dispositioner beträffande bolagets vinst eller förlust. Vid förslag till utdelning innefattar detta bland annat en bedömning av om utdelningen är försvarlig med hänsyn till de krav som bolagets verksamhetsart, omfattning och risker ställer på storleken av bolagets egna kapital, konsolideringsbehov, likviditet och ställning i övrigt.

Styrelsen ansvarar för bolagets organisation och förvaltningen av bolagets angelägenheter. Detta innefattar bland annat att fortlöpande bedöma bolagets ekonomiska situation och att tillse att bolagets organisation är utformad så att bokföringen, medelsförvaltningen och bolagets ekonomiska angelägenheter i övrigt kontrolleras på ett betryggande sätt.

Revisorns ansvar

Vårt mål beträffande revisionen av förvaltningen, och därmed vårt uttalande om ansvarsfrihet, är att inhämta revisionsbevis för att med en rimlig grad av säkerhet kunna bedöma om någon styrelseledamot i något väsentligt avseende:

- företagit någon åtgärd eller gjort sig skyldig till någon försummelse som kan föranleda ersättningsskyldighet mot bolaget, eller
- på något annat sätt handlat i strid med aktiebolagslagen, årsredovisningslagen eller bolagsordningen.

Vårt mål beträffande revisionen av förslaget till dispositioner av bolagets vinst eller förlust, och därmed vårt uttalande om detta, är att med rimlig grad av säkerhet bedöma om förslaget är förenligt med aktiebolagslagen.

Rimlig säkerhet är en hög grad av säkerhet, men ingen garanti för att en revision som utförs enligt god revisionssed i Sverige alltid kommer att upptäcka åtgärder eller försummelser som kan föranleda

ersättningsskyldighet mot bolaget, eller att ett förslag till dispositioner av bolagets vinst eller förlust inte är förenligt med aktiebolagslagen.

Som en del av en revision enligt god revisionssed i Sverige använder vi professionellt omdöme och har en professionellt skeptisk inställning under hela revisionen. Granskningen av förvaltningen och förslaget till dispositioner av bolagets vinst eller förlust grundar sig främst på revisionen av räkenskaperna. Vilka tillkommande granskningsåtgärder som utförs baseras på vår professionella bedömning med utgångspunkt i risk och väsentlighet. Det innebär att vi fokuserar granskningen på sådana åtgärder, områden och förhållanden som är väsentliga för verksamheten och där avsteg och överträdelser skulle ha särskild betydelse för bolagets situation. Vi går igenom och prövar fattade beslut, beslutsunderlag, vidtagna åtgärder och andra förhållanden som är relevanta för vårt uttalande om ansvarsfrihet. Som underlag för vårt uttalande om styrelsens förslag till dispositioner beträffande bolagets vinst eller förlust har vi granskat styrelsens motiverade yttrande samt ett urval av underlagen för detta för att kunna bedöma om förslaget är förenligt med aktiebolagslagen.

Borås den

KPMG AB

Oscar Grönesjö
Auktoriserad revisor

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SANDRA LINNVINGE

Underskrivare 1

Serial number: 9074d1f0fd529a[...]9f27232cd406f

IP: 195.198.xxx.xxx

2024-05-20 12:19:02 UTC



TUUKKA RYYNÄNEN

Underskrivare 1

Serial number:

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IP: 89.250.xxx.xxx

2024-05-21 13:59:22 UTC



PAULA KAARINA SALASTIE

Underskrivare 1

Serial number: fi_tupas:savingsbank:Z2DBYZgvIXYx2OzFPG-

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IP: 89.250.xxx.xxx

2024-05-24 10:33:37 UTC



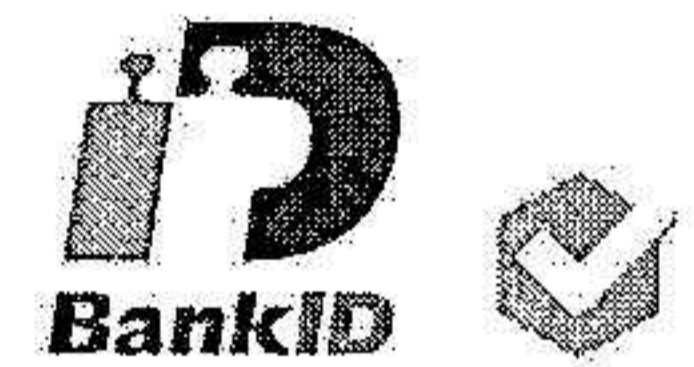
Oscar Tomas Grönesjö

Underskrivare 2

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Teknos Group Oy
Takkatie 3
FI-00371 Helsinki, FINLAND
2210042-4

Teknos Group Oy
FINANCIAL STATEMENTS AND REPORT OF THE BOARD OF DIRECTORS
1.1.–31.12.2023

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Teknos Group Oy
FINANCIAL STATEMENTS AND REPORT OF THE BOARD OF DIRECTORS
1 January – 31 December 2023

REPORT OF THE BOARD OF DIRECTORS

Group structure and significant events

Teknos is a paint and coating group, and its parent company is Teknos Group Oy.

In Europe and the US, inflation has started to slow down faster than expected, but economic recovery is still waiting to begin.

The geopolitical uncertainty that began after Russia started a large-scale attack on Ukraine has continued. The uncertainty has been further increased by the Hamas attack on Israel and the resulting wider conflict. Its expansion into the Red Sea has both lengthened delivery times and increased transport costs, as well as inventory levels. Both Teknos and its stakeholders are forced to plan supply chains over a longer period of time. The conflicts have also had other indirect effects on Teknos' business, such as increased energy costs and uncertainty in demand.

In the US and Europe, central banks are expected to cut key interest rates in spring 2023, which is projected to have a positive impact on markets.

Teknos LLC's business operations in Ukraine have continued despite the war, albeit on a smaller scale. The Ukrainian branch office has been relocated from Kiev to the western part of the country, and our revenue increased to MEUR 2.5 in 2023 after the first war year. The company employs 13 people.

During the financial year, the unprofitable business in the US has been closed. The withdrawal from the US market resulted in one-off costs that weakened the 2023 result. (Shutdown of Teknos US Inc., owned by Teknos Deutschland GmbH, and end of manufacturing operations in Charlotte, USA in June 2023)

In Germany, the closure of the Fulda factory of Teknos Deutschland GmbH and the centralisation of production in Brüggen was completed.

The business operations of the Croatian company (Teknos Croatia d.o.o.) were transferred to the Slovenian company (Teknos d.o.o.)

In China, Teknos Group Oy held a (40%) minority stake in Manfield Teknos (Changzhou) Chemical Com. Ltd, which was sold during the financial year for MEUR 1.4.

The large restructuring programme "Fit for Future" launched in the Group in 2022 was completed during the financial year 2023. The programme started when the economic situation became more uncertain and the production volumes of Teknos decreased. During the programme, the Group's structures were clarified and simplified. The programme achieved improvements in operational efficiency as well as cost savings, especially in fixed costs. As part of the programme, the Fulda office

in Germany was closed and production was moved to Brüggen. The plans to construct a new factory unit in Steinau were dropped, and the plot reservation for the project was abandoned.

During 2023, work started on designing a new management system that would streamline business processes and prevent sub-optimal decision-making for the Group. The programme and organisational model are known as One Teknos and it was implemented in the first quarter of 2024.

