

HMS Networks

Annual Report 2025



Hms

The HMS logo is centered in the image. It features the letters 'Hms' in a bold, blue, sans-serif font. The 'H' and 'm' are connected by two red diagonal lines that extend upwards and downwards. The background of the entire image is a collage of various elements: a modern building at night on the left, a circuit board in the center, a woman in a uniform on the right, and a car charging station on the far right. Binary code (0s and 1s) is overlaid diagonally across the image.

Hardware Meets Software™

HMS - Hardware Meets Software™

HMS stands for Hardware Meets Software. We create products that enable industrial hardware to communicate and share information. This increases productivity and sustainability for our customers.

10 quick facts about HMS

Founded in	1988
Sector	Industriell ICT (Information & Communication Technology)
Offices in	20+ countries
Employees	1100+
Major markets	US, Germany, China, France, Japan
Head office	Halmstad, Sweden
CEO	Staffan Dahlström
2025 Net sales	SEK 3,577 million
2025 Adjusted EBIT*	SEK 911 million
Product brands	Anybus, Ewon, Intesis, Ixxat, N-Tron, Red Lion, PEAK, Owasys

*Operating profit excluding depreciation and amortization of excess values from acquisitions and goodwill, transaction and integration costs from acquisitions and restructuring costs.

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The legal annual report, which contains the directors' report including the sustainability statement and financial statements, can be found on pages 46-173. The directors' report is presented on pages 46-117 and 124-132.



January: HMS launches a new organisation
A new organizational structure with three divisions is implemented.



February: Anybus Wireless Bolt 5G
A new product to give industrial machines connectivity via 5G.



April: Sweden's 20 Best Workplaces
HMS is named one of Sweden's 20 best workplaces by Great Place To Work.



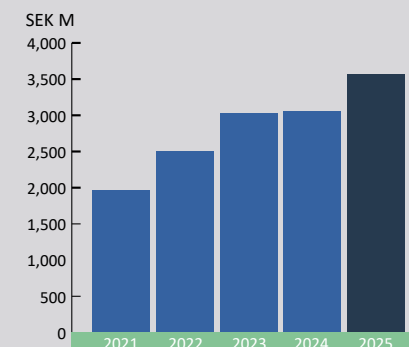
June: Red Lion & N-Tron by HMS Networks
The integration project with Red Lion is completed when Red Lion and N-Tron become official product brands of HMS.

2025 in brief

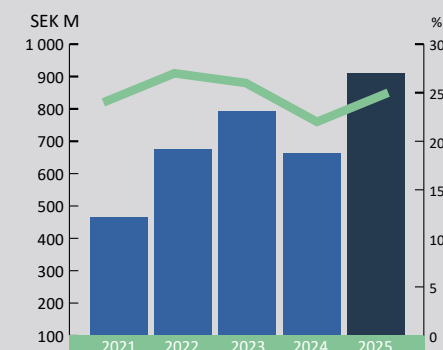
In 2025, HMS' sales amounted to SEK 3,577 (3,059) million, and adjusted operating profit amounted to SEK 911 (665) million. The average number of full-time employees during the year was 1,068 (1,059).

FINANCIAL INFORMATION SEK MILLION	2025	2024	2023	2022	2021
Incoming orders	3,456	2,812	2,303	3,064	2,538
Net sales	3,577	3,059	3,025	2,506	1,972
Growth in net sales, %	17	1	21	27	34
Adjusted operating profit	911	665	792	675	466
Adjusted operating margin, %	25	22	26	27	24
Operating profit	762	503	753	653	446
Operating margin, %	21	16	25	26	23
Adjusted profit for the year	689	472	610	530	382
Profit for the year	435	310	571	508	362
Net profit margin, %	12.2	10.1	18.9	20.2	18.4
Adjusted earnings per share, SEK	13.73	9.65	13.07	11.36	8.20
Earnings per share, SEK	8.66	6.35	12.23	10.89	7.61
Cash flow from operating activities	877	592	519	431	508
Average number of employees during the year (FTE)	1,068	1,059	821	726	684

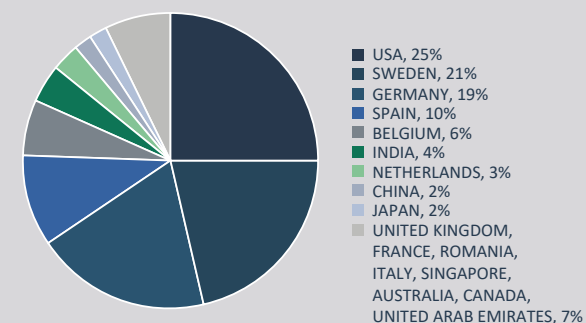
NET SALES



ADJUSTED OPERATING PROFIT & ADJUSTED OPERATING MARGIN



EMPLOYEES/COUNTRY




Number of employees per employment contract as of December 31, 2025

July: 600,000 connected machines
600,000 machines are now connected to HMS Ewon cloud services.

September: New goals for 2030
HMS presents new goals under the slogan 3,2,1 GROW!

November: SBTi approval
HMS net zero emissions targets are approved by the Science Based Targets Initiative.

November: Molex
HMS acquires Industrial Communication team from Molex.



” Sales in 2025 reached 3.6 billion SEK and profitability has increased to 25 percent. The results speak for themselves, 2020-2025 has been a very successful period for HMS Networks. ”

Towards 2030!

A new five-year plan

2025 marked the end of the 5-year plan that we set in 2020 with the ambitious plan to increase sales to Pi billion (3.14) and at the same time have a profitability of more than 20 percent.

It inspiring and satisfactory to look back and conclude that we have far exceeded these goals. Sales in 2025 reached 3.6 billion SEK and profitability has increased to 25 percent. The results speak for themselves, 2020-2025 has been a very successful period for HMS Networks. In summary, these five years show an average growth of 19 percent per year.

2025 has been a year where we implemented a new organization in order to grow in our next strategic period towards 2030. Despite a turbulent environment and a cautious market, we see good opportunities for future growth. Our 2030 strategy "3-2-1 GROW" focuses on the trends and drivers that we see will create new opportunities for us.

Market demand

The fluctuations in the semiconductor market in recent years, which led to a sharp build-up of our customers' inventories, have largely normalized in 2025 and we assess that our order intake is now back in line with real market demand with the exception of the Japanese market where we continue to see high inventory levels at several major customers.

The turbulence around US tariffs stabilized at a level of historically high tariffs, but we have managed to raise prices and also obtained tariff exemptions for electronics products. Our own margins have been compensated, but we can see that the tariffs have created greater uncertainty around investments and lower general demand among our customers, not least in Europe where we have seen weak market demand.

On the other hand, demand in both the US and China has been in line with our expectations during the year.

Products & Innovation

In 2025, several important product launches were made that will be of great importance to the company's success in the coming years. For example, in 2025, we have presented both a completely new generation of Ewon Edge Gateways for digital access to

machines and we have presented a new Anybus generation — innovative products for the market where HMS began its growth journey 30 years ago.

Acquisitions

In 2024, the company's two largest acquisitions to date were made, American Red Lion Controls and German Peak Systems. During 2025, we have worked intensively to integrate these businesses into our new organization. Red Lion and N-Tron are now product brands "by HMS Networks" and are part of our Industrial Data Solutions (IDS) division, where they have shown good development in both sales and improved margins.

We have also made major investments in our production facility in York, Pennsylvania and we see great advantages in having our own production in the USA, as part of our production system with both our own factories and manufacturing partners around the world.

German Peak Systems is now part of our New Industries (NI) division and has, together with our other operations within Vehicle Communication, continued to develop well during the year.

At the end of 2025, our acquisition of the American Molex division for Industrial Communication was announced, a deal in which we acquire assets consisting of two qualified development teams in Canada and France, a complementary product offering and IP rights that broaden our technology platform.

In connection with our acquisition strategy, it is worth noting how a good cash flow during the year has significantly reduced our debt ratio, from being 3.4 times our annual profit (EBITDA) at the beginning of the year to being 2.2 at the end of the year. This, together with new long-term bank agreements signed during Q4, creates good opportunities for new acquisitions in the coming years. The company's ambition is to have a net debt less than 2.5x EBITDA.

Sustainability

During the year, we have continued our sustainability efforts by systematically working within Environment, Social Responsibility and Governance. Special focus has been on our purchasing

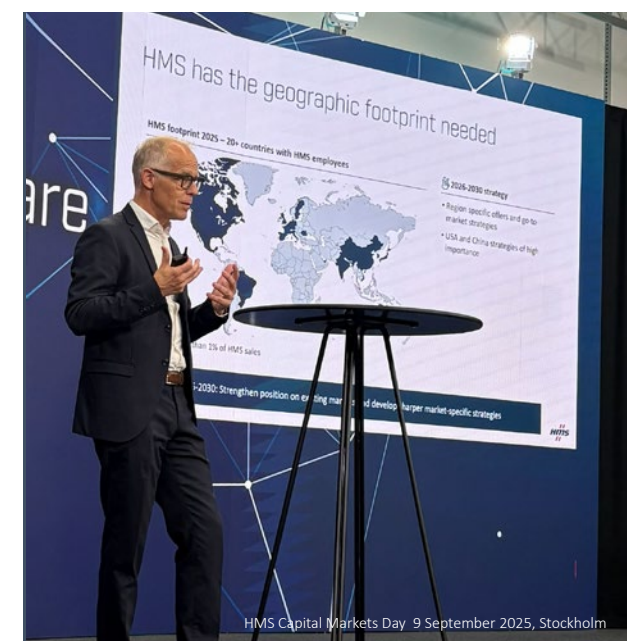
organization and how we work with our suppliers, as well as sustainability from an employee perspective where we want to be a good and responsible employer.

During the year, our strategic and long-term work to reduce CO₂ emissions by 2030 and 2050 has been approved by the Science Based Targets initiative (SBTi). For most of our customers, sustainability remains a prioritized issue and the majority of our customers see this as an important element in their cooperation with us.

Stronger for the future

Finally, together with the company's management, I would like to extend a big thank you to all employees, our customers, our partners & suppliers and our shareholders for a year in which we have grown both sales and profitability, but above all, built HMS Networks stronger for the future. We look forward with confidence to the coming years and a continued growth journey together.

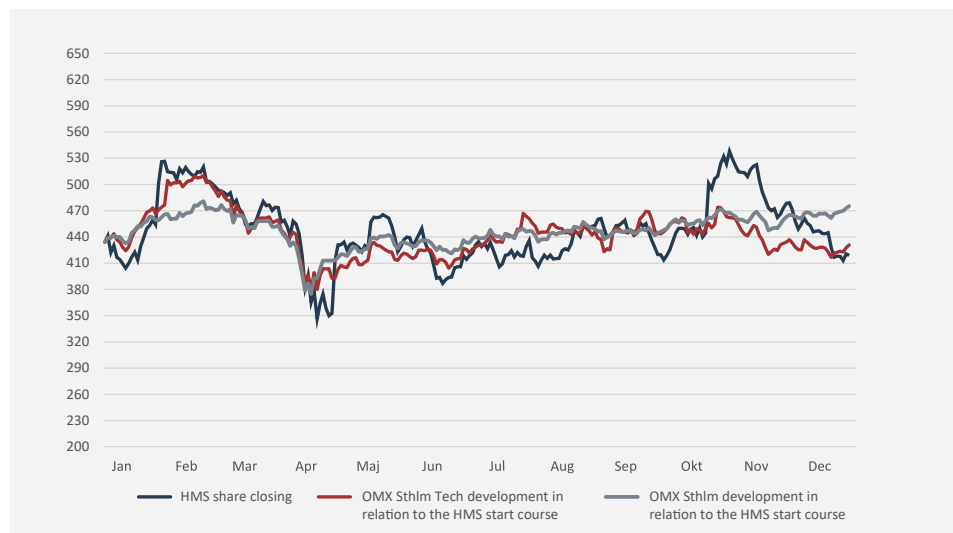
Staffan Dahlström
CEO



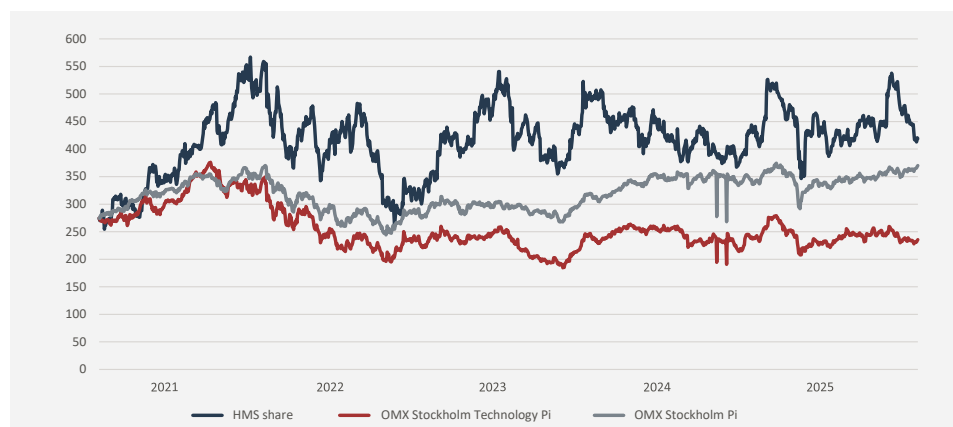
The HMS Networks share

HMS is listed on NASDAQ OMX Stockholm in the Large Cap segment and Telecommunications sector. The share's ISIN code is SE0009997018. The stock is traded under the ticker symbol HMS. A round lot comprises 1 share.

HMS SHARE DEVELOPMENT 2025 (SEK)



HMS SHARE DEVELOPMENT 2021-2025 (SEK)



NUMBER OF SHARES AND SHARE CAPITAL

The number of shares in HMS amounts to 50,318,868. The share capital amounts to SEK 1,257,962. All shares have the same voting rights.

PRICE TREND

During 2025, the price of HMS' share decreased by 3 percent to 419 SEK (434) per share. The Nasdaq OMX Information Technology Index decreased by 1 percent during the same period, and in total the Nasdaq OMX Stockholm Index increased by 10 percent. During the year, the price of HMS' share peaked at SEK 552 on January 28, while the lowest price paid was SEK 332 SEK on April 22. At the end of 2025, HMS' market capitalization amounted to SEK 21,084 million (21,828).

TRADING VOLUME

During the year, 9.8 million shares were traded at a value of SEK 4,415 million (4,521), corresponding to an annual turnover rate of 20 percent (21). On average, 39,474 (41,932) shares were traded at a value of SEK 18 million (18) per trading day.

DIVIDEND POLICY

HMS' policy is to pay an annual dividend in the range of 30–50 percent of earnings per share. The dividend proposal is based on the company's earnings level, financial position and future growth opportunities. For 2025, the board proposes a dividend of 4.80 SEK (0) per share, which corresponds to approximately 35 percent of earnings per share.

Over the past five years, the average return for HMS' share has amounted to 0.8 percent per year.

SHAREHOLDERS AND OWNERSHIP STRUCTURE

The number of shareholders in HMS Networks AB (publ.) on December 31, 2025, amounted to 6,694 (7,261). The ten largest shareholders accounted for 74.7 percent (72.5) of the votes and capital.

ONGOING ANALYSES

The following analysts monitor HMS on an ongoing basis:

Viktor Högborg, Danske Bank

Joachim Gunell, DNB

Gustav Berneblad, Nordea

Simon Granath, ABG Sundal Collier

Erik Larsson, SEB

Niclas Wahlström, Pareto Securitates AB

Jesper Stugemo, Handelsbanken

SHARE CAPITAL DEVELOPMENT

Year	Transaction	Change in number of shares	Total number of shares	Change in share capital	Total share capital SEK
2004	Company formation	100,000	100,000	100,000	100,000
2004	New share issue	900,000	1,000,000	900,000	1,000,000
2005	New share issue	22,100	1,022,100	22,100	1,022,100
2006	New share issue	1,900	1,024,000	1,900	1,024,000
2007	Warrants	33,165	1,057,165	33,165	1,057,165
2007	Split 10:1	9,514,485	10,571,650	-	1,057,165
2009	Warrants	581,250	11,152,900	58,125	1,115,290
2012	Warrants	169,500	11,322,400	16,950	1,132,240
2016	Issue in kind	382,317	11,704,717	38,232	1,170,472
2017	Split 4:1	35,114,151	46,818,868	-	1,170,472
2024	New share issue	3,500,000	50,318,868	87,490	1,257,962

HMS' TEN LARGEST SHAREHOLDERS AS AT DECEMBER 31, 2025

NUMBER OF SHARES

SHARE OF VOTES AND CAPITAL

Investment AB Latour	13,014,532	25.9%
Staffan Dahlström and company	6,091,459	12.1%
AMF Fonder	4,122,999	8.2%
Första AP-fonden	3,325,000	6.6%
SEB Fonder	3,323,892	6.6%
Clients Kapitalförvaltning AB	1,974,884	3.9%
Northern Trust Company	1,595,203	3.2%
JP Morgan Chase Bank	1,498,376	3.0%
Lannebo Fonder	1,480,411	2.9%
State Street Bank & Trust	1,175,699	2.3%
Others	12,716,413	25.3%
Total	50,318,868	100 %

KEY PERFORMANCE INDICATORS

	2025	2024	2023	2022	2021
Share price (last day of trading)	419	434	497	340	558
Volume-weighted average price	449	430	427	387	402
Average turnover per day, SEK million	17.7	18.0	22.1	19.6	17.7
Average number of shares traded per day	39,474	41,932	51,663	50,715	43,953
Number of shares (thousands)	50,319	50,319	46,819	46,819	46,819
Adjusted earnings per share, SEK	13.73	9.65	13.07	11.36	8.2
Earnings per share, SEK ¹	8.66	6.35	12.23	10.89	7.61
Market capitalization, MSEK	21,084	21,828	23,288	15,900	26,125
Enterprise Value, EV (market capitalization + net debt), SEK million	23,438	25,121	23,577	16,200	26,472
P/E ratio	48.4	68.3	40.7	31.2	73.3
Net debt/EBITDA	2.28	4.57	0.33	0.39	0.63
Net debt/Adjusted EBITDA	2.13	3.37	0.03	-	-
EV/EBITDA	22.7	34.8	26.9	21.5	48.3
EV/Net sales	6.6	8.2	7.8	6.5	13.4

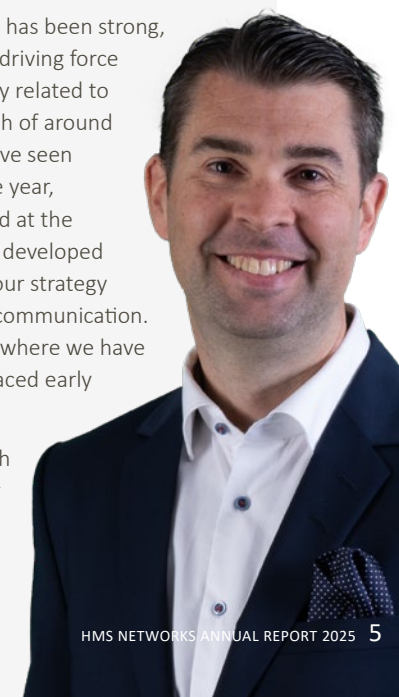
¹ The key figure is exclusive of IFRS16 and includes pro forma EBITDA from acquisitions.

A quick tour around the HMS world 2025 with CFO Joakim Nideborn.

In the North American market, development has been strong, with our 2024 acquisition, Red Lion, being a driving force behind the growth. Despite some uncertainty related to tariffs, the United States has delivered growth of around 20 percent during the year. In Europe, we have seen modest growth during the second half of the year, somewhat more restrained than we expected at the beginning of the year. In China, business has developed well, and growth has continued in line with our strategy to focus on selective niches within network communication. The greatest challenges have been in Japan, where we have had the strongest impact from previously-placed early orders.

We look forward to 2026, which we approach with a new strategy and new goals to deliver value for our customer groups.

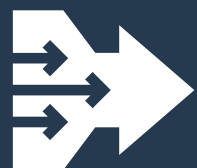
Joakim Nideborn
Chief Financial Officer





HMS mission

"We enable valuable data and insights from industrial equipment allowing our customers to increase productivity and sustainability."



5 trends driving HMS business



Automation

The automation trend has been going on since the Industrial Revolution, and continues to increase as labor becomes more expensive and it is difficult to find qualified staff.



Deglobalization

The trend of so-called nearshoring is growing as more countries move production closer to their home markets. This creates opportunities for HMS through increased demand for communication and automation in new factories.



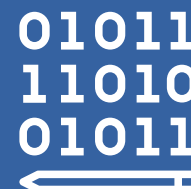
AI

The rapid development of AI is increasing the need for data—something HMS already enables. At the same time, new AI-driven solutions and roles are emerging, which the company must understand and adapt to.



Cybersecurity

New EU regulations such as RED and NIS2 require product adaptations at HMS, but they also create opportunities. HMS is well positioned with new cybersecurity products in a market where cyberattacks on industrial assets are increasing rapidly.



Digitalization & Electrification

The transition to digital and electrified systems is increasing the need for data access and monitoring in existing plants, factories, and systems. This creates additional business opportunities for HMS.

What HMS does: products for Industrial ICT

(Information and Communication Technology)

HMS products enable industrial machines to communicate with software and systems – Hardware Meets Software™. HMS customers want to extract data from industrial machines and have this data visualized, on the factory floor or remotely. They also want to enable communication between machines and systems. Here, HMS offers different "translators" for machines, both in industrial settings and in buildings.



Hardware Meets Software™



Anybus®
BY HMS NETWORKS

Ewon®
BY HMS NETWORKS

Intesis®
BY HMS NETWORKS

Ixxat®
BY HMS NETWORKS

N-Tron®
BY HMS NETWORKS

RedLion®
BY HMS NETWORKS

PEAK®
BY HMS NETWORKS

Industrial ICT in three divisions

Industrial Data Solutions (IDS)

Solutions to connect, secure, diagnose and visualize data in industrial applications.



HMS delivers: information and data from industrial processes, resulting in better decisions, higher productivity and increased sustainability.

Industrial Network Technology (INT)

Technology for communication, control and security in industrial devices.



HMS delivers: real-time control, smart manufacturing capabilities and energy savings.

New Industries (NI)

Industrial communication for niche applications in growing industries.



BUILDING AUTOMATION

HMS delivers: communication between, for example, air conditioning and building systems.

VEHICLE COMMUNICATION

HMS delivers: communication between vehicles, test systems, remote monitoring, etc.

Industrial Data Solutions

Solutions to connect, secure, diagnose and visualize data in industrial applications.

46 %
of HMS
revenue

8 %
Market
growth

Brands:
Red Lion,
Anybus Diagnostics,
N-Tron, Ewon



We ensure that data from industrial equipment can be transferred to IT systems securely. Customers can collect, process and visualize data from sensors and machines, providing a better overview and easier decision-making.

Alexander Hess
Senior Vice President
Industrial Data Solutions

INDUSTRIAL DATA SOLUTIONS CUSTOMERS



- 30 % ORIGINAL EQUIPMENT MANUFACTURERS
- 10 % SYSTEM INTEGRATORS
- 60 % END-USERS

HMS provides:

Remote access for machines

Ewon remote solutions from HMS was “Internet of Things” before the term even existed. Ewon gateways connect to machines to provide remote access for troubleshooting and maintenance purposes and also provide data and information from the machine in a secure way.



CUSTOMER EXAMPLE:

Country: France

HMS product: Ewon Cosy



FEWER SERVICE TRIPS WITH REMOTE ACCESS TO LABEL PRINTING MACHINES

CODIMAG, a French label printing machine manufacturer, enhanced its global customer support by integrating Ewon remote access solutions, allowing secure and real-time troubleshooting without costly travel.

This technology significantly improved productivity and reduced downtime for customers, while also easing the burden on CODIMAG’s small engineering team. As a result, CODIMAG now includes an Ewon gateway with every machine shipped, enabling faster issue resolution and more efficient service worldwide.



Display panels and Human Machine Interfaces (HMI)s

Red Lion's control panels and visualization tools are used by customers worldwide. They are mounted on machines or in industrial environments to interact with machines or visualize processes.



CUSTOMER EXAMPLE:

Country: USA

HMS product: Red Lion Graphite HMIs and FlexEdge IIoT gateways

WASTEWATER PLANT GETS ACCESS TO DATA – ONSITE AND REMOTELY

An American municipality needed to upgrade its control system to get better visibility of their wastewater plants. They wanted to get data from 11 remote assets across the county and used Red Lion Graphite HMIs to visualize data and control processes on site, while the Red Lion FlexEdge IIoT gateways enable industrial data to be displayed and monitored remotely.



The municipality has gained the ability to control, visualize, and connect its remote assets through one main location. Data from the remote wastewater sites is now securely sent to the main SCADA system – eliminating costs of the previous dial-up network or the need to run fiber to all the remote stations.

Network switches

An industrial switch is a network device designed to connect machines, sensors and control systems in demanding environments. It works like a standard network switch with real-time data capabilities, but is designed to withstand the harsh and often extreme industrial conditions, such as high or low temperatures, humidity, vibration and dust.



CUSTOMER EXAMPLE:

Country: USA

HMS product: N-Tron switches

SAFER ENERGY PRODUCTION WITH RUGGED ETHERNET SWITCHES

A managed industrial Ethernet switch is a networking product that provides control, monitoring, and security over a local area network in harsh environments. As opposed to an unmanaged switch, it allows users to actually control the network.

A large oil and gas company in Texas previously faced frequent switch failures due to extreme summer heat and needed a more durable, easy-to-deploy solution to avoid costly production delays. Red Lion's N-Tron Series NT5000 Gigabit Managed Switches proved reliable, user-friendly, and quick to configure. Since installation, the company has experienced zero communication failures and has standardized on the NT5000 for all future network switch deployments.



Network diagnostics in Factory Automation

Factory downtime is expensive. Anybus diagnostics solutions enable factories to monitor and diagnose their business critical industrial networks and ensure maximum uptime.



CUSTOMER EXAMPLE:

Country: Netherlands

HMS product: Anybus ComBricks



NO MORE CRANE DOWNTIME

ECT's Euromax container terminal in Rotterdam faced frequent crane breakdowns due to issues in the PROFIBUS network, threatening their 24/7 operations. To solve this, ECT implemented the Anybus Diagnostics product "ComBricks" from HMS, which segment and monitor the network, providing real-time alerts and isolating faults to prevent full crane shutdowns.



Since installation, crane reliability has significantly improved, reducing downtime, travel costs, and operational disruptions.

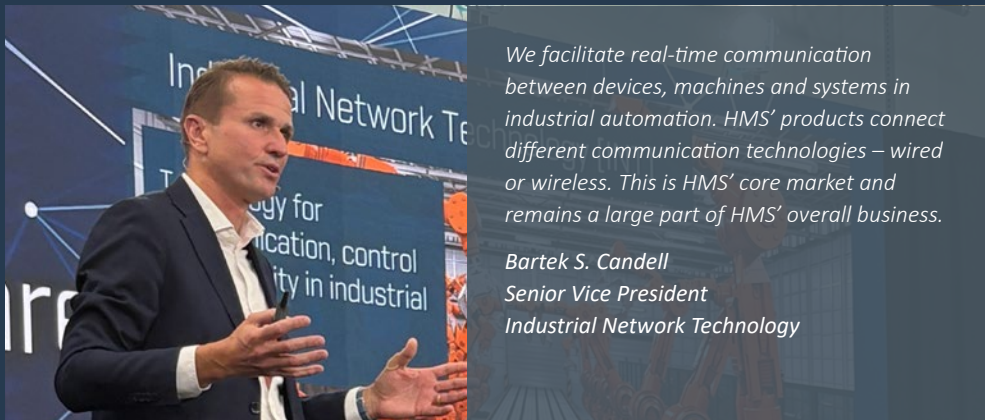
Industrial Network Technology

Technology for communication, control and security in industrial devices.