At the end of the financial year, Teknos' production facilities were located in:

- Pitäjänmäki in Helsinki and Rajamäki in Nurmijärvi, Finland
- Vamdrup in the south of Jutland, Denmark
- Alzenau and Brüggen, Germany
- Gdynia, Poland
- Shanghai, China
- Johor Bahru, Malaysia
- Bendern, Liechtenstein

In addition to the above, the Group has sales companies in Czechia, England, Estonia, India, Latvia, Lithuania, the Netherlands, Northern Ireland, Norway, Slovenia, Sweden, Switzerland, Ukraine, and Vietnam. The Group also has retail business in Sweden.

Teknos' key performance indicators are:

	2023	<u>Group</u> 2022	2021
Revenue (MEUR)	355.2	397.9	419.2
Operating profit (MEUR)	1.0	-4.5	9.7
Operating profit % of revenue	0,3%	-1.1%	2.3%
Return on equity (%)	-6.5%	-5.1%	4.1%
Return on capital employed (%)	1.1%	-1.8%	5.1%
Equity-to-assets ratio	40.8%	39.2%	39.1%

	<u>Parent company</u>		
	2023	2022	2021
Revenue (MEUR)	24.5	21.1	20.2
Operating profit (MEUR)	-2.7	-28.0	-1.2
Operating profit % of revenue	-11.0%	-133%	-6.0%
Return on equity (%)	-6.4%	-41.2%	1.0%
Equity-to-assets ratio	46.0%	43.1%	50.9%

The intellectual property rights for recipes related to the Group's products were centralised in the parent company at the end of the financial year 2022, and from 1 January 2023, the parent company has charged subsidiaries a sales-based licence fee in accordance with the use of the intellectual property rights.

Teknos published a separate non-financial information (NFI) report covering the entire Group. The report complies with European Commission Directive 2014/95/EU.

Financial position

The Group's balance sheet total on 31 December 2023 was MEUR 266.1 (31 December 2022: MEUR 292.7). The Group's financial position remained good throughout the year, the equity-to-assets ratio being at 40.8% (31 December 2022: 39.2%). The Group had loans of MEUR 87.8 (31 December 2022: MEUR 104.0), of which MEUR 53.6 were long-term and MEUR 34.1 were short-term. Other long-term liabilities on the balance sheet decreased to MEUR 0.04 (MEUR 0.2) at the end of the financial year.

The objective of the Group's liquidity risk management is to ensure the availability and low cost of financing. In order to manage liquidity risk, the Group maintains a sufficient liquidity reserve. On the balance sheet date, 31 December 2023, the company had an undrawn committed limit of MEUR 85 in unused liquidity reserve (2022: MEUR 85).

Assessment of future developments

Due to the geopolitical situation and economic recession, the general market situation will be challenging in 2024. Construction is expected to remain at a low level in Finland in 2024 and to start growing with a decrease in interest rates no later than 2025. For exports, growth is expected already in 2024. One Teknos, the management system reform implemented in early 2024, is expected to bring synergies and significantly improve the result.

Risks and uncertainties

The price increase of raw materials has stalled and the prices are expected to remain at the level of 2023. A slight fall in prices can also be expected for some categories of raw materials. Challenges related to raw materials and their availability are addressed through active pricing policy, category management (e.g. alternative raw materials), recipe development, and effective supplier management. The EU has decided to impose a significant anti-dumping fine on Chinese titanium dioxide due to dumping of the raw material. The impacts will be seen as cost increases that will be transferred to sales prices.

Credit risk associated with trade receivables is managed by a consistent credit policy and efficient collection. Credit risk has also been reduced by selling part of the trade receivables to financial companies, where they take on the credit risk. In Finland, one major customer has run into payment difficulties, which has led Teknos to limit its deliveries and to manage its receivables also legally.

The Group also recognises the changes in the market structure within the competitor field as an uncertainty factor. It is estimated that the market will consolidate in the future and that Russia's invasion of Ukraine may permanently change the operating environment.

Changes in the competitive and market situation and their possible effects are being monitored.

Changes in market interest rates have an impact on the Group's net interest rates and the fair values of interest-bearing receivables and liabilities and derivative instruments. The purpose of interest rate risk management is to reduce the impact of interest rate changes on the income statement, balance sheet, and cash flow. The Group is exposed to cash flow risk arising from floating rate liabilities. The risk is in part offset by fixed-rate loans. Interest rate risks have been hedged with interest rate swaps and interest rate hedges, the unrealised changes in value of which have not been recognised, but instead, the derivatives in question and the related valuation differences are disclosed in the notes to the financial statements. The nominal value of the Group's interest rate hedges was MEUR 39.3 (39.3) on 31 December 2023. Collateral loans are subject to covenants. The agreed special terms relate to the Group's solvency and liquidity. Breach of covenants can increase the cost of financing or lead to the termination of loans. On 31 December 2023, the covenants have been met and they are monitored. The next review of the covenants is on 31 March 2024. In management's view, it is likely that the covenant limit will be met on 31 March 2024. The Board of Directors monitors with special care the development of the situation.

Foreign exchange rate risk refers to the effects of changes in value of currencies on a company's result, cash flows, and balance sheet. Teknos hedges 80–100% of its internal foreign currency denominated loan/cash pool receivables with forward exchange transactions, with the exception of foreign currency positions which are considered too expensive to hedge due to the costs related to currency interest rate differentials.

In China, arbitration proceedings regarding exiting the Manfield Chemical Co. Ltd. joint venture have been completed.

Scope of research and development activities

The Group's research and development (R&D) activities are performed in connection with production units and are thus decentralised into eight countries. The largest R&D units are located in Finland and Denmark, and they are largely responsible for the development of new products. In addition to product development, R&D is also responsible for continuously updating the current product portfolio to maintain competitiveness, comply with chemical legislation, and ensure recipe production efficiency. In addition to these tasks, small local R&D units are actively involved in technical sales support in local markets.

Figures describing the scope of research activities:

	2023	2022
Average number of R&D personnel	170	192
R&D expenditure (EUR 1,000)	14.377	16.111
R&D expenditure, % of revenue	4.0%	4.0%

Personnel

	2023	2022
Average number of personnel	1398	1578
Wages and salaries (EUR 1,000)	76.174	82.388

Environment

As part of our continuous improvement programme, we are actively developing the efficiency of our processes. For us, efficiency also means reducing our environmental impact. We continuously monitor our development with our operational indicators, which include targets for e.g. waste reduction, recycling, energy consumption, and transport. We are constantly striving to better understand the environmental impact of our operations. For us, this also entails cooperation and dialogue with our partners and stakeholders in order to build our knowledge and improve our ways of working together. The subsidiaries in Finland, Denmark, Sweden, Liechtenstein and China have ISO14001-certified environmental management systems.

Governance

The share capital of Teknos Group Oy consists of a total of 300,000 shares, all of which carry the same rights.

Paula Salastie, CEO and member of the Board of Directors and CEO of the parent company, has served on the Board of Directors. Pekka Jaatinen (Juha Mört until 28 June 2023), has served as Chair of the Board of Directors, and KJ Aho (as of 28 June 2023), Vesa Tempakka (as of 28 June 2023) have served as members of the Board of Directors. In addition, Pekka Jaatinen has served as deputy member of the Board of Directors (21 December 2022 – 28 June 2023).

The Group's auditor has been the Firm of Authorised Public Accountants KPMG Oy Ab, with Authorised Public Accountant Tero Hämäläinen as the principal auditor.

Board of Directors' proposal for the distribution of profits:

The distributable funds of the parent company are EUR 86,736,339.15, of which the loss for the financial year is EUR -1,354,833.86. The Board of Directors proposes to the Annual General Meeting that no dividends be distributed.

The Board of Directors states that at the Annual General Meeting held on 7 April 2022, a decision was taken on the distribution of dividends in the amount of EUR 2.6 million in such a way that the dividends will be paid in accordance with a separate release decision of the Board of Directors. So far, the Board of Directors has not decided to release the said dividend. The dividend decided at the AGM on 7 April 2022 has not been withdrawable by the shareholders and the dividend has not been recorded in the company's financial statements. The above recording of dividend in the company's financial statements requires a separate release decision by the Board of Directors of the company.

Events after the financial year

The implementation of the new One Teknos management system took place in early 2024. The model is expected to bring significant improvements in efficiency and transparency. The Vedevåg factory property in Sweden has been for sale for a long time, and now the deal was finally completed on 15 March 2024 at SEK 3.9 million.

Teknos will move to CSRD reporting in 2026, when data from 2025 will be used as the reference year. The building and testing of the model is underway and the first results will be obtained in the autumn of 2024.

CONSOLIDATED INCOME STATEMENT

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EUR 1,000	Note	1.1.-31.12.2023	1.1.-31.12.2022
Revenue	1	355 163	397 933
Change in inventories of finished products		-3 600	-3 187
Other operating income	2	2 953	2 056
Materials and services	3	-177 536	-210 339
Personnel expenses	4	-89 298	-99 468
Depreciation, amortisation and impairment	5	-16 500	-15 731
Other operating expenses	6	-69 949	-75 738
Share of associated companies' profits / losses		-222	-66
Operating profit		1 012	-4 539
Financial income and expenses	8	-6 412	800
Profit before taxes		-5 400	-3 739
Income taxes	9	-1 808	-2 299
Net profit/loss for the financial year		-7 208	-6 038

CONSOLIDATED BALANCE SHEET

9

ASSETS, EUR 1,000	Note	31.12.2023	31.12.2022
Non-current assets			
Intangible assets		14 802	18 221
Tangible assets		99 027	103 966
Investments		18 770	19 177
Total non-current assets	10	132 599	141 363
Current assets			
Inventories	11	68 023	77 421
Non-current receivables	12	497	102
Current receivables	14	46 048	50 968
Deferred tax assets	13	4 618	5 753
Cash at bank and in hand		14 333	17 057
Total current assets		133 519	151 301
TOTAL ASSETS		266 119	292 665
EQUITY AND LIABILITIES, EUR 1,000			
Equity			
Share capital		8 700	8 700
Retained earnings		107 183	112 042
Net profit for the financial year		-7 208	-6 038
Total equity	15	108 674	114 703
Statutory provisions	16	3 670	3 847
Liabilities			
Non-current liabilities	17	53 644	47 370
Current liabilities	18	93 965	119 953
Deferred tax liabilities	13	6 166	6 792
Total liabilities		153 774	174 114
TOTAL EQUITY AND LIABILITIES		266 119	292 665

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CONSOLIDATED CASH FLOW STATEMENT

10

EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
Cash flow from operating activities		
Profit/loss before taxes	-5 400	-3 739
Adjustments:		
Depreciation according to plan	14 216	15 731
Financial income and expenses	5 586	2 260
Other adjustments	2 227	-2 833
Cash flow before change in net working capital	16 629	11 420
Increase (-) / decrease (+) in net working capital	13 725	9 137
Cash flow from operating activities before financial items and taxes	30 354	20 556
Interest received	2 933	451
Interest and other financial expenses paid	-8 573	-4 529
Taxes paid	-2 708	-5 270
Cash flow from operating activities	22 007	11 207
Cash flow from investing activities		
Fixed asset investments	-8 790	-12 192
Proceeds from the disposal of fixed assets	339	497
Proceeds from the disposal of other investments	0	34
Acquisition of subsidiaries and business operations net of cash and cash equivalents at acquisition date	0	-2 345
cash at transaction date	0	12 379
Dividends received from associated companies	0	204
Proceeds from the sale of associated company	1 295	0
Cash flow from investing activities	-7 156	-1 423
Cash flow from financing activities		
Drawdowns and repayments of short-term loans	-30 720	4 877
Drawdowns from long-term loans	14 495	0
Repayments of long-term loans	-1 351	-5 331
Dividends paid to minority shareholders of subsidiaries	0	-310
Cash flow from financing activities	-17 576	-764
Increase (+) / decrease (-) in cash and cash equivalents	-2 725	9 020
Cash and cash equivalents, 1/1	17 057	8 037
Cash and cash equivalents, 31/12	14 333	17 057
Change in net working capital		
Decrease (+) / increase (-) in current receivables	7 161	19 918
Decrease (+) / increase (-) in inventories	9 398	9 151
Decrease (-) / increase (+) in interest-free current liabilities	-2 833	-19 933
Increase (-) / decrease (+) in net working capital	13 725	9 137

PARENT COMPANY'S INCOME STATEMENT

11

EUR	Note	1.1.-31.12.2023	1.1.-31.12.2022
Revenue	1	24 450 952,32	21 081 895,78
Other operating income	2	50 000,00	0,00
Personnel expenses	3	-6 969 494,21	-7 682 529,43
Depreciation, amortisation and impairment	4	-3 832 210,66	-26 403 323,03
Other operating expenses	5	-16 393 751,20	-15 044 861,83
Operating profit		-2 694 503,75	-28 048 818,51
Financial income and expenses	6	-3 489 158,62	-17 549 448,19
Profit before appropriations and taxes		-6 183 662,37	-45 598 266,70
Group contributions		4 830 000,00	11 400 000,00
Income taxes	7	-1 171,49	-1 642 408,67
Net profit/loss for the financial year		-1 354 833,86	-35 840 675,37

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PARENT COMPANY'S BALANCE SHEET

12

ASSETS, EUR	Note	31.12.2023	31.12.2022
Non-current assets			
Intangible assets		27 636 618,93	30 294 424,10
Tangible assets		139 844,85	144 684,96
Investments		130 973 812,75	111 461 669,12
Total non-current assets	8	158 750 276,53	141 900 778,18
Current assets			
Non-current receivables	9	23 579 521,11	13 164 336,80
Current receivables	9	16 883 627,87	60 408 172,72
Cash at bank and in hand		8 434 078,96	8 989 727,94
Total current assets		48 897 227,94	82 562 237,46
TOTAL ASSETS		207 647 504,47	224 463 015,64
EQUITY AND LIABILITIES, EUR			
	Note	31.12.2023	31.12.2022
Equity			
Share capital		8 700 000,00	8 700 000,00
Retained earnings		88 091 173,01	123 931 848,38
Net profit for the financial year		-1 354 833,86	-35 840 675,37
Total equity	10	95 436 339,15	96 791 173,01
Liabilities			
Non-current liabilities	11	46 059 139,50	45 053 155,00
Current liabilities	12	66 152 025,82	82 618 687,63
Total liabilities		112 211 165,32	127 671 842,63
TOTAL EQUITY AND LIABILITIES		207 647 504,47	224 463 015,64