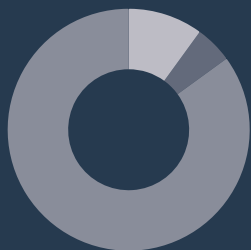
30 %
of HMS
revenue

8 %
Market
growth

Brands:
Anybus Embedded,
Anybus Gateway/
Wireless,
Ixxat Safety



INDUSTRIAL NETWORK TECHNOLOGY CUSTOMERS



10 % SYSTEM INTEGRATORS

5 % END-USERS

85 % ORIGINAL EQUIPMENT
MANUFACTURERS

HMS provides:

Network-to-network integration
in factories

Anybus gateways enable communication between different networks and machines on the factory floor, and are often used for retro-fitting — connecting legacy parts of a factory to newer.



CUSTOMER EXAMPLE:

Country: Germany

HMS product: Anybus Communicator

ROBOTIC DEVICE GETS NETWORK FLEXIBILITY

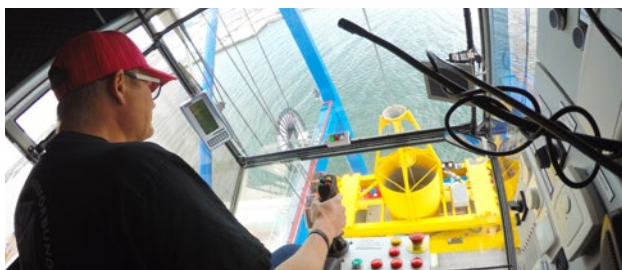
Bosch Rexroth's Smart Flex Effector is a part of a robot, connecting the robot arm to tools like for example a gripper. Connecting the Smart Flex Effector to robot controllers was challenging as Smart Flex Effector communicated using serial communication, while robot controllers typically use an industrial network like EtherCAT, EtherNet/IP, Modbus TCP or PROFINET.



To solve these connectivity challenges, Bosch Rexroth used the Anybus Communicator Common Ethernet, a ready-made protocol converter capable of connecting serial devices to controllers, regardless of network.

Multi-network connectivity for automation products

Anybus products are often integrated into the customer's machine, enabling it to communicate on any industrial network. As there are many different industrial networks depending on market or geographical location, this opens up new markets for manufacturers of industrial devices.



CUSTOMER EXAMPLE:
Country: Sweden
HMS product: Anybus CompactCom B40

NETWORK COMMUNICATION ENABLED FOR INDUSTRIAL JOYSTICK

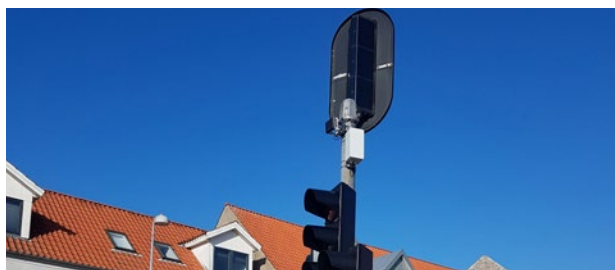
Kristianstads Lyftdon AB develops and builds operator cabins for large cranes used in the steel industry, heating plants, waste-handling stations, etc. The most important part is the steering device itself, the joystick, which the operator uses to control the machine.



When KLAB designed their latest joystick, they wanted to provide it with network communication to communicate on the network PROFINET, frequently used at customers in central Europe. An Anybus CompactCom B40 is integrated into the joystick, enabling it to communicate.

Wireless connectivity in Industrial Automation

Although physical wires are still the standard for industrial networking, more and more industrial machines are connected via Bluetooth, WiFi or cellular technology such as 5G. Anybus wireless solutions are especially suitable for connecting mobile robots and other moving equipment.



CUSTOMER EXAMPLE:
Country: Denmark
HMS product: Anybus Wireless Bridge

TRAFFIC CONTROLS GO WIRELESS

ITS Teknik is a market-leading Danish company specializing in traffic safety, planning, and registration solutions that enhance road safety and efficiency. For traffic radars at intersections, the standard method is communication over a cable, but for existing intersections, installing new cables isn't easy. In some places, it is not allowed to dig, and even when it's permitted, it disrupts traffic.



An Anybus Wireless Bridge is connected to the traffic signal, supplying both power and transmitting data. A second bridge is installed in the control cabinet and connected to ITS's interface card. The two bridges are paired over Bluetooth, enabling wireless communication between the radar and the control cabinet.

Connection to safety networks

"Functional Safety" prevents machines from harming people in industrial environments. Connecting to these highly specialized networks is possible using HMS' Ixxat products.



CUSTOMER EXAMPLE
Country: Germany
HMS produkt: Anybus CompactCom och Ixxat SafeT100

DOOR SYSTEM CONNECTED TO SAFETY NETWORK

Assa Abloy's MCC door-control solution is often used in production lines at car manufacturers. As the door systems are exported all over the world, they cannot standardize on one industrial protocol.



The HMS products provide a fast way to deploy network connectivity into devices and also the ability to communicate on safety networks, allowing the door system to go into a safe state and stop when, for example, a stop button is pressed, or a human is detected.

New Industries

Industrial communication for niche applications in growing industries. HMS operates in two areas – Building Automation and Vehicle Communication.

24 %
of HMS
revenue

8 %
Market
growth

Brands:
Intesis, PEAK,
Owasys, Ixxat

Vehicle Communication

In-vehicle networks such as CAN, LIN, FlexRay and Automotive Ethernet are essential as vehicles and machines become more connected. Our offering supports customers from development and testing to secure remote operation, enabling them to build data driven and intelligent systems.

Thomas Konz

Vice President Vehicle Communication

Building Automation

Modern buildings contain highly advanced networks with thousands of devices and machines that need to communicate. Intesis products focus specifically on this, offering communication solutions that are designed for buildings. Building automation is a rapidly growing market, where HMS enjoys excellent growth opportunities for the future.

David Garces

Vice President Building Automation

NEW INDUSTRIES CUSTOMERS



30 % SYSTEM INTEGRATORS

25 % END-USERS

45 % ORIGINAL EQUIPMENT
MANUFACTURERS



Vehicle Communications

HMS provides:

Network development tools

Helping engineers analyze, test and integrate communication protocols in automotive and industrial applications.

Communication modules

Delivering networking technologies inside customer machines, enabling data exchange in demanding electronic systems.

Remote connectivity for mobile machines

Providing secure monitoring, diagnostics and telematics for heavy vehicles and mobile machines in the field.



CUSTOMER EXAMPLE:
Country: Taiwan
HMS product: PEAK PCAN-M.2

RELIABLE COMMUNICATION FOR AUTONOMOUS SHUTTLE BUSES

Taiwanese ADLINK uses PEAK products in autonomous shuttle buses. HMS's compact PEAK PCAN-M.2 interface ensures fast and reliable data transmission between sensors and control systems, enabling safe, real-time decision-making.



The solution combines robust hardware and software that meet strict automotive standards and allows efficient access to sensor data. Together, HMS and ADLINK deliver a future-proof solution for the growing autonomous vehicle market.

Building Automation

HMS provides:

Multi-network connectivity for HVAC equipment

According to the World Economic Forum, buildings are accountable for more than 40 percent of the world's energy consumption. Intesis enables communication between air conditioning equipment, providing savings for property owners and manufacturers.

Protocol conversion in Building Automation

Smart buildings require a lot of communication between, lighting, heating, water systems and the building management system (BMS). Intesis gateways make this communication happen.



CUSTOMER EXAMPLE:
Country: Spain
HMS product: Intesis AC-gateway

SUPERMARKET REDUCES ENERGY CONSUMPTION WITH SMART AIR-CONDITIONING

When ALDI built and upgraded logistics centers in Sevilla, Valencia, and Burgos, they needed a system to monitor and control air conditioning across all sites from their headquarters in Barcelona.



The company IKNX installed a solution using Intesis 700 Series Air gateways, which made it easy to connect and manage dozens of HVAC units through a central Building Management System. The project improved energy efficiency, reduced CO₂ emissions, and even won awards for smart design and quick setup.

Strengthening our position in Industrial Cybersecurity

In 2025, HMS strengthened its commitment to Industrial cybersecurity by establishing a new dedicated team: Operational Technology Cybersecurity (OTC). Operating within the New Industries division, OTC enables sharper strategic focus as industrial cyber risks continue to rise.

The Operational Technology Cybersecurity team offers products and solutions for industrial cybersecurity under the Anybus Defender, allowing customers to compartmentalize and secure industrial assets. The team also work with research and development, and security initiatives at HMS such as internal and external training.



Hi-tech production of hi-tech products

One common supply chain for all HMS divisions

One of the core reasons behind the success of HMS is the proven track record in manufacturing and delivering products. In modern production facilities, HMS manufactures industrial communication products for all product brands, with very high-quality demands.

PLANNING

Planning and sourcing is a key part of this work. HMS collaborates closely with suppliers to enable high performance and responsible sourcing, where sustainability and resilience are key.

This means clearly communicating our expectations through the HMS Supplier Code of Conduct, carefully qualifying new suppliers, and continuously following up on and improving our existing partnerships.*

PRODUCTION

HMS manufactures products both in our own facilities and together with partners. Operating according to IPC standards, HMS has a quality targets down to 200 PPM—equivalent to just 0.02% errors. This places very high demands on the ability to deliver high-quality products to customers within short lead times.

DELIVERY

Through our order management and Logistics Centers, we serve customers with a fast and accurate delivery process. Highly automated logistics centers in Sweden, Germany, Spain, US and China deliver more than 2,800 unique products every year to customers in more than 100 countries.

*Read more on pages 101-105 in the Sustainability Report, S2-Employees in the value chain, and HSM framework for responsible purchasing.

Nearly 2 million products were delivered from HMS Supply Chain in 2025



2025 was an eventful year within HMS supply chain. A major focus has been integrating the acquired production site in York, Pennsylvania, into the HMS supply chain. We have made major investments in implementing a global ERP system, state-of-the-art production equipment and upgrading the facility to meet the highest quality and safety standards. All to continue improving our customer service, and to support our growth strategy.

As a part of this, we have also consolidated our Americas order management and logistics center to York.

In addition to our own production sites in Halmstad and York, we have continued to work closely with our EMS partners (Electronic Manufacturing Services) to continue to optimize our supply chain, stay close to our customers, and improve our scalability and flexibility.

Richard Skog
Chief Operating Officer



Our production philosophy

We see manufacturing capability as a core competence and continue to develop our in-house operations within manufacturing and test development to ensure high quality and flexibility. Having in-house production in both Europe and the Americas also builds resilience against tariff fluctuations.

In addition, we leverage strategic EMS partnerships for cost-efficient, scalable production to support our growth.



HALMSTAD, SWEDEN

HMS production facility in Halmstad produces products for all HMS divisions, with a high share of Anybus products.

This is where production takes place for prototypes, smaller series and certain customized products, along with final assembly and quality control.

*ISO 9001- & ISO 14001-certified

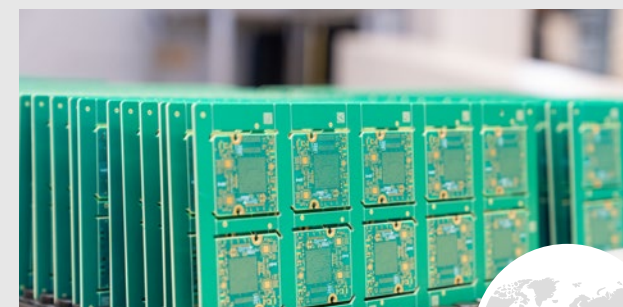


YORK PENNSYLVANIA, USA

At the factory in York, HMS produces products primarily for the Americas market, especially the products under the product brands Red Lion and N-Tron.

The factories in Halmstad and York collaborate closely and use the same production system.

*ISO 9001-certified



ELECTRONIC MANUFACTURING SERVICES (EMS)

Printed Circuit Board Assembly (PCBA) and box build in higher volumes is carried out by our manufacturing partners in Americas, Asia and Eastern Europe.

3 DIVISIONS. 2xREVENUE. 1 COMPANY.



Six focus areas for 2030

At the HMS Capital Markets Day in Stockholm on September 9, 2025, a new strategy and new goals for the Group were presented. Over the next five years, we want to continue developing our three divisions, double our turnover, and at the same time maintain one common corporate culture — 3, 2, 1 GROW!

During the period 2026-2030, we will work with six strategic focus areas within Planet, People and Growth.

Our divisions are responsible for growth and will work with the focus areas Win/Grow/Keep, Portfolio Evolution, Mergers & Acquisitions and Operational Efficiency.

These are handled in different ways by our divisions depending on customer needs and conditions.