PARENT COMPANY'S CASH FLOW STATEMENT

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EUR	1.1.-31.12.2023	1.1.-31.12.2022
Cash flow from operating activities		
Profit before appropriations and taxes	-6 183 662,37	-45 598 266,70
Adjustments:		
Depreciation according to plan	3 595 571,62	1 035 323,03
Unrealised exchange gains and losses	474 717,28	-3 054 601,40
Financial income and expenses	3 014 441,34	20 604 049,59
Other adjustments	236 639,04	-939 275,46
Cash flow before change in net working capital	1 137 706,91	-27 952 770,94
Increase (-) / decrease (+) in net working capital	1 399 592,51	20 848 777,01
Cash flow from operating activities before financial items and taxes	2 537 299,42	-7 103 993,93
Interest and fees paid on financial expenses	-7 439 473,28	-3 578 012,78
Interest received from operating activities	3 438 276,63	2 483 734,80
Direct taxes paid	-2 276 010,62	-2 905 416,85
Cash flow from operating activities	-3 739 907,85	-11 103 688,76
Cash flow from investing activities		
Investments in tangible and intangible assets	-1 074 895,34	-23 223 176,68
Investments in group subsidiaries	0,00	-5 419 652,16
Proceeds from the disposal of associated companies	1 294 789,43	0,00
Proceeds from the sale of subsidiary shares	0,00	14 071 519,32
Loans granted to companies in the same group	-1 098 608,35	-19 071 446,49
Repayments of loans received from companies in the same group	450 706,80	41 945 190,90
Dividends received from companies in the same group	5 918 226,45	4 438 352,71
Cash flow from investing activities	5 490 218,99	12 740 787,60
Cash flow from financing activities		
Drawdowns from long-term loans	5 427 000,00	17 632 969,98
Drawdowns and repayments of short-term loans	-29 549 540,09	-16 755 688,44
Change in cash pool liability	10 416 580,57	-3 739 311,03
Group contributions received	11 400 000,00	8 650 000,00
Cash flow from financing activities	-2 305 959,52	5 787 970,51
Increase (+) / decrease (-) in cash and cash equivalents	-555 648,38	7 425 069,35
Cash and cash equivalents, 1/1	8 989 727,94	1 564 658,59
Cash and cash equivalents, 31/12	8 434 078,96	8 989 727,94
Change in net working capital		
Increase (-) / decrease (+) in interest-free current receivables	2 523 909,93	-717 704,35
*) Increase (-) / decrease (+) in consolidated receivables	1 743 467,81	19 483 860,81
Increase (+) / decrease (-) in consolidated liabilities	-2 433 712,07	3 010 491,67
Increase (+) / decrease (-) in interest-free non-current liabilities	0,00	-624 728,23
Increase (+) / decrease (-) in interest-free current liabilities	-434 073,16	-303 142,89
Increase (-) / decrease (+) in net working capital	1 399 592,51	20 848 777,01
*) Includes change in an item similar to a consolidated account	-3 321 737,29	11 783 225,46

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Accounting policies for the consolidated financial statements

The consolidated financial statements have been prepared using the acquisition cost method. The financial statements include all group companies (see note 20). The difference between the acquisition cost of subsidiaries and the net assets corresponding to the acquired share is partly allocated to non-current assets and partly recognised as group goodwill. The allocated items will be depreciated in accordance with the depreciation plan for the non-current assets item.

The Group's internal transactions, unrealised margins on internal deliveries, intra-group receivables and liabilities, and internal distribution of profits have been eliminated.

Minority interests have been separated from the Group's equity and result and are presented as a separate item.

The income statements of foreign group companies have been restated at the average exchange rate of the financial year, and the amounts on the balance sheets have been translated into Finnish currency using the exchange rate in effect on the balance sheet date. Exchange gains and losses arising from the translation as well as the translation differences arising from the translation of foreign subsidiaries' equities and subsidiary shares held in foreign currencies are presented under "Retained earnings".

Group goodwill and subsidiary shares

As the results of the parent company and the group show a loss, an impairment testing has been performed for group goodwill and subsidiary shares held by the parent company. The impairment testing was made based on the present value of future cash flows, on the basis of which it has been determined that the valuation of group goodwill and subsidiary shares depends on the realisation of business plans and future performance and profitability.

Foreign currency items

Foreign currency receivables and payables are valued at the exchange rate quoted by the European Central Bank on the balance sheet date. Exchange gains and losses are recognised in revenue for trade receivables and in purchases for trade payables. For other receivables and payables, exchange gains and losses are recognised under exchange rate differences on financing.

Inventories

Inventories are valued at acquisition cost or, if lower than acquisition cost at the end of the financial year, the selling price. In addition to variable costs, fixed costs of production, purchasing, and raw material inventory are capitalised in the value of the inventory of finished products. For the calculation of the value of inventories, the average cost method is used. In some group companies, the FIFO method is used. The end results of the two methods do not differ materially.

Non-current assets

Non-current assets are valued at acquisition cost net of planned straight-line depreciation and possible impairment. Planned straight-line depreciation is calculated on the basis of the likely useful life in the following manner:

- intangible rights and other long-term expenses 3–10 yrs
- goodwill and group goodwill 5–10 yrs
- buildings and constructions and their constituents 10–40 yrs
- machinery and equipment and other tangible assets 3–20 yrs

Pension expenses are recognised in the result in accordance with the local practice of each country.

Income taxes

The estimated taxes corresponding to the group companies' results, adjustments to taxes from previous financial years, and changes in deferred tax liabilities have been recognised in the income statement as income tax.

Deferred tax liabilities have been calculated for accumulated depreciation differences and voluntary provisions. Deferred tax assets have been calculated for confirmed losses, if the receivable is considered probable. Tax assets or liabilities based on the established tax rate have also been calculated for other timing differences between accounting and taxation.

Financial instruments

Interest rate risks have been hedged with interest rate swaps, the unrealised changes in value of which have not been recognised, but instead, the derivatives in question and the related valuation differences are disclosed in the notes to the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

15

1. Revenue

Revenue consists entirely of the sales of paint and coating products, and sales are divided into geographical market areas as follows:

EUR 1,000,000	1.1.-31.12.2023	1.1.-31.12.2022
Finland	82	90
Other countries	273	308
Total revenue	355	398

2. Other operating income

EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
Capital gains on non-current assets	130	471
Capital gains on associated companies	1 114	0
Rental income	0	527
Other income	1 709	1 058
Total other operating income	2 953	2 056

3. Materials and services

EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
Materials and supplies		
Purchases made during the financial year	190 631	193 996
Increase (-) / decrease (+) in inventories	-13 486	9 769
External services	391	6 574
Total materials and services	177 536	210 339

4. Personnel expenses

EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
Wages and salaries		
CEOs	2 117	1 825
Members of the Board of Directors	85	80
For others	73 971	80 483
Agency workers	346	0
Pension expenses	6 180	8 635
Other personnel expenses	6 598	8 444
Personnel expenses	89 298	99 468
Average number of personnel during the financial year		
Clerical employees	1 182	1 011
Non-clerical employees	219	567
Total average number of personnel during the financial year	1 401	1 578

5. Depreciation, amortisation and impairment

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EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
Depreciation according to plan		
Group goodwill	1 111	1 778
Goodwill	649	703
Intangible rights	2 158	1 175
Other long-term expenses	158	761
Buildings and constructions	3 404	3 396
Machinery and equipment	5 905	7 308
Other tangible assets	832	611
Impairment		
Intangible assets	370	0
Tangible assets	1 914	0
Total depreciation, amortisation and impairment	16 500	15 732

6. Other operating expenses

EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
Losses on the sale of fixed assets	317	284
Sales and marketing expenses	20 757	25 232
Manufacturing and product development expenses	27 054	19 653
Other operating expenses	21 822	30 570
Total other operating expenses	69 949	75 738

7. Auditor's fees

EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
Audit	332	272
Tax advisory	19	243
Other services	22	462
Total auditor's fees	373	977