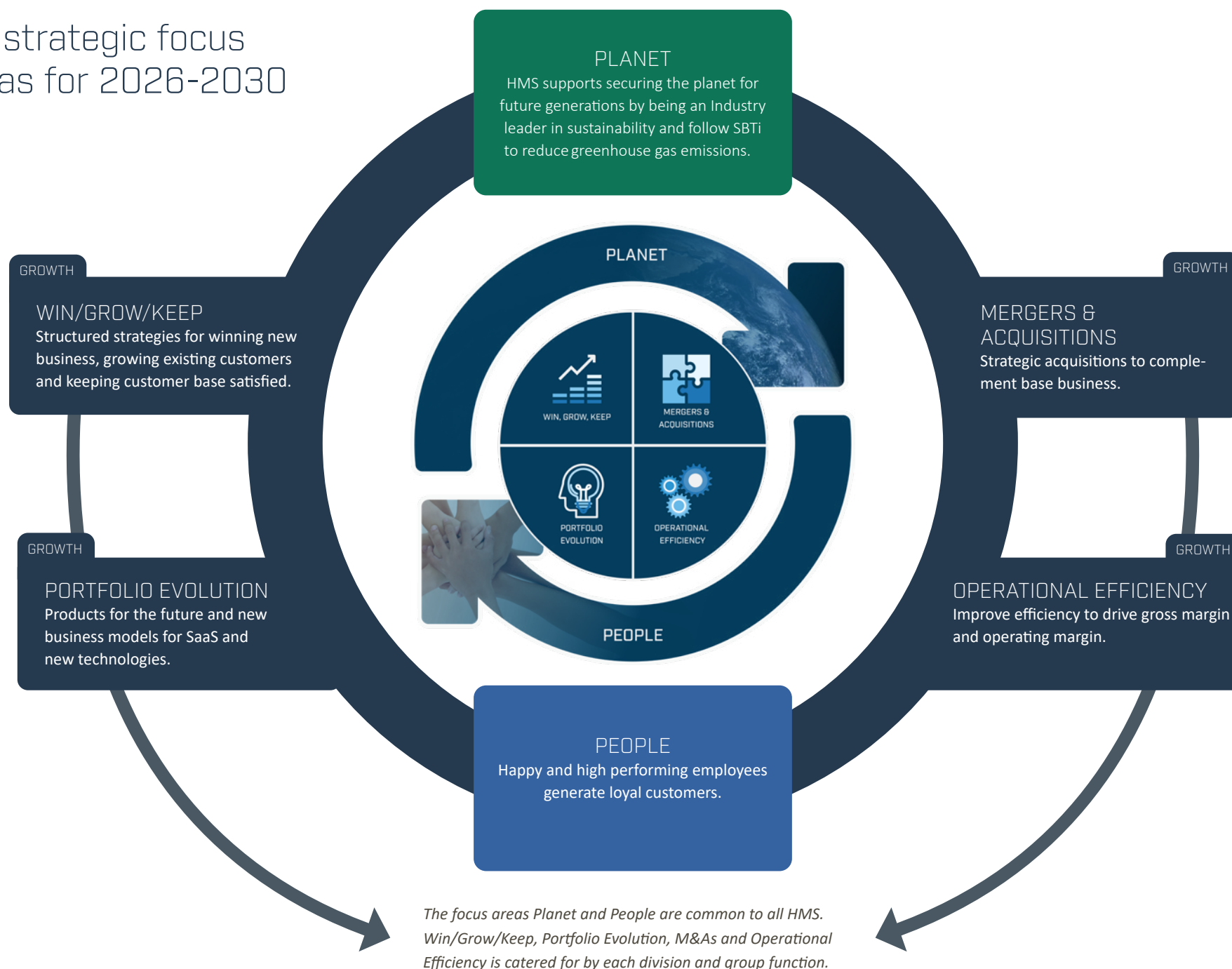
The two areas Planet and People are common to HMS and here we work group-wide to do sustainable business and maintain a uniform corporate culture.

On the following pages you can read more about our focus areas and goals.

Joakim Nideborn
Chief Strategy Officer &
Chief Financial Officer



Six strategic focus areas for 2026-2030





Goals for 2030

HMS goals are divided into three overarching areas, which have also been used previously: Planet, People, and Growth.



PLANET

In November 2025, our climate targets were validated by the Science Based Targets initiative (SBTi). This means that our plan to achieve net zero emissions by 2050 has been scientifically reviewed in line with the Paris Agreement. The validation provides us with a clear roadmap for reducing our climate footprint and ensuring long-term sustainability. A central part of our strategy is to work systematically across the entire supply chain. Through clear requirements, close cooperation, and continuous follow-ups, we ensure that our partners meet our standards for environment, ethics, working conditions, and human rights.

Our ambition is to be a leading player in sustainability within our industry. As part of this, we undergo a comprehensive evaluation every year through EcoVadis, an internationally recognized sustainability rating system. The assessment covers our efforts in environment, labor practices and human rights, business ethics, and responsible sourcing. Our goal is to achieve gold status in our category: large companies, a testament to a transparent and structured sustainability effort.

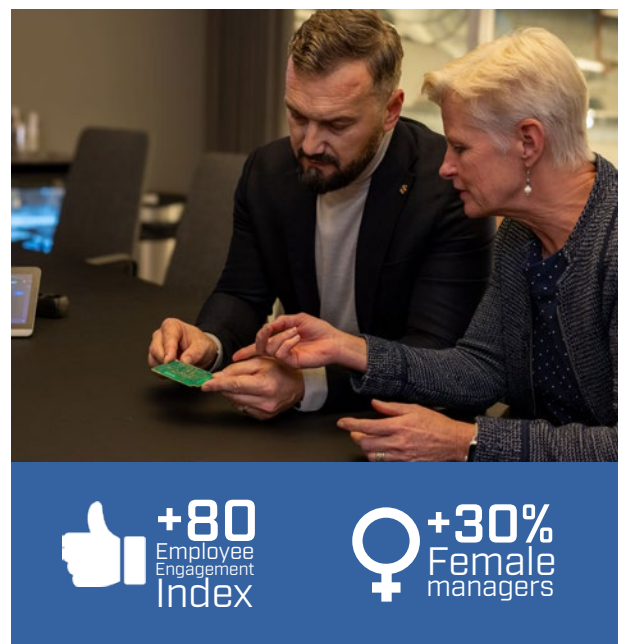


PEOPLE

People are at the core of HMS Networks. We're building a culture where engagement and leadership matter, aiming for an employee engagement index above 80 and a leadership index above 85 in our Employee survey – HMS Heartbeat which is conducted twice a year.

Happy and high-performing employees are key to great customer experiences and growth, so we keep investing in leadership and development.

Diversity is also important to us. We strive to have over 30 percent female managers by 2030 as we know that different approaches and perspectives benefit innovation and growth. We want everyone at HMS to feel engaged and empowered, knowing that's how we'll keep innovating and succeeding.



GROWTH

We aim to double our revenue to SEK 7.5 billion in 2030 and keep a 25% EBIT margin. Half of the growth will come from our own expansion, and half will come from new mergers and acquisitions. We're also moving towards more software and services, aiming for over 10 percent of group revenue from annual recurring revenue (ARR).

To achieve this, we focus on winning new customers and growing our business with existing customers. We regularly measure customer satisfaction with our Net Promoter Score and aim for new customers to account for over 6 percent of revenue by 2030.

We're boosting direct sales, especially for large accounts, targeting over 55% of revenue from direct business. By investing in IT, AI, and a flexible supply chain, we'll make sure our sales grow faster than our costs and margins keep improving.



Planet



Towards a greener future

Our sustainability strategy is built around two key focus areas: the Science Based Targets initiative (SBTi) and EcoVadis. These frameworks support us in structuring, measuring, and continuously improving our sustainability efforts in a transparent and internationally recognized manner.

In 2025, our SBTi submission was approved, confirming that our climate targets are aligned with the Paris Agreement and the 1.5°C goal. This approval represents an important milestone in our work to reduce greenhouse gas emissions across both our own operations and our value chain, with a commitment to achieving net zero greenhouse gas emissions by no later than 2050.

At the same time, EcoVadis provides us with an independent assessment of our performance in the areas of environment, labor and human rights, ethics, and sustainable procurement. The results are used to monitor progress and identify areas for improvement.

Together, SBTi and EcoVadis form the foundation of a systematic and long-term sustainability approach, where measurement, transparency, and continuous improvement are central.

Read more about our sustainability efforts in our Sustainability Report, pages 46-119.

Ermal Devce
Director Sustainability and Quality

Sustainability agenda and commitment

HMS work towards a sustainable future by offering innovative solutions that enable energy efficiency, reduced emissions, and resource-efficient use. Through our products and services, we support the industry's transition to more sustainable processes, for example by enabling energy optimization and reducing servicetrips.



Within our own operations, we focus on the following areas:

Environment



We work to reduce our climate impact through the use of renewable energy, energy efficiency measures, reduced waste, and a fully electric vehicle fleet, in line with our validated climate targets. Sustainable product design is also a central part of our long-term sustainability efforts.

Social



We strive for zero accidents by fostering a strong safety culture, continuous skills development, clear communication, and proactive risk management. At the same time, we actively engage with our supply chain through our Responsible Sourcing Framework to ensure that requirements for safety, working conditions, and sustainability are maintained by our partners.

Governance



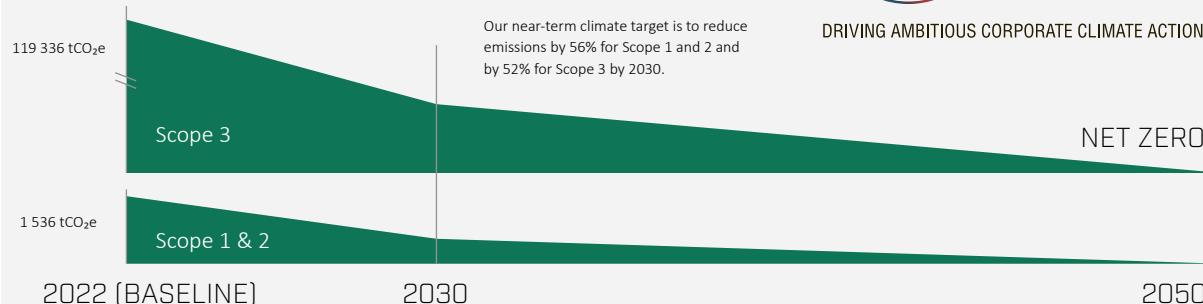
We actively manage governance and business ethics through our Code of Conduct and Anti-Corruption Policy, and by implementing a company-wide ISO 27001 certification during 2026. These measures ensure accountability, transparency, and secure processes across the entire organization.

OUR PATH TOWARDS NET ZERO EMISSIONS

In 2025, the Science Based Targets initiative (SBTi) validated HMS Networks' commitment to achieve net-zero greenhouse gas emissions across the entire value chain by 2050.



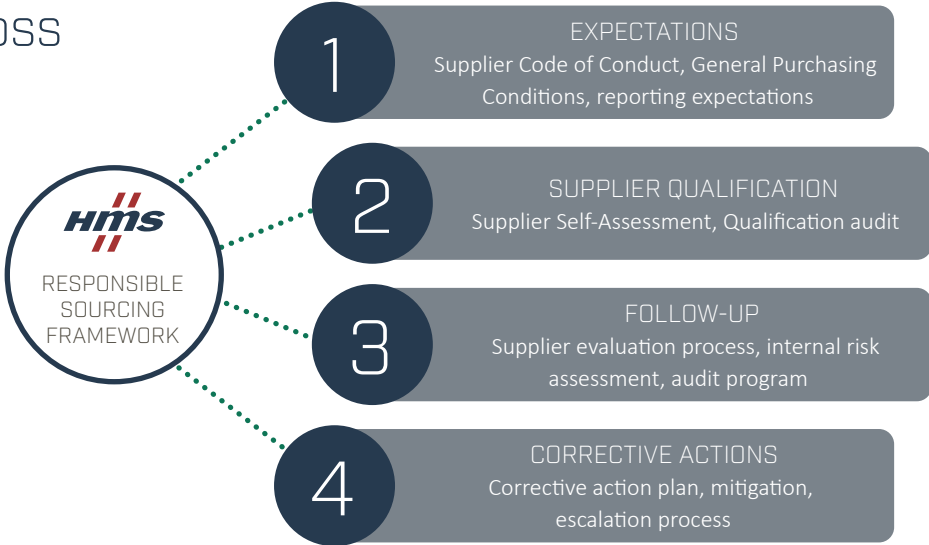
DRIVING AMBITIOUS CORPORATE CLIMATE ACTION



Both our short-term and long-term goals include land-related emissions and uptake from biofuels.

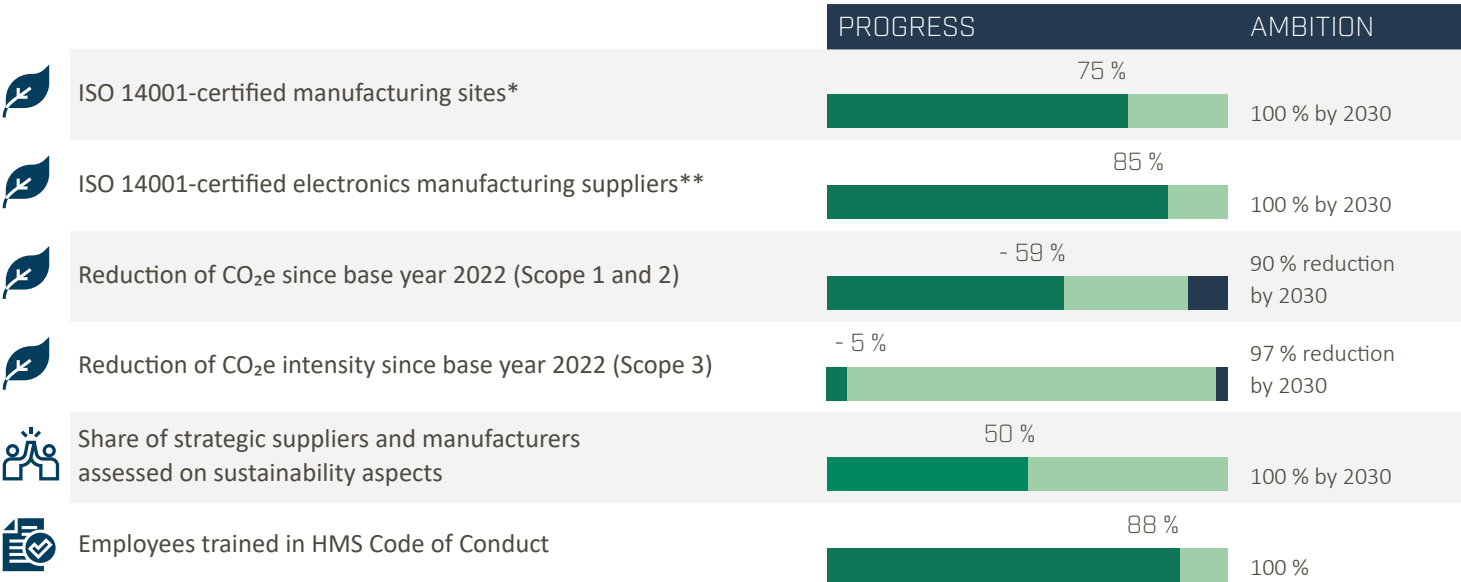
Our responsibility across the value chain

In 2025, we introduced our Responsible Sourcing Framework to strengthen collaboration with suppliers and ensure that our work aligns with sustainability principles. The framework is built on internationally recognized standards and supports us in promoting ethical practices, reducing risks, and driving continuous improvements throughout the supply chain.