8. Financial income and expenses

EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
Interest and other financial income	1 860	485
Interest and other financial expenses	-7 956	-4 147
Exchange gains and losses	-315	4 461
Total financial income and expenses	-6 412	800

9. Income taxes

EUR 1,000	1.1.-31.12.2023	1.1.-31.12.2022
Income taxes on ordinary business operations for the financial year	1 695	5 859
Income taxes on ordinary business operations for the previous financial years	143	423
Change in deferred taxes	-31	-3 983
Total income taxes	1 808	2 299

10. Non-current assets

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Intangible assets

EUR 1,000	Group goodwill	Goodwill	Intangible rights	Other long-term expenses	Advances paid and construction in progress	Total intangible assets
Acquisition cost 1/1	28 825	16 460	20 335	5 424	1 831	72 876
Translation difference	23	-123	69	-52	0	-84
Increase	0	0	1 124	0	0	1 124
Decrease	0	0	-542	0	0	-542
Transfers between balance sheet items	0	0	1 337	-63	-1 265	8
Acquisition cost 31/12	28 848	16 337	22 323	5 308	566	73 382
Accumulated depreciation 1/1	-23 404	-15 611	-10 791	-4 848	0	-54 654
Translation difference	1	93	-66	25	0	53
Accumulated depreciation of decreases	0	0	96	0	0	96
Acquisitions	0	0	0	0	0	0
Depreciation for the financial year	-1 111	-649	-2 158	-158	0	-4 075
Accumulated depreciation 31/12	-24 514	-16 167	-12 919	-4 981	0	-58 580
Book value 31/12/2023	4 334	170	9 404	327	566	14 802
Book value 31/12/2022	5 422	849	9 544	576	1 831	18 221

Tangible assets

EUR 1,000	Land and water areas	Buildings and constructions	Machinery and equipment	Other tangible assets	Advances paid and construction in progress	Total tangible assets
Acquisition cost 1/1	8 178	128 107	127 660	4 260	3 572	271 779
Translation difference	-12	1 795	905	-72	6	2 622
Increase	0	1 284	2 798	355	2 294	6 732
Decrease	-6	-491	-8 145	-932	0	-9 575
Transfers between balance sheet items	-69	-109	3 408	231	-3 382	79
Acquisition cost 31/12	8 091	130 586	126 627	3 842	2 491	271 637
Accumulated depreciation 1/1	-33	-68 189	-97 498	-2 093	0	-167 812
Translation difference		-786	-657	18	0	-1 426
Accumulated depreciation of decreases		490	5 126	1 152	0	6 769
Depreciation for the financial year		-3 404	-5 905	-832	0	-10 141
Accumulated depreciation 31/12	-33	-71 888	-98 933	-1 756	0	-172 610
Book value 31/12/2023	8 058	58 697	27 694	2 087	2 491	99 027
Book value 31/12/2022	8 146	59 919	30 163	2 167	3 572	103 966

Investments

EUR 1,000	Interests in associated companies	Other shares and interests	Other receivables *)	Total investments
Acquisition cost 1/1	785	45	18 346	19 177
Translation difference	-30	0	0	-30
Increase	0	0	0	0
Sale of associated company	-181	0	0	-181
Decrease	-196	0	0	-196
Acquisition cost 31/12	378	45	18 346	18 770
Book value 31/12/2023	378	45	18 346	18 770
Book value 31/12/2022	785	45	18 346	19 177

*) See parent company note 8)

11 Inventories

18

EUR 1,000	31.12.2023	31.12.2022
Materials and supplies	24 427	29 624
Work in progress	2 472	2 620
Finished products	41 124	45 176
Total inventories	68 023	77 421

12 Non-current receivables

EUR 1,000	31.12.2023	31.12.2022
Trade receivables	41	81
Loan receivables	14	0
Other receivables	400	14
Accrued income and deferred expenses		
Other accrued income and deferred expenses	42	7
Total non-current receivables	497	102

13 Deferred tax assets and tax liabilities

EUR 1,000	31.12.2023	31.12.2022
Deferred tax assets		
Losses carried forward	1 009	1 632
Provisions	503	285
Other temporary differences	197	636
Consolidation measures		
Elimination of internal margin on inventory and non-current assets	2 910	3 200
Total deferred tax assets	4 618	5 753

Deferred tax liabilities

Depreciation and amortisation differences and tax-based provisions	5 726	5 937
Voluntary provisions	188	48
Other temporary differences	251	806
Total deferred tax liabilities	6 166	6 792

Net deferred tax asset (+) / liability (-)	-1 547	-1 038
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14 Current receivables

EUR 1,000	31.12.2023	31.12.2022
Trade receivables	36 589	43 309
Other receivables	4 735	1 642
Accrued income and deferred expenses		
Revenue-related	1 955	22
Tax receivables	2 013	181
Related to materials and services	597	719
Other accrued income and deferred expenses	157	5 097
Total current receivables	46 048	50 968

In Finland, one significant customer has experienced payment difficulties, which is why Teknos has limited its deliveries and administered its claims in a legal manner.

15 Equity

19

EUR 1,000	31.12.2023	31.12.2022
Share capital 1/1	8 700	8 700
Share capital 31/12	8 700	8 700
Retained earnings 1/1	106 004	114 455
Adjustments recognised in equity	0	-98
Change in translation differences	1 179	-2 316
Retained earnings 31/12	107 183	112 042
Net profit for the financial year	-7 208	-6 038
Total equity	108 674	114 703

The Board of Directors states that at the Annual General Meeting held on 7 April 2022, a decision was taken on the distribution of dividends in the amount of EUR 2.6 million in such a way that the dividends will be paid in accordance with a separate release decision of the Board of Directors. So far, the Board of Directors has not decided to release the said dividend. The dividend decided at the AGM on 7 April 2022 has not been withdrawable by the shareholders and the dividend has not been recorded in the company's financial statements as a debt to shareholders. The above recording of dividend in the company's financial statements requires a separate release decision by the Board of Directors of the company.

16 Statutory provisions

EUR 1,000	31.12.2023	31.12.2022
Pension provisions	1 264	1 354
Other provisions	2 406	2 493
Total statutory provisions	3 670	3 847

17 Non-current liabilities

EUR 1,000	31.12.2023	31.12.2022
Loans from financial institutions	53 606	47 192 *)
Accrued expenses and deferred income		
Other	38	178
Total non-current liabilities	53 644	47 370

*) TEUR 301 (2022:TEUR 1040) will mature after five years or more. Collateral loans are subject to covenants. The agreed special terms relate to the Group's solvency and liquidity. Breach of covenants can increase the cost of financing and lead to the termination of loans. On 31 December 2023, the covenants have been met and they are monitored. The next review of the covenants is on 31 March 2024. In management's view, it is likely that the covenant limit will be met on 31 March 2024. The Board of Directors monitors with special care the development of the situation.