From commitment to results

The table below shows the development of a selection of HMS sustainability indicators in the areas of environment, social responsibility, and corporate governance. Read more in our sustainability report on pages 46-119.



*For manufacturing sites, this refers to units where actual production activities take place, this excludes operations that only carry out limited assembly, and sales offices.

**Electronics contract manufacturer refers to a supplier that manufactures electronics or electronic components on behalf of HMS.

Collaboration for sustainability

HMS promotes sustainable development and supports the UN 2030 Agenda by driving innovation that enables energy efficiency and resource efficiency within the industry sector.



WE SUPPORT



We have been proud participants in the UN Global Compact since 2021 and integrate its principles on human rights, labor rights, the environment, and anti-corruption into our operations.



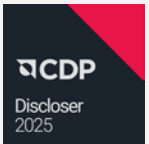
In 2025, we joined the Responsible Minerals Initiative (RMI), a global collaboration for responsible mineral sourcing. Through this membership, we strengthen our work with due diligence, transparency, and sustainable procurement.

Awards

In 2025, we have been awarded the EcoVadis Silver Rating for LargeCap companies, an independent evaluation of our sustainability performance. This recognition highlights our commitment to sustainability and demonstrates that our efforts are delivering measurable results.



We also actively participates in other sustainability assessments, such as CDP (Carbon Disclosure Project), where we improved our score from B- in 2024 to B in 2025.



People



Five key events within the “People” Area in 2025

During 2025, we took important steps to strengthen leadership, the employee experience, and our shared ways of working.

1. We implemented our leadership philosophy PILOT – Passion, Initiative, Lead by example, Open Communication, Top priority growth – which provides clear guidance for our managers.
2. We launched the employee survey HMS Heartbeat, which offers better insights into engagement and the work climate, supporting managers in follow-up and improvements.
3. We updated our Performance Management process with clearer goals, regular check-ins, and an increased focus on development.
4. Work with our values Heart, Mind & Soul continued, and all employees participated in workshops on the topic.
5. We also implemented a global HR system and refined several of our processes and ways of working as the organization grows, making it easier for managers leading teams across different countries.

A big thank you to all employees and managers for your engagement and willingness to try new things. We have accomplished many great initiatives that will have an impact over the next years.

Mira Jhaveri Winther
Chief Human Resources Officer

Happy and high-performing employees generate loyal customers

We are convinced that high job satisfaction among employees results in better treatment and service for our customers. We cherish our inclusive corporate culture, where common values, learning and personal responsibility are prioritized.

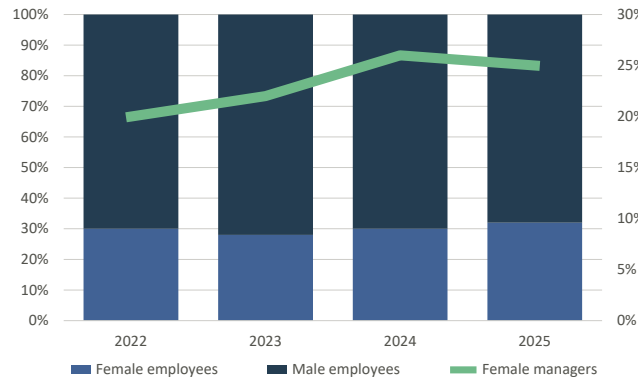
Number of female employees

Improved diversity and equality are crucial building blocks for strengthening HMS's corporate culture and building our organization for the future.

Industrial communication is a traditionally male-dominated industry and HMS is actively working to achieve an even distribution among both employees and managers.

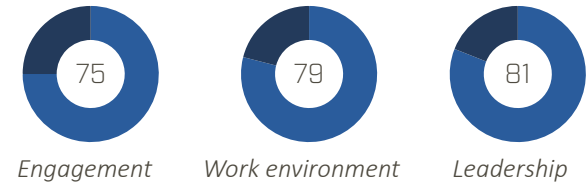
In 2025, we remain at approximately the same levels as in 2024 with 32 percent (32) female employees and 25 percent (27) female managers.

We want to increase this to 2030 when we aim to have 30 percent female managers.



Engagement, Work Environment, Leadership

In 2025, HMS launched its new employee survey, HMS Heartbeat, which takes the pulse (hence the name) on engagement, work environment and leadership. The survey is conducted twice a year and this fall's survey yielded the following results.



Index value that describes how positive HMS employees are regarding commitment, work environment and leadership.

0-59 % Action required 60-69 % Room for improvement 70-100 % Good

HMS Growth Academy

Sustainable growth starts with people. That's why HMS has created the HMS Growth Academy, a global development program where employees have the opportunity to grow and be inspired. Participants gain in-depth knowledge of HMS's operations, values and vision. Eight participants from the HMS world took part in 2025.



**Best
Workplaces™**

**Great
Place
To
Work®**

**SWEDEN
2025**

In 2025, HMS was named one of Sweden's 20 best workplaces for the first time.

HEART, MIND AND SOUL IN WHAT WE DO

HEART, MIND AND SOUL = HMS

Heart, Mind and Soul summarizes how we do things (it's also a pretty good abbreviation).

Heart is about engagement, dedication, passion about our work.

Mind is our analytical side, constantly learning, innovating, and looking for ways to work smarter.

Soul is about our ethics and teamwork. We take action and want to win in business.



HEART



MIND



SOUL

Growth

+7.5 Billion
SEK
Net sales

25%
EBITA

+50
Customer
NPS

3, 2, 1 - Grow! Organic growth and acquisitions

HMS generates organic growth via both direct sales and distribution. In addition to this organic growth, HMS plans for half of the growth until 2030 to come from new acquisitions. The HMS Divisions are expected to do bolt-on acquisitions to their respective business, while there may also be room for expansion into new areas under the New Industries umbrella. After the major acquisitions of Red Lion and PEAK-System in 2024, the pace of acquisitions slowed somewhat in 2025 with one acquisition within our INT division.

Martin Hoffert
Director Corporate Strategy and
Mergers & Acquisitions

How HMS generates revenue

HMS' products are sold to customers in all parts of the value chain – manufacturers of automation products, machine builders, system integrators and end users. The business models vary depending on the customer, market and product range.

Direct sales 48 %

HMS is in direct contact with the customer for product and project sales — often working towards a Design Win. This means that the customer integrates support for HMS' technology into their product and then repeatedly orders HMS' products. For some customers, HMS offers customized hardware and software solutions that meet customer-specific requirements



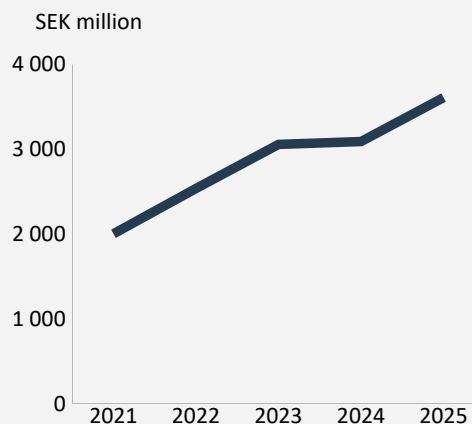
Distribution 52 %

HMS' gateways, display panels, switches and wireless products are mostly sold through partners. With high levels of technical and commercial expertise, they integrate HMS products into automation projects all over the world. HMS products are also sold via e-commerce partners including large e-commerce platforms such as Conrad, RS Components, or DigiKey. These purchases are often for testing or one-off needs. HMS has a network of around 300 independent partners covering some 50 countries.

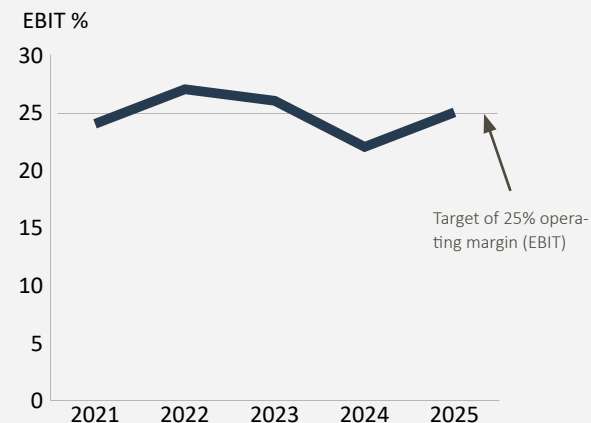


Sales development

Net sales



Operating margin



Shaping the connected world

HMS customers are primarily located in regions with a strong manufacturing base—North America, Europe, and Asia. With operations in more than 20 countries, HMS has the geographic reach required for continued growth.

Customer Net Promoter Score (cNPS)

NPS measures the response to the question “How likely are you to recommend the company to a friend or colleague?” The results are ranked from -100 to 100. cNPS declined towards the end of the year due to delivery challenges, which have now been resolved, and we are working diligently to strengthen cNPS going forward. HMS’ target is 50.

2021	2022	2023	2024	2025
54	38	27	44	25

BLUE DOTS: DEVICES CONNECTED BY HMS’ PRODUCTS AROUND THE WORLD

HMS' markets 2025



REVENUE BY
DIVISION - EMEA



Europe, the Middle-East and Africa (EMEA) — 44% of HMS total revenue

In Europe, market conditions improved gradually during the second half of 2025. Southern Europe, Scandinavia and the UK improved more than Germany and Central Europe, which nevertheless continued to move in the right direction.

The Middle East stood out as a strong growth area, particularly within building automation, with clear momentum in markets such as the United Arab Emirates and Saudi Arabia. Overall, EMEA showed cautious but clear improvement, supported by inventory normalization and increased project activity towards year-end.



HMS, Ravensburg, Germany

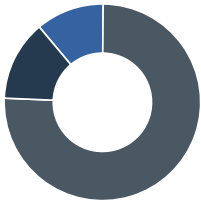


HMS, Milano, Italy



HMS, York, USA

REVENUE BY
DIVISION - AMERICAS



IDS	76 %
INT	13 %
NI	11 %



Americas — 42% of HMS total revenue

The Americas, and particularly North America, were the primary growth engine for HMS in 2025, delivering record sales and strong organic growth driven by Industrial Data Solutions and large project deliveries.

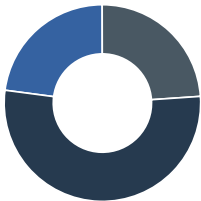
Although order intake in Q4 was weaker due to strong comparables, underlying demand remained solid, especially within data centers, infrastructure and industrial applications.

A broader product offering following the recent acquisitions, combined with high delivery capacity, were key contributors to this positive development.



HMS, Ho Chi Minh City, Vietnam

REVENUE BY
DIVISION - APAC



IDS	24 %
INT	53 %
NI	23 %



Asia-Pacific (APAC) — 14% of HMS total revenue

During 2025, HMS experienced strong momentum in the APAC region, with total order intake increasing by 75 percent.

For the first time, China became the region's largest single market, reflecting HMS's strong offering in network connectivity for Chinese manufacturers aiming to expand their global market presence.

Although the first half of the year was affected by geopolitical uncertainty and continued inventory reductions, 2025 saw a clear recovery with significantly higher order intake, positioning HMS well for sustainable growth in the coming year.

The HMS World

With offices in more than 20 countries and distributors in a further 50, HMS is represented on all major industrial markets. HMS' products are installed all over the world, although they are mainly found in countries that have a strong manufacturing industry.

Head office ●

HMS NETWORKS GROUP

HALMSTAD, SWEDEN

Head office for HMS' operations with staff functions such as IT, accounting/finance and HR.

Divisions — Product development ●

INDUSTRIAL DATA SOLUTIONS

Nivelles (Belgium), Ravensburg, Buchen, Wetzlar (Germany), York, Mobile (USA), Delft (Netherlands), Sibiu (Romania), Halmstad (Sweden)

INDUSTRIAL NETWORK TECHNOLOGY

Halmstad (Sweden), Ravensburg (Germany), Waterloo (Canada), Le Thuit de L'Oison (France)

NEW INDUSTRIES

Building Automation

Igualada (Spain)

Vehicle Communication

Ravensburg, Darmstadt (Germany), Bilbao (Spain)

Local Sales ●

Beijing | Chicago | Coventry | Dubai | Halmstad | Hedel | Ho Chi Minh-City | Igualada | Karlsruhe | Milano | Mulhouse | Melbourne | Nancy | Pune | Seoul | Shanghai | Singapore | Tokyo | Wetzlar | York



* Manufacturing
** Manufacturing and warehousing

CORPORATE GOVERNANCE

Chair Report

In 2020, HMS adopted an ambitious five-year plan. As we now take stock of 2025, we can conclude that all targets have not only been achieved, but exceeded. During the year, the Board and management focused on developing a new strategic plan with a view to 2030. This plan, “3-2-1 GROW,” aims to take HMS to the next level in terms of growth, profitability, and sustainability. We are particularly pleased that in 2025, HMS’ climate targets were already been approved by the Science Based Targets Initiative, confirming our commitment to sustainable development.