18 Current liabilities

20

EUR 1,000	31.12.2023	31.12.2022
Loans from financial institutions	34 098	41 799
Bond	0	15 000
Advances received	33	29
Trade payables	36 746	35 139
Other liabilities	5 824	10 827
Accrued expenses and deferred income		
Personnel expenses	10 047	11 075
Financial expenses	523	430
Annual discount based liability	557	894
Tax liability	2 098	1 135
Other	4 037	3 625
Total current liabilities	93 965	119 953

19 Contingent liabilities

EUR 1,000	31.12.2023	31.12.2022
Own liabilities secured by assets		
MFI loans	3 428	4 113
Real estate mortgages given	10 505	6 969
Business mortgages given	841	841
Other securities provided for own commitments		
Real estate mortgages given	583	2 876
Business mortgages given	1 160	1 343
Bank guarantees	90	90
Personal guarantees given	22 031	16 647
Rent and leasing liabilities		
Maturing during the next financial year	3 515	3 329
Maturing later	10 353	10 565
Other liabilities		

The company is obliged to review the VAT deductions made for real estate investments completed in the years 2015–2023 if the taxable use of the property decreases during the review period. The maximum amount of the liability is EUR 951,221.83 and the final review year is 2032

According to the terms of the lease, the land areas leased by Teknos Oy must be restored at the end of the lease period.

Interest rate swaps

Hedged item: Syndicated loan agreement 15/6/2018 – 15/3/2022
interest rate 3-month Euribor

Hedging derivative: Interest rate swap 15/6/2018 – 15/3/2022
The Group receives the 3-month Euribor rate and pays fixed interest

Hedging derivative: Interest rate cap 5/7/2022 – 5/7/2025
If the 3-month Euribor rate exceeds 1.5%, the counterparty will credit the difference to the Group

	31.12.2023	31.12.2022
Fair value of the interest rate swap on the balance sheet date	576	1 040
Value of the underlying asset	19 333	20 530
Fair value of the interest rate cap on the balance sheet date	361	822
Value of the underlying asset	20 000	20 000

Hedge type: cash flow hedge

The cash flows of the interest rate swap are recognised in profit or loss for the same periods as the interest flows of the hedged loan.

Currency hedge agreements

Hedged item:

Teknos hedges foreign currency denominated internal loans as well as cash pool receivables and liabilities (SEK, CHF and USD). Teknos also hedges the currency risk associated with sales and purchases.

Hedging derivative:

Currency balance sheet hedges

	31.12.2023	31.12.2022
Fair value of the agreement on the balance sheet date	-395	1 035
Value of the underlying asset	30 473	37 583

External cash flow currency forwards

	12.31.2023	12.31.2022
Fair value of the agreement on the balance sheet date	-162	0
Value of the underlying asset	5 150	0

Internal cash flow currency forwards

	12.31.2023	12.31.2022
Fair value of the agreement on the balance sheet date	162	0
Value of the underlying asset	5 081	0

Hedge type: cash flow hedge

The cash flows of the currency hedge agreement are recognised in profit or loss for the same periods as the exchange gains and losses of the underlying foreign currency items.

Electricity derivatives

For the following financial year

	31.12.2023	31.12.2022
Acquisition value	911	1 185
Market value	684	1 651

For subsequent financial years

Acquisition value	518	719
Market value	406	756

	Ownership share % Group		Ownership share % Parent company	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Teknos Group Oy, Finland (parent company)				
Teknos Oy, Finland	100,0 %	100,0 %	100,0 %	100,0 %
Teknos AB, Sweden	100,0 %	100,0 %	100,0 %	100,0 %
Ljungdahls Färghus KB, Sweden	100,0 %	100,0 %	0,0 %	0,0 %
Teknos Butiker Holding AB, Sweden	100,0 %	100,0 %	100,0 %	100,0 %
Ljungdahls Tranemo Holding AB, Sweden	0,0 %	100,0 %	0,0 %	0,0 %
Ljungdahls Färgekonomi AB, Sweden	100,0 %	100,0 %	0,0 %	0,0 %
Teknos Butiker AB, Sweden	100,0 %	100,0 %	0,0 %	0,0 %
Sävedalens Färg & Tapeter AB, Sweden	0,0 %	100,0 %	0,0 %	0,0 %
Teknos A/S, Denmark	100,0 %	100,0 %	100,0 %	100,0 %
Teknos Norge AS, Norway	100,0 %	100,0 %	100,0 %	100,0 %
Teknos (UK) Ltd, United Kingdom	100,0 %	100,0 %	100,0 %	100,0 %
Nuko 74 Ltd, United Kingdom	100,0 %	100,0 %	0,0 %	0,0 %
Teknos Ireland Ltd, Northern Ireland	100,0 %	100,0 %	0,0 %	0,0 %
Teknos Deutschland GmbH, Germany	100,0 %	100,0 %	100,0 %	100,0 %
Teknos-Feidal Coatings s.r.o., Czechia	100,0 %	100,0 %	0,0 %	0,0 %
Teknos s.r.o., Czechia	100,0 %	100,0 %	100,0 %	100,0 %
Teknos Croatia d.o.o., Croatia	100,0 %	100,0 %	100,0 %	100,0 %
Teknos BV, the Netherlands	100,0 %	100,0 %	100,0 %	100,0 %
Teknos Sp. z o.o., Poland	100,0 %	100,0 %	100,0 %	100,0 %
Teknos OÜ, Estonia	100,0 %	100,0 %	100,0 %	100,0 %
Teknos d.o.o, Slovenia	100,0 %	100,0 %	100,0 %	100,0 %
Teknos SIA, Latvia	100,0 %	100,0 %	100,0 %	100,0 %
UAB Teknos, Lithuania	100,0 %	100,0 %	100,0 %	100,0 %
Teknos LLC, Ukraine	100,0 %	100,0 %	100,0 %	100,0 %
Teknos Coatings Trading (Shanghai) Ltd, China	100,0 %	100,0 %	100,0 %	100,0 %
Teknos Coatings and Paints Pvt. Ltd., India	100,0 %	100,0 %	99,0 %	99,0 %
Teknos Feyco Schweiz AG, Switzerland	100,0 %	100,0 %	100,0 %	100,0 %
Teknos Feyco AG, Liechtenstein	100,0 %	100,0 %	100,0 %	100,0 %
Teknos US Inc, USA	100,0 %	100,0 %	0,0 %	0,0 %
Treffert Asia Pacific Pte. Ltd., Singapore	100,0 %	100,0 %	0,0 %	0,0 %
Treffert Coatings (S.E.A.) Sdn Bhd, Malaysia	100,0 %	100,0 %	0,0 %	0,0 %
Shanghai Treffert Special Coatings Co. Ltd., China	100,0 %	100,0 %	0,0 %	0,0 %
Teknos (VN) Company Limited, Vietnam	100,0 %	100,0 %	100,0 %	100,0 %
Associated companies				
Premiere Finishing & Coating LLC, USA	20,0 %	20,0 %	0,0 %	0,0 %

Associated companies have been consolidated using the equity method

Operating profit (%)	= 100 X	$\frac{\text{Operating profit}}{\text{Revenue}}$
Return on equity (%)	= 100 X	$\frac{(\text{Profit before tax} - \text{income tax})}{\text{Equity}^*)}$
Return on capital employed (%)	= 100 X	$\frac{(\text{Profit before tax} + \text{financial expenses})}{\text{Balance sheet total} - \text{interest-free liabilities}^*)}$
Equity-to-assets ratio (%)	= 100 X	$\frac{(\text{Equity} + \text{equity loans})}{\text{Balance sheet total} - \text{advances received}}$

*) Average for the financial year

22. Events after the balance sheet date

The implementation of the new One Teknos management system took place in early 2024. The model is expected to bring significant improvements in efficiency and transparency. The Vedevåg factory property in Sweden has been for sale for a long time, and now the deal was finally completed on 15 March 2024 at SEK 3.9 million.

Teknos will move to CSRD reporting in 2026, when data from 2025 will be used as the reference year. The construction and testing of the model is underway and the first results will be obtained in the autumn of 2024.