The work of the Board in 2025 was characterized by follow-up and evaluation of the new divisional structure. This structure has led to a clearer customer focus, increased transparency, and a better foundation for growth—both in existing and future business areas. Through management’s monthly reports, the Board has been able to follow market developments, which have been somewhat slower than expected, partly due to macroeconomic factors such as tariffs and global unrest. Looking ahead, we see great opportunities for HMS, not least through the implementation of AI applications in industry, the decision by more companies to bring production in-house in order to increase control over their value chain, and an increased focus on reducing product-related climate emissions.

The board plays a central role, both in terms of control and governance and in a supporting function. The latter is particularly important in connection with the “3-2-1 GROW” plan, wherein the Board actively supports company management in strategic issues and ensures a balance between risk and opportunity and

access to the right expertise, and follows up to ensure that established plans are adhered to.

The work of the Board follows a fixed annual cycle, with planned meetings and a clear division of work and responsibilities. One of the meetings focuses specifically on strategy, but strategic issues are addressed on an ongoing basis to enable rapid decision-making and adaptation to new challenges.

The work of the Board is characterized by a good balance between different experiences. The Audit and Remuneration Committees ensure effective financial management and handling of personnel issues, while the Strategy Committee acts as a sounding board in forward-looking strategy work.

During the year, a board evaluation was conducted in accordance with the Latour Group model. This evaluation is important for ensuring that the work done by the Board is efficient and that the composition and competence of the Board is correct. This year’s assessment was once again indicative of good work by the Board, with good dynamics both within the Board and between the Board and management. The Board has also reviewed and approved the sustainability report, which has been prepared in accordance with the applicable provisions of the Swedish Annual Accounts Act and ESRS.

The Board’s future focus is to continue to assist and encourage the management in the development of HMS’ business and in our journey towards the goals we have set for 2030.

Charlotte Brogren
Chair of the Board



Corporate Governance Report

The goal of good corporate governance is to ensure that the HMS Group is managed in an efficient, sustainable, and responsible manner to create value for the shareholders. This is achieved through a clear division of responsibilities within the governing bodies and internal control systems, along with an application of external control instruments.

CORPORATE GOVERNANCE FRAMEWORK

Corporate governance is based on the Articles of Association, the Swedish Companies Act, the Swedish Annual Accounts Act, the Board's rules of procedure, the stock exchange's regulations, and the Swedish Corporate Governance Code. Corporate governance within HMS is primarily exercised through the Annual General Meeting (AGM) and the Board, and in a broader perspective also includes the management, its tasks, and the control and reporting functions within the Group. The Board is answerable to the owners for the organization of the Group and management of the Group's affairs. The auditors report on their audit at the AGM.

SHAREHOLDERS AND ANNUAL GENERAL MEETING

The shareholders' right to decide on the company's affairs and governance is exercised at the general meeting of shareholders, which is the company's highest decision-making body. The Annual General Meeting decides on the adoption of the income statement and balance sheet, appropriation of profits, discharge from liability for the CEO and the Board, election of board members and auditors, and remuneration to the chairman of the Board, other board members, and auditors. The AGM also decides on guidelines for remuneration to senior executives and on how the nomination committee is to be appointed.

In addition, the shareholders at the AGM decide on any amendments to the company's Articles of Association, any new share issues, and the introduction of share-based incentive

schemes. The Articles of Association are the fundamental governing document for the company, which state, among other things, what activities the company conducts, the size of the share capital, the shareholders' right to participate in the AGM, and the agenda of the AGM. For a shareholder to have a matter addressed at the AGM, they must submit a written request to the Board in sufficient time for the matter to be included in the notice of the meeting. Information on the deadline for when such a request must be received by the Board is available on the company's website. Information prior to and minutes from the company's AGM can be found on the company's website: www.hms-networks.com.

The AGM must be held within six months of the end of the financial year. All shareholders in the shareholders' register on the record date (six banking days prior to the date of the AGM) and who have notified the company of their intention to participate are entitled to participate. Each share entitles shareholders to one vote. Notice of the AGM must be given no earlier than six weeks and no later than four weeks in advance by means of advertisements in newspapers Dagens Industri and Post- och Inrikes Tidningar as well as on the company's website.

In terms of shareholding in the company, Investment AB Latour and Staffan Dahlström (through own holdings) each represent more than one tenth of all shares in the company. More information on the exact number of votes can be found under the section on the nomination committee.

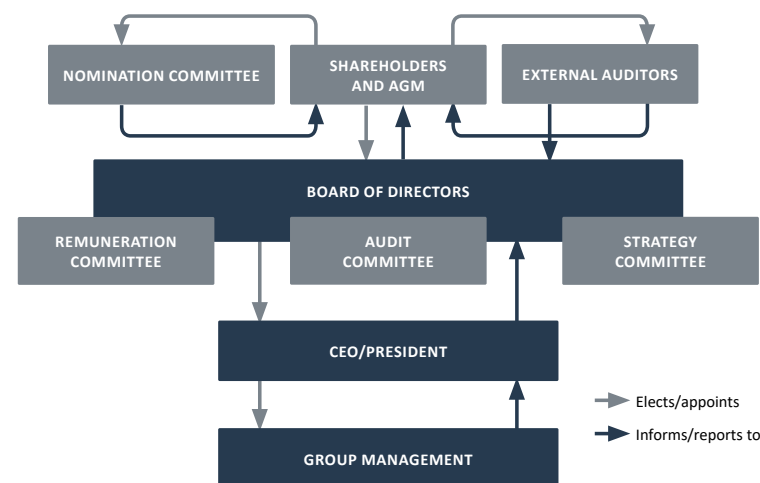
ANNUAL GENERAL MEETING 2025

The Annual General Meeting was held on April 24, 2025. Approximately 81 percent (78) of the number of shares and voting rights were represented at the meeting. The chairman of the Board, Charlotte Brogren, and the company's CEO, Staffan Dahlström, were present. At the AGM, the shareholders decided, among other things:

- no dividends would be paid for 2024 (for 2023: SEK 4.40 per share)
- that the Board shall consist of six members elected by the AGM with no deputies
- to re-elect Charlotte Brogren as chair of the Board and to re-elect Anders Mörck, Cecilia Wachtmeister, Niklas Edling, Anna Kleine, and Johan Stakeberg as board members.
- that remuneration to the Board would be SEK 2,575 thousand for the next term, of which

SEK 875 thousand shall be paid to the chair of the Board and SEK 340 thousand to each of the other AGM-elected board members

- that remuneration for work in the audit committee would be SEK 170 thousand to the chair and SEK 88 thousand to each of the other members
- to elect Öhrlings PricewaterhouseCoopers AB (PwC) as auditor with authorized public accountant Johan Palmgren as senior auditor
- guidelines for remuneration to senior executives
- to approve the Board's remuneration report
- on the authority of the Board to decide on a new share issue
- on a Share Savings Plan for permanent employees within the Group
- to buy shares in HMS Networks AB in connection with the established Share Savings Plan.



NOMINATION COMMITTEE

The Annual General Meeting appoints the members of the nomination committee and must adopt a set of instructions for them. The nomination committee is tasked with submitting proposals for the chair and other members of the Board, as well as for fees and other remuneration for Board assignments. The nomination committee also submits proposals for choosing and remunerating the auditor.

In accordance with the nomination committee instructions adopted by the AGM, the company must have a nomination committee consisting of at least five members, one of whom must be chair of the Board. Chair of the nomination committee must be the member appointed by the largest shareholder unless the nomination committee agrees otherwise. In this context, Staffan Dahlström's knowledge and experience have been considered so important for the work of the nomination committee and the continuity of the senior management of the company that this justifies representation on the nomination committee.

The composition of the nomination committee is published on the company's website no later than six months before the next AGM. The aim is to have an appropriate composition of the Board that is characterized by diversity and breadth in terms of, among other things, age, gender, education, background, and experience.

NOMINATION COMMITTEE FOR THE 2026 AGM

NAME/REPRESENTING	SHARE OF VOTES 08/31/2025
Johan Menckel, Investment AB Latour (publ)	26%
Staffan Dahlström, own holdings	12%
Sofie Larsén, AMF Fonder	8%
Patrik Jönsson, SEB Investment Management AB	7%
Charlotte Brogren, Chair of the Board	<1%

AUDITOR



Johan Palmgren Authorized Public Accountant

Senior auditor for HMS Networks AB since 2021.

Education: MSc in Business and Economics, authorized public accountant since 2004.

Assignment: Senior auditor for Bulten AB (publ), among others.

Born: 1974

EXTERNAL AUDITORS

The auditor is appointed by the AGM to review the company's annual report and consolidated financial statements as well as the administration of the Board and the CEO. The audit is conducted in accordance with International Standards on Auditing and generally accepted auditing practices in Sweden.

The auditor works on the basis of an established audit plan and reports their observations to the audit committee and to certain members of the group management team on a continuous basis during the year, and to the Board at least once annually. The auditor also participates in the AGM to present the audit report and describe the audit work and observations made.

The 2025 AGM elected Öhrlings PricewaterhouseCoopers AB (PwC) as the audit firm, with authorized public accountant Johan Palmgren as senior auditor until the date of the next AGM. In addition to the audit, PwC has provided advice on financial reporting. This advice is not considered to be subject to a conflict of interest.

The total remuneration to PwC in 2025 amounted to SEK 2,819 thousand (2,427).

Further information on remuneration to the auditors can be found in Note 8.

RESPONSIBILITIES OF THE BOARD

The Board is responsible for the company's organization and manages the company's affairs on behalf of the owners. The Board continuously assesses the company's financial situation and ensures that the company is organized in such a way that the accounting, asset management, and the company's financial matters in general are taken care of in a satisfactory manner. The Board adopts policies and instructions for how this is to be done and adopts rules of procedure for the Board and instructions for the CEO. The central governing documents indicate how responsibilities and authority are distributed between the Board as a whole, committees, and between the chairman of the Board and the CEO. The Board appoints the CEO. The chair is responsible for evaluating the work of the Board and provides the nomination committee with the results of this evaluation.

BASIS FOR BOARD WORK

The fundamental issues concerning the division of competence between the Board, its committees, the chair, and the CEO are expressed in the Board's rules of procedure and instructions

for the CEO. The rules of procedure govern, among other things, how often the Board convenes and the items to be addressed at each meeting. The rules of procedure also indicate the division of responsibilities between the Board, its chair, and the CEO.

The Board is tasked with adopting strategies, business plans, budgets, interim reports, year-end reports, and annual reports. The Board of Directors also has the task of appointing and dismissing the CEO and deciding on significant changes in HMS' organization and operations. The rules of procedure state the monetary limits that apply when the Board is to decide on investments, acquisitions, transfers of company ownership, loans, etc.

EVALUATION OF THE WORK OF THE BOARD

Evaluation of the Board's work and performance takes place on an ongoing basis through a systematic and structured process. It covers both the work done by the Board as a whole and the contributions of its individual members. The purpose is to ensure that HMS has a well-composed Board in terms of competence and commitment, and to ensure that sustainability work is included in the work. Each year, the work done by the Board is evaluated by having every board member answer a number

ATTENDANCE AND REMUNERATION OF THE BOARD

	Attendance at board meetings	Remuneration 2025 ¹
Charlotte Brogren	100%	963,000
Niklas Edling	100%	340,000
Cecilia Wachtmeister	100%	340,000
Anders Mörrck	90%	510,000
Anna Kleine	100%	340,000
Johan Stakeberg	90%	340,000
Mikael Mårtensson	100%	
Richard Gonsalves	80%	

¹ Refers to the period from the 2024 AGM to the 2025 AGM.

of questions that the chair compiles and presents to the Board. The evaluation includes an assessment of how the Board has managed the sustainability impact. The evaluation, which is shared with the nomination committee, among others, is important for ensuring that the work done by the Board is effective.

BOARD COMPOSITION¹

The Board consists of six members elected by the AGM and two employee representatives. The AGM-elected board members have extensive professional experience from the business world, and all AGM-elected board members are or have been CEOs and/or senior executives at large companies, with most of them holding other positions as board members of large companies. Some of the company's board members have served on the company's Board for a long time and are well acquainted with the company's operations.

The Board possesses a sustainability-related awareness that is in line with the material topics identified in our double materiality analysis (DMA). Among the board members, one member has specific responsibility for sustainability monitoring in another company, which further strengthens the Board's practical and strategic understanding of sustainability governance. This cross-functional experience provides valuable perspectives when reviewing the company's sustainability strategy, risks, and goal processes.

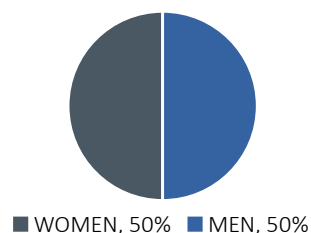
The Swedish Corporate Governance Code stipulates that the majority of the AGM-elected board members must be independent in relation to the company and the group management team and that at least two of the independent members must also be independent in relation to shareholders who control 10 percent or more of the shares or voting rights in the company. In an overall assessment of each board member's relationship to the company, the group management team, and major

shareholders, the nomination committee has found that all members are independent in relation to the company and its management. All board members (100 percent) have been assessed as being independent in relation to the company's major shareholders. The unique expertise of individual members and thereby also the cumulative expertise of the Board, along with information on remuneration and attendance at board meetings, is provided in the section on the Board in this Corporate Governance Report and in Note 10.