1. Revenue

Revenue consists entirely of the sale of administrative services to group companies.

2. Other operating income

EUR	1/1-31/12/2023	1/1-31/12/2022
Other income	50 000,00	0,00
Other operating income	50 000,00	0,00

3. Personnel expenses

EUR	1.1.-31.12.2023	1.1.-31.12.2022
Wages and salaries	5 800 356,62	6 335 340,00
Pension expenses	1 010 381,55	1 095 571,22
Other personnel expenses	158 756,04	251 618,21
Personnel expenses	6 969 494,21	7 682 529,43

Average number of personnel during the financial year

Clerical employees	98	76
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4. Depreciation, amortisation and impairment

EUR	1.1.-31.12.2023	1.1.-31.12.2022
Depreciation according to plan		
Intangible rights	3 590 731,51	1 035 323,03
Machinery and equipment	4 840,11	0,00
Impairment	236 639,04	25 368 000,00
Total depreciation, amortisation and impairment	3 832 210,66	26 403 323,03

5. Other operating expenses

EUR	1.1.-31.12.2023	1.1.-31.12.2022
Marketing expenses	263 318,87	774 346,47
Administrative expenses	16 130 432,33	14 270 515,36
Total other operating expenses	16 393 751,20	15 044 861,83

6. Financial income and expenses

EUR	1.1.-31.12.2023	1.1.-31.12.2022
Dividend income		
From group companies	5 918 226,45	9 935 727,69
Other interest and financial income		
From group companies	4 233 521,52	2 315 742,29
From others	1 638 121,74	154 568,21
Exchange gains on financing	1 551 537,48	3 694 102,24
Impairment		
From group companies	0,00	-26 307 275,46
Exchange losses on financing	-1 371 543,84	-3 588 778,07
Interest and other financial expenses		
Impairment of non-current assets investments	-8 428 235,01	0,00
For group companies	-510 739,02	-82 249,06
For others	-6 520 047,94	-3 671 286,03
Total financial income and expenses	-3 489 158,62	-17 549 448,19

7. Income taxes

25

EUR	1.1.-31.12.2023	1.1.-31.12.2022
Income tax for the financial year	1 287,85	1 643 028,67
Income taxes on ordinary business operations for the previous financial years	-116,36	-620,00
Total income taxes	1 171,49	1 642 408,67

8. Non-current assets

Intangible assets

EUR	Intangible rights	Advances paid	Total intangible assets
Acquisition cost 1/1	37 788 660,53	1 827 508,05	39 616 168,58
Increase	1 377 326,24	0,00	1 377 326,24
Decrease	-444 399,90	0,00	-444 399,90
Transfers between balance sheet items	1 261 386,65	-1 261 386,65	0,00
Acquisition cost 31/12	39 982 973,52	566 121,40	40 549 094,92
Accumulated depreciation 1/1	9 321 744,48	0,00	9 321 744,48
Depreciation for the financial year	3 590 731,51	0,00	3 590 731,51
Accumulated depreciation 31/12	12 912 475,99	0,00	12 912 475,99
Book value 31/12/2023	27 070 497,53	566 121,40	27 636 618,93
Book value 31/12/2022	28 466 916,05	1 827 508,05	30 294 424,10

Tangible assets

EUR	Machinery and equipment	Other tangible assets	Advances paid and construction in progress	Total tangible assets
Acquisition cost 1/1	202 291,01	123 564,35	21 120,61	346 975,97
Increase	0,00	0,00	0,00	0,00
Decrease	0,00	0,00	0,00	0,00
Transfers between balance sheet items	21 120,61	0,00	-21 120,61	0,00
Acquisition cost 31/12	223 411,62	123 564,35	0,00	346 975,97
Accumulated depreciation 1/1	202 291,01	0,00	0,00	202 291,01
Accumulated depreciation of decreases and transfers	0,00	0,00	0,00	0,00
Depreciation for the financial year	4 840,11	0,00	0,00	4 840,11
Accumulated depreciation 31/12	207 131,12	0,00	0,00	207 131,12
Book value 31/12/2023	16 280,50	123 564,35	0,00	139 844,85
Book value 31/12/2022	0,00	123 564,35	21 120,61	144 684,96

Investments

EUR	Interests in companies in the same group *)	Interests in associated companies	Other shares and interests	Other receivables **)	Total investments
Acquisition cost 1/1	89 309 262,10	3 795 797,14	10 160,00	18 346 449,88	111 461 669,12
Increase	23 307 940,90	0,00	0,00	0,00	23 307 940,90
Decrease	0,00	-3 795 797,14	0,00	0,00	-3 795 797,14
Acquisition cost 31/12	112 617 203,00	0,00	10 160,00	18 346 449,88	130 973 812,88
Book value 31/12/2023	112 617 203,00	0,00	10 160,00	18 346 449,88	130 973 812,88
Book value 31/12/2022	89 309 262,10	3 795 797,14	10 160,00	18 346 449,88	111 461 669,12

*) Intra-group loan receivables from Teknos GmbH EUR 23,003,476 and Teknos (VN) Company Limited EUR 304,465 have been converted to subsidiary shares.

**) Other receivables include payments made to the capitalisation redemption policy. On 31 December 2023, the market capitalisation of the investments in the unit-linked contract amounted to EUR 19,961,838.37(31 December 2022: EUR 19,157,170.32).

9. Receivables

EUR	31.12.2023	31.12.2022
Non-current receivables		
Receivables from companies in the same group		
Loan receivables	23 579 521,11	13 164 336,80
Total non-current receivables	23 579 521,11	13 164 336,80
Current receivables		
Receivables from companies in the same group		
Trade receivables	-189 889,81	-1 816 039,41
Loan receivables	9 070 728,74	47 125 449,17
Accrued income and deferred expenses	4 897 282,92	11 557 407,83
Other receivables	103 921,43	1 513 075,71
Accrued income and deferred expenses		
Other accrued income and deferred expenses	3 001 584,59	2 028 279,42
Total current receivables	16 883 627,87	60 408 172,72

10. Equity

EUR	31.12.2023	31.12.2022
Share capital 1/1	8 700 000,00	8 700 000,00
Share capital 31/12	8 700 000,00	8 700 000,00
Retained earnings 1/1	123 931 848,38	123 931 848,38
Retained earnings 31/12	88 091 173,01	123 931 848,38
Net profit for the financial year	-1 354 833,86	-35 840 675,37
Total equity	95 436 339,15	96 791 173,01
Calculation of distributable funds		
Retained earnings	88 091 173,01	123 931 848,38
Net profit for the financial year	-1 354 833,86	-35 840 675,37
Total distributable funds	86 736 339,15	88 091 173,01

The share capital is divided by share class as follows

The share capital consists of a total of 300,000 shares, all of which carry the same rights.

11. Non-current liabilities

27

EUR	31.12.2023	31.12.2022
Loans from financial institutions	41 998 900,00	45 000 000,00
Liabilities to companies in the same group	4 000 000,00	0,00
Long-term accruals and deferred income	60 239,50	53 155,00
Total non-current liabilities	46 059 139,50	45 053 155,00

*) TEUR 0 will mature after five years or more (2022: TEUR 0).

Collateral loans are subject to covenants. The agreed special terms relate to the Group's solvency and liquidity. Breach of covenants can increase the cost of financing and lead to the termination of loans.

On 31 December 2023, the covenants have been met and they are monitored. The next review of the covenants is on 31 March 2024. In management's view, it is likely that the covenant limit will be met on 31 March 2024.

The Board of Directors monitors with special care the development of the situation.

12. Current liabilities

EUR	31.12.2023	31.12.2022
Loans from financial institutions	30 416 572,10	39 055 786,30
Bond	0,00	15 000 000,00
Trade payables	839 955,70	1 072 388,85
Liabilities to companies in the same group		
Trade payables	859 403,03	690 414,75
Loans to group companies	31 904 745,10	21 488 164,83
Accrued expenses and deferred income	0	2 602 700,35
Other liabilities	154 474,17	189 462,04
Accrued expenses and deferred income		
Personnel expenses	1 080 107,15	1 789 919,05
Financial	875 692,75	396 622,79
Other accrued expenses and deferred income	21 075,82	333 228,67
Total current liabilities	66 152 025,82	82 618 687,63

*) The bond is fixed in terms of interest rate and maturity and has no covenants.

13. Deferred tax assets and tax liabilities

EUR	31.12.2023	31.12.2022
Deferred tax assets		
Unused tax depreciation	934,02	663,55

Deferred tax assets or liabilities are not recognised in the balance sheet of the special purpose vehicle.

Deferred taxes are recognised in the consolidated balance sheet, see Group note 13.

14. Contingent liabilities

28

EUR 31.12.2023 31.12.2022

Other contingent liabilities

Guarantees on behalf of group companies 22 030 849,05 16 348 258,21

Leasing liabilities

Maturing during the next financial year 75 004,08 95 382,17

Maturing later 133 346,64 229 804,94

Derivative instruments

Interest rate swaps

Hedged item: Syndicated loan agreement 30/6/2021 – 30/6/2026
interest rate 3-month Euribor

Hedging derivative: Interest rate swap 15/6/2018 – 15/3/2025
The Group receives the 3-month Euribor rate and pays fixed interest

Hedging derivative: Interest rate cap 5/7/2022 – 5/7/2025
If the 3-month Euribor rate exceeds 1.5%, the counterparty will credit the difference to the Group

	31.12.2023	31.12.2022
Fair value of the interest rate swap on the balance sheet date	575 592,68	1 040 046,94
Value of the underlying asset	19 333 333,34	19 333 333,34
Fair value of the interest rate cap on the balance sheet date	360 983,55	821 896,37
Value of the underlying asset	20 000 000,00	20 000 000,00

Hedge type: cash flow hedge

The cash flows of the interest rate swap are recognised in profit or loss for the same periods as the interest flows of the hedged loan.

Currency hedge agreements

Hedged item:

Teknos hedges foreign currency denominated internal loans as well as cash pool receivables and liabilities (SEK, CHF and USD). Teknos also hedges the currency risk associated with sales and purchases.

Hedging derivative:

Currency balance sheet hedge

	31.12.2023	31.12.2022
Fair value of the agreement on the balance sheet date	-395 448,78	1 035 298,29
Value of the underlying asset	30 473 178,44	37 582 585,03

External cash flow currency forwards

	12.31.2023	12.31.2022
Fair value of the agreement on the balance sheet date	-162 274,24	0,00
Value of the underlying asset	5 150 436,88	0,00

Internal cash flow currency forwards

	12.31.2023	12.31.2022
Fair value of the agreement on the balance sheet date	162 247,55	0,00
Value of the underlying asset	5 081 188,45	0,00

Hedge type: cash flow hedge

The cash flows of the currency hedge agreement are recognised in profit or loss for the same periods as the exchange gains and losses of the underlying foreign currency items.

15. Auditor's fees

29

EUR	1.1.-31.12.2023	1.1.-31.12.2022
Audit	38 525,00	34 500,00
Tax advisory	0,00	166 825,50
Other services	0,00	421 010,05
Total auditor's fees	38 525,00	622 335,55

16. Related party transactions

During the financial year, the company has purchased the intellectual property rights related to the recipes of the Group's products from group companies for EUR 500,000.

The company has sold IT and administrative services to group companies for EUR 17,549,227.32 and has invoiced royalties from group companies for EUR 6,901,725.00. The terms of the transactions concluded with related parties are equivalent to the terms of the transactions concluded with independent parties.

THE BOARD OF DIRECTORS' PROPOSAL FOR THE DISTRIBUTION OF PROFITS, SIGNATURES TO THE REPORT OF THE BOARD OF DIRECTORS AND THE FINANCIAL STATEMENTS, AND AUDITOR'S NOTE

30

Board of Directors' proposal for the distribution of profit

The distributable funds of the parent company are EUR 86,736,339.15, of which the profit for the financial year is EUR -1,354,833.86. The Board of Directors proposes to the Annual General Meeting that no dividends be distributed.

The Board of Directors states that at the Annual General Meeting held on 7 April 2022, a decision was taken on the distribution of dividends in the amount of EUR 2.6 million in such a way that the dividends will be paid in accordance with a separate release decision of the Board of Directors.

So far, the Board of Directors has not decided to release the said dividend. The dividend decided at the AGM on 7 April 2022 has not been withdrawable by the shareholders and the dividend has not been recorded in the company's financial statements as a debt to shareholders. The above recording of dividend in the company's financial statements requires a separate release decision by the Board of Directors of the company.

Signatures to the report of the Board of Directors and the financial statements

Helsinki, 11 April 2024

Pekka Jaatinen
Chair of the Board

Paula Salastie
Member of the Board
CEO

KJ Aho
Member of the Board

Vesa Tempakka
Member of the Board

Auditor's note

A report has been given today on the audit carried out.

Helsinki, 2024

KPMG Oy Ab
Firm of Authorised Public Accountants

Tero Hämäläinen
Authorised Public Accountant

9289501/24



KPMG Oy Ab
Töölönlahdenkatu 3 A
PO Box 1037
00101 Helsinki
FINLAND

Telephone +358 20 760 3000
www.kpmg.fi

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This document is an English translation of the Finnish auditor's report. Only the Finnish version of the report is legally binding.

Auditor's Report

To the Annual General Meeting of Teknos Group Oy

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Teknos Group Oy (business identity code 2210042-4) for the year ended 31 December, 2023. The financial statements comprise the balance sheets, the income statements, cash flow statements and notes for the group as well as for the parent company.

In our opinion, the financial statements give a true and fair view of the group's and the company's financial performance and financial position in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements.

Basis for Opinion

We conducted our audit in accordance with good auditing practice in Finland. Our responsibilities under good auditing practice are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the parent company and of the group companies in accordance with the ethical requirements that are applicable in Finland and are relevant to our audit, and we have fulfilled our other 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 opinion.

Responsibilities of the Board of Directors and the Managing Director for the Financial Statements

The Board of Directors and the Managing Director are responsible for the preparation of financial statements that give a true and fair view in accordance with the laws and regulations governing the preparation of financial statements in Finland and comply with statutory requirements. 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors and the Managing Director are responsible for assessing the parent company's and the group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting. The financial statements are prepared using the going concern basis of accounting unless there is an intention to liquidate the parent company or the group or cease operations, or there is no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with good auditing practice 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 the financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the parent company's or the group's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the parent company's or the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events so that the financial statements give a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Other Reporting Requirements

Other Information

The Board of Directors and the Managing Director are responsible for the other information. The other information comprises the report of the Board of Directors. Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. Our responsibility also includes considering whether the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

In our opinion, the information in the report of the Board of Directors is consistent with the information in the financial statements and the report of the Board of Directors has been prepared in accordance with the applicable laws and regulations.

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

Helsinki, 27 March 2024

KPMG OY AB

TERO HÄMÄLÄINEN
Authorised Public Accountant, KHT