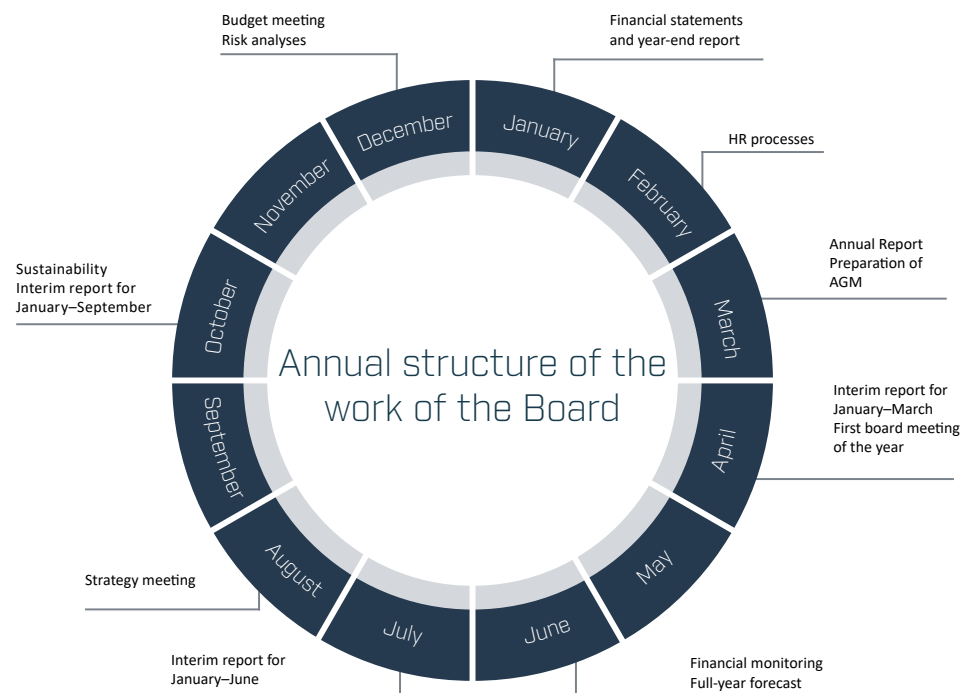
DIVERSITY POLICY²

HMS Networks, through the nomination committee, applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy when preparing proposals for the election of board members. The rule means that the Board must have an appropriate composition, considering the company's operations, stage of development, and other circumstances, characterized by diversity and breadth in terms of the competence, experience, and background of the board members elected by the AGM. Gender balance must be sought. The aim of the diversity policy is to ensure sufficient diversity on the Board in terms of gender, age, and nationality as well as experience, professional background, and business areas. The gender distribution on the Board for members elected by the AGM is 50 percent women and 50 percent men. Including employee representatives, the gender distribution on the board is 38 percent women and 62 percent men. The

GENDER DISTRIBUTION FOR THE AGM-ELECTED BOARD MEMBERS



THE WORK OF THE BOARD FOLLOWS A STRUCTURE WITH STANDING AND RECURRING ITEMS, MAINLY ACCORDING TO THE FOLLOWING PLAN:



nomination committee has concluded that the Board of HMS Networks has an appropriate composition in this respect.

CHAIR OF THE BOARD

The Board's rules of procedure state, among other things, that the chair must ensure that the Board's work is conducted efficiently and that the Board fulfils its obligations. This includes organizing and directing the work of the Board and creating the best possible conditions for its work. The chair must also ensure that the board members continuously update and improve their knowledge of the company and that new members receive the requisite introduction and training. The chair must be available as an advisor and discussion partner

to the CEO. The chair must also, together with the Board, evaluate the work done by the CEO and address this within the Board annually. In addition, it is the responsibility of the chair to ensure that the work of the Board is evaluated annually and to provide a report on this evaluation to the nomination committee.

At the AGM, Charlotte Brogren was elected chair of the Board. The chair of the Board is not involved in the operational management of the company.

THE WORK OF THE BOARD DURING THE YEAR

Since the AGM on April 24, 2025, the Board has held 10 minuted meetings up to the date on which this annual report was adopted and

REMUNERATION TO GROUP MANAGEMENT 2025, SEK 000S

	BASIC SALARY	VARIABLE REMUNERATION	PENSION EXPENSES	SHARE-BASED PAYMENT	TOTAL
CEO	5,567	3,114	1,630	312	10,623
Group management, other (5 individuals)	13,549	6,372	2,716	704	23,341
Total	19,116	9,486	4,346	1,016	33,964

expects to hold one more meeting before the AGM on April 23, 2026. The CEO and CFO of HMS Networks AB participate in the board meetings as a rapporteur and secretary, respectively. At its meetings, the Board dealt with the standing items that, in accordance with the Board's rules of procedure, were presented at each board meeting. This includes discussion of the business situation, budget, interim reports, and annual financial statements. The work was otherwise focused on further developing the previously established market and acquisition strategies and reviewing the sustainability work. A particular focus in 2025 has been on the work of setting a new strategy for 2030. In addition to the planned meetings, the Board's work consists of regular follow-up on financial matters, strategic product development, recommendations regarding remuneration levels, acquisition issues, and issues relating to accounting and auditing.

REMUNERATION COMMITTEE³

The Board establishes a remuneration committee from among its members to

continuously evaluate the remuneration and terms of employment of senior executives in the light of current market conditions for executives holding similar positions in other companies. The committee also prepares matters that the Board will decide on regarding principles for remuneration and other employment terms for senior executives. In addition, ongoing and concluded programs for variable remuneration to senior executives are evaluated. These must be linked to predetermined and measurable criteria that are designed to promote long-term value creation.

The remuneration committee consists of the chair of the Board (Charlotte Brogren) and one other board member (Cecilia Wachtmeister). Cecilia Wachtmeister was appointed chair of the remuneration committee. Attendance has been 100 percent at all meetings.

AUDIT COMMITTEE

The audit committee monitors the financial reporting by examining critical accounting issues and other conditions that may affect the reliability of the financial reporting. The

effectiveness of internal control and risk management systems is evaluated. The committee also monitors sustainability reporting and its process and reviews the impartiality and independence of the external auditors. The audit work is evaluated, and a position is taken on services from the company's auditor that do not relate to auditing. The audit committee also assists the nomination committee in the preparation of proposals regarding the election of an auditor. The committee is in regular contact with the external auditors, who report to the committee on important findings from the statutory audit. In particular, any deficiencies in the internal control regarding the financial reporting.

The audit committee consists of two board members appointed by the Board (Anders Mörrck and Charlotte Brogren). Anders Mörrck was appointed chair of the audit committee. Attendance has been 100 percent at all meetings.

STRATEGY COMMITTEE

The strategy committee assists the Board by preparing issues related to HMS' long-term strategy and following up on the implementation of activities related to the strategy. The committee also evaluates various strategic choices for acquisitions as well as various acquisition opportunities.

The strategy committee consists of three board members (Johan Stakeberg, Niklas Edling, and Anna Kleine). Niklas Edling was appointed chair of the strategy committee. Attendance has been 100 percent at all meetings.

CEO AND GROUP MANAGEMENT⁴

The group management team is led by the CEO and consists of an additional five members: Chief Financial Officer, Chief Operating Officer, Chief Human Resource Officer, Senior Vice President Industrial Network Technology, and Senior Vice President Industrial Data Solutions. One in six members of management are

women, resulting in a gender distribution in management roles of 17 percent women and 83 percent men. For more information about the group management team, please refer to the section on Group Management in this Corporate Governance Report and to Note 10.

The group management team has overall operational responsibility in accordance with the strategy and long-term objectives established by the Board. They meet between 10 and 15 times a year and deal with issues of a strategic nature of importance to the Group. The meetings are chaired by the CEO, who makes decisions after consultation with the other members.

The CEO is responsible for the company's business development and leads and coordinates the day-to-day operations in accordance with the instructions adopted by the Board. The CEO also monitors compliance with objectives, policies, and strategic plans and, if necessary, updates them. The CEO appoints the other members of the group management team. In addition, the CEO is responsible for ensuring that the Board receives information and the necessary documentation for decisions. This is sent to all members seven days before board meetings, at which the CEO serves as rapporteur. The CEO keeps the Board and the chair of the Board continuously informed of the company's and the Group's financial position and development.



Charlotte Brogren and Staffan Dahlström.

¹⁾ This section forms part of the company's sustainability report prepared in accordance with the ESRS and relates to the disclosure requirement ESRS 2 GOV-1, paragraph 21 (b), (c), paragraph 23 (a), and paragraph 23 AR5.

²⁾ This section forms part of the company's sustainability report prepared in accordance with the ESRS and relates to the disclosure requirement ESRS 2 GOV-1, paragraph 21 (d).

³⁾ This note forms part of the company's sustainability report prepared in accordance with the ESRS and relates to the disclosure requirement ESRS 2 GOV-3, paragraph 29 (e).

⁴⁾ This section forms part of the company's sustainability report prepared in accordance with the ESRS and relates to the disclosure requirement ESRS 2 GOV-1, paragraph 21 (d) and paragraph 22 (d).

Board's Internal Control Report

The internal control consists of processes and methods to limit the risk of material errors in financial reporting and to provide reasonable assurance of the reliability and accuracy of the financial reporting. The internal control is maintained by the Board, management, and employees. The work with internal control adds value by clarifying roles and responsibilities, improving the efficiency of processes, increasing risk awareness, improving decision-making data, and increasing the reliability of financial reporting and monitoring.

DESCRIPTION

At HMS, the internal control of financial reporting is an integral part of corporate governance. This involves processes and methods to protect the Group's assets and the accuracy of its financial reporting and aims to protect the owners' investment in the company. To organize and further improve this work, HMS uses the COSO framework, which provides a structured basis for evaluation and monitoring of internal control of financial reporting.

CONTROL ENVIRONMENT

The foundation for internal control is the overall control environment defined by the Board and the management team. This is built on an organization with clear decision-making paths where authority and responsibility are defined with clear instructions, as well as a corporate culture with common values and individual awareness of each person's role in maintaining good internal control.

The Group strives to ensure that its values permeate the organization. Great emphasis is placed on ensuring that the core values guide all behavior, both internally and externally. HMS has also established a Code of Conduct that describes the desired approach in different

situations. A global program is already in place to raise awareness of information security for employees. The goal of the program is to better understand information security-related risks in terms of operational, reputational, and financial consequences.

The Board has overall responsibility for internal control of financial reporting. The Board has adopted written rules of procedure that clarify the Board's responsibilities and govern the division of work between its committees. The Board has also appointed an audit committee, whose primary task is to ensure financial reporting and internal control and to maintain appropriate relationships with the company's auditor. The Board has also prepared instructions for the CEO and instructions for financial reporting to the Board. Responsibility for maintaining an effective control environment and the ongoing work on internal control is delegated to the CEO, who in turn delegates function-specific responsibility to managers at various levels in the Group. A minimum requirement is for the control

activities to address the key risks identified within the Group.

Responsibility and authority are defined in instructions for authorizations as well as manuals, policies, and procedures. Examples include the HMS manual for accounting and reporting, the finance and credit policy, the information policy, the IT security policy, and HR policies. The guidelines, together with applicable laws and other external regulations, constitute the control environment. All employees must follow the guidelines.

RISK ASSESSMENT

Risk assessments are continuously carried out within the Group to identify and assess significant risks. HMS' risk management consists of identifying, measuring, and taking active positions on identified risks, with the aim of accepting, minimizing, or eliminating a potential risk based on an adopted strategy. The Group's risk management program encompasses all parts of the business with the aim of working in a structured way to prevent various risks and

support continuous improvements. Feedback with a review of significant risks is provided to the Board of Directors annually.

The risk assessment includes identifying and evaluating the risk of material errors in accounting and reporting, as well as the risk of irregularities and fraud. When assessing risks that affect the internal control of financial reporting, an evaluation is made based on likelihood and impact. Risk management is built into every process, and methods are used to evaluate and limit risks and to ensure that the risks to which HMS is exposed are managed in accordance with established policies, instructions, and follow-up procedures. The overall financial risks are identified as liquidity and financing risk, currency risk, and interest rate risk. These are primarily managed by the finance function in accordance with the Group's finance policy. For more detailed information, see Note 21.

Through risk analyses that have been carried out based on the Group's balance sheet and income statement, HMS also identifies the key risks that could pose a threat to the company



achieving its business objectives and financial targets. The risk assessment includes identifying risks that may arise if the basic requirements for financial reporting (completeness, accuracy, valuation, and presentation) in the Group are not satisfied. Regarding internal control, the focus is on risks in the financial reporting relating to significant income statement and balance sheet items, which are relatively higher due to the complexity of the process or where there is a risk that the effects of any errors will be large, as the transaction amounts are significant.

CONTROL ACTIVITIES

Control activities must prevent, detect, and remedy deficiencies. There are controls at all levels of the company and within all functions. The control activities include both general and detailed controls and can be both automatic and/or manual.

The central Group function is responsible for the consolidated financial statements and for financial and administrative control systems.

The function's responsibilities also include ensuring that instructions of significance to financial reporting are made known and available to the relevant personnel. The Group function conducts regular reconciliations and controls of reported amounts and analyzes, among other things, income statements and balance sheets, cash flows and working capital. The function analyzes and follows up on any budget deviations, prepares forecasts, monitors significant fluctuations over defined periods, and reports findings to the rest of the company, which minimizes the risk of errors in the financial reporting. In addition, the function carries out control activities at all levels of the company.

A high level of IT security is a prerequisite for good internal control of financial reporting. Rules and guidelines are therefore in place to ensure the availability, accuracy, confidentiality, and traceability of the information in the business system. Access to business systems is limited according to permissions,

responsibilities, and roles based on segregation of duties, in order to prevent unintentional/intentional entries.

A Group-wide internal control program for significant processes at subsidiary and Group level has been implemented. The internal control program covers significant processes and aims to ensure that appropriate controls are designed and implemented to prevent errors in the financial reporting based on the risks that exist in the processes. The Group's reporting units regularly perform self-assessments on the effectiveness of the internal control of financial reporting. These assessments are reported back to the Group function, which judges the effectiveness and reviews the assessments with the units in addition to conducting a dialogue on how, if applicable, the internal control environment can be improved. If there are any critical deficiencies in the self-assessments, careful follow-up takes place to ensure that the deficiencies have not impacted the financial reporting. The results are compiled and reported annually to the audit committee for discussions on any measures to be taken and continuous monitoring.

In 2023, HMS established a special audit function (internal audit) that is integrated into the Group function. The function reports to the Group's CFO on an ongoing basis and annually to the audit committee. The focus and scope of the internal audit work is determined by the audit committee. The purpose of internal audit is to ensure that the Group's objectives are achieved through appropriate and efficient processes and that financial reporting has been prepared in accordance with applicable laws and regulations.

INFORMATION AND COMMUNICATION

HMS has internal information and communication channels that aim to promote completeness and accuracy in financial reporting, for example through governing documents in the form of internal guidelines, directives, and policies. Regular updates and announcements of changes in accounting policies, changes to reporting requirements, or other disclosure of information are made available and known to the employees concerned. Through the Group's intranet, the organization has access to all central governing documents for internal control and governance.

HMS has a whistleblower system through WhistleB to ensure that employees and external parties can anonymously report problems and/or irregularities within the business. Employees are continuously reminded about the whistleblower system and its availability.

The Group's accounting policies and any changes are always communicated by direct mail to all relevant persons in the organization. All subsidiaries submit a monthly report on their financial status and development.

The Board has adopted an information policy that specifies what is to be communicated, by whom, and in what way the information is to be disclosed in order to ensure that the external information is correct and complete. In addition, there are instructions on how financial information is to be communicated between management and other employees. A prerequisite for the correct disclosure of information is also good information security procedures. HMS' procedures and systems for disclosing information aim to provide the market with relevant, reliable, accurate, and up-to-date information about the Group's development and financial position.



Financial information is published in the form of:

- Interim reports and year-end reports, which are published as press releases
- Annual Report
- Press releases about important news and events that could have a significant impact on the share price
- Presentations and teleconferences for financial analysts, investors, and the media on the same day as the year-end and interim reports are published and in connection with the publication of other important information
- Meetings with financial analysts and investors.

All reports, presentations, and press releases are published simultaneously on the Group’s website: www.hms-networks.com.

FOLLOW-UP

Follow-up and testing of control activities is carried out continuously to ensure that risks have been considered and dealt with satisfactorily. The follow-up includes both formal and informal procedures used by managers and process owners as well as controllers. Ineffective controls are corrected, meaning that measures are taken and implemented to correct the deficiencies.

The Board reviews all of the Group’s interim reports, year-end reports, and annual reports before they are published. The Board receives monthly financial reports on the Group’s financial position and earnings trend, and the Group’s financial situation is discussed at each board meeting. The central Group function and management analyze the financial reporting in detail on a monthly basis.

Other significant Group-wide parts of the internal control are budgets and forecasts. Sales are budgeted at product level, by those responsible within the sales organization, and consolidated and validated in connection with the preparation of the complete budget for the

business. This is done during the fourth quarter of the year and forms the basis for the Board’s approval. In addition to the budget, a forecast is also prepared in May–June. In addition to budgets and forecasts, the group management team works with overall strategic plans.

The audit committee follows up on the financial report and receives reports from the company’s auditor with observations and recommendations. The effectiveness of internal control activities is monitored regularly at various levels within the Group by means of clear requirements, debriefing, and follow-up. Reports are submitted to the Board via the audit committee.

It is the opinion of the Board that the company complies with the Swedish Corporate Governance Code, except with respect to the composition of members of the nomination committee. Justification for this can be found in this Corporate Governance Report.

Halmstad, March 24, 2026

Charlotte Brogren Chair of the Board	Johan Stakeberg Board member
Niklas Edling Board member	Anders Mörck Board member
Anna Kleine Board member	Cecilia Wachtmeister Board member
Mikael Mårtensson Employee representative	Richard Gonsalves Employee representative

Auditor’s Statement on the Corporate Governance Report

To the Annual General Meeting of HMS Networks AB, corp. ID no. 556661-8954

ASSIGNMENT AND DIVISION OF RESPONSIBILITIES

The Board of Directors is responsible for the 2025 Corporate Governance Report on pages 34–40 and for it being prepared in accordance with the Swedish Annual Accounts Act.

FOCUS AND SCOPE OF THE REVIEW

Our review has been conducted in accordance with FAR’s recommendation RevR 16 Auditor’s Review of the Corporate Governance Report. This means that our review of the Corporate Governance Report has a different focus and a significantly smaller scope compared to the focus and scope of an audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that this review provides us with a sufficient basis for our conclusions.

CONCLUSION

A corporate governance report has been prepared. Chapter 6, Section 6, second paragraph, points 2–6 of the Swedish Annual Accounts Act and Chapter 7, Section 31, second paragraph of the same Act are consistent with the annual report and consolidated financial statements, and are also in accordance with the Swedish Annual Accounts Act.

Gothenburg, March 24, 2026
Öhrlings PricewaterhouseCoopers AB

Johan Palmgren
Authorized Public Accountant



Board of Directors



CHARLOTTE BROGREN



ANDERS MÖRCK



CECILIA WACHTMEISTER



NIKLAS EDLING

Board position	Chair of the Board	Board member	Board member	Board member
Special expertise to contribute to HMS	Extensive experience in automation and development.	Leadership, corporate affairs, values, stock market experience, and financial management.	Several years of sales experience in complex system sales in the telecommunications industry.	Business development, strategy development, company acquisitions and purchasing, production and logistics issues.
Current employment	CTO and Sustainability Manager at Alimak Group AB (publ).	Board member and business advisor.	CEO of IAR Systems AB.	CEO at Nodica Group AB.
Education	PhD in Chemical Engineering from Lund University, Executive Programme in Resilience Thinking from Stockholm University, and doctoral studies in environmental engineering.	MSc in Business and Economics from Växjö University.	MSc in Industrial Engineering from the Institute of Technology at Linköping University.	MSc in Mechanical Engineering from the Royal Institute of Technology (KTH), and Master of Business Administration from Stockholm School of Economics.
Sustainability expertise	Doctorate in Environmental Engineering, ESRS Manager within the Alimak Group.	Sustainability principles, including resilience thinking, stakeholder dialogue, sustainability reporting, financial governance, risk management, and supplier due diligence.	Sustainability principles, including strategic sustainability leadership, governance structures, risk management, and accountability to stakeholders.	Sustainability principles, including strategic focus and objectives, implementation of sustainability goals, risk management, organizational culture, diversity and inclusion, and employee engagement.
Year elected	2010	2016	2018	2020
Born	1963	1963	1966	1963
Resident of	Stockholm	Gothenburg	Stockholm	Stockholm
Other posts	Chair of the Board of Avassa AB. Board member of OrganoClick AB (publ).	Chair of the Board of Troax Group AB (publ).	Board member of Smarteye AB (publ).	Board member of Cavotec SA.
Dependence	Independent in relation to the company and its principal shareholders.	Independent in relation to the company and its principal shareholders.	Independent in relation to the company and its principal shareholders.	Independent in relation to the company and its principal shareholders.
Previous experience	Development Manager for ABB Robotics and executive positions within ABB's research organization, and Director General of Vinnova.	Many years of experience in senior positions in listed companies, including CFO at Investment AB Latour and Bure Equity AB. Many years of experience in board work in industrial companies.	Many years of experience in senior positions within Ericsson AB.	Sr VP Corporate Development and Executive Vice President at Mycronic AB (publ), VP Supply Chain & Manufacturing at Laerdal Medical, and VP Operations at Hudson RCI.
Shareholding ¹ (own and related parties)	6,250	4,000	3,800	8,000



ANNA KLEINE



JOHAN STAKEBERG



MIKAEL MÅRTENSSON



RICHARD GONSALVES

Board position	Board member	Board member	Employee representative	Employee representative
Special expertise to contribute to HMS	Extensive experience in IT and digital transformation.	Internationalization and upscaling of software-as-a-service (SaaS) companies with a focus on sales.	Employee of HMS.	Employee of HMS.
Current employment	CEO and Regional Director of Fellowmind Sweden AB.	CEO of own consulting and investment company (Capitola Management AB)	Global Technical Services Systems Manager at HMS.	Data Engineering, Global IT HMS.
Education	BSc in Information Technology.	Cloud computing, Stanford University BSc, Business Administration and Economics, spec. industrial/international marketing. BSc Gothenburg School of Business, Economics and Law at the University of Gothenburg and UCert Electronics and Computer Technology.	BSc in Computer Systems Engineering.	MSc Microdata Analysis – Dalarna University, EMBA – The Gothenburg School of Business, Economics and Law, BA – University of Toronto.
Sustainability expertise	Experience in strategic leadership with a focus on sustainability principles, sustainability integration, and stakeholder dialogue.	Sustainability principles, including strategic go-to-market leadership, resilience thinking, and operational sales efficiency.		
Year elected	2022	2024	2019	2024
Born	1973	1968	1972	1990
Resident of	Limhamn	Stockholm	Halmstad	Laholm
Other posts	Chair of the Board of a number of Fellowmind companies, and board member of Länsförsäkringar Skåne and TechSverige AB.	Board member of Formpipe Software AB (publ) and Industri-Matematik AB. Board member of Arkion Solutions AB.	None.	None.
Dependence	Independent in relation to the company and its principal shareholders.	Independent in relation to the company and its principal shareholders.	Employee of HMS.	Employee of HMS.
Previous experience	Extensive experience of senior positions at HiQ, where Anna was also part of group management for eight years.	Head of Global Sales at Synchron AB and President of Synchron Inc. CEO of Oracle Sweden, Senior Sales Director at Oracle Australia, Sales Director at Oracle Sweden.	More than 20 years of experience in Industrial Automation/Communication as a product manager and developer at HMS.	Global Key Account Manager for ABB at HMS and Commercial Director for Nordics, Baltics, and ROW at HMS. Sales Manager APAC for Eleiko Group AB.
Shareholding ¹ (own and related parties)	435	625	22,595	0

¹ Refers to holdings as of December 31, 2025, including shares in Share Savings Plan.

Group Management



STAFFAN DAHLSTRÖM



JOAKIM NIDEBORN



RICHARD SKOG

Current position	Chief Executive Officer President	Chief Financial Officer, Deputy CEO	Chief Operating Officer
Education	Degree in Computer Systems Engineering from Halmstad University, Executive MBA from Lund University, School of Economics and Management, and Programme in Resilience Thinking from Stockholm University.	MSc in Industrial Economics from Lund Institute of Technology.	BSc Accounting and Finance from Lund University.
Sustainability expertise	Knowledge of Environmental, Social and Governance (sustainability) principles, including strategic leadership, resilience thinking, and stakeholder engagement.	Sustainability principles, including sustainability reporting, financial governance, and risk management.	Sustainability principles, including strategic sustainability thinking and reporting, sustainability and resilience in the supply chain, and operational efficiency.
Born	1967	1983	1969
Nationality	Sweden	Sweden	Sweden
Other posts	Board member of Mycronic AB (publ) and Clavister Holding AB (publ).	Board member of Axiell Group AB.	None.
Previous experience	Sales and Marketing Manager at HMS since 1998 and board member of HMS 1989–2008.	CFO at Beijer Electronics Group AB, Management and Strategy Consultant at Axholmen Consulting and Celerant Consulting.	Vice President Supply Chain at GPV Group, Supply Chain Director at Kitron Group, various management positions within PartnerTech, including Vice President Supply Chain and IT.
Shareholding ¹ (own and related parties)	6,106,656	2,831	1,432
Employed since	1989	2017	2023
Member of group management team since:	2007	2017	2023



MIRA JHAVERI WINTHER



ALEXANDER HESS



BARTEK S. CANDELL

Current position	Chief Human Resource Officer	Senior Vice President, Division IDS	Senior Vice President, Division INT
Education	Behavioral Science, Lund University.	BSc in Computer Engineering from Esslingen University of Applied Sciences, Germany and MBA from Steinbeis University in Berlin, Germany.	BSc in Innovation Engineering from Halmstad University. Latour Executive Program, University of Gothenburg.
Sustainability expertise	Sustainability principles, including organizational development and culture, diversity and inclusion, and employee engagement.	Sustainability principles, including implementation of sustainability strategy, performance monitoring, and division-specific risk management.	Sustainability principles, including implementation of sustainability strategy, performance monitoring, and division-specific risk management.
Born	1974	1981	1980
Nationality	Sweden	Germany	Sweden
Other posts	None.	None.	None.
Previous experience	Several senior HR positions at Alfa Laval, most recently as Vice President Human Resources. Previously also HR positions at companies including Assa Abloy and Sony Ericsson.	Senior Vice President Information Centric at HMS. Business Unit Director Safety at Leuze electronic GmbH & Co. KG, Marketing Manager and Senior Product Manager at Hengstler GmbH/ Danaher Corp., Team Manager and Software Engineer at SMART Electronic Development GmbH.	Senior Vice President Control Centric at HMS. General Manager Business Unit Anybus, General Manager Market Unit APAC and China, and Key Account Manager at HMS.
Shareholding ¹ (own and related parties)	554	3,783	4,629
Employed since	2023	2020	2011
Member of group management team since:	2023	2022	2023

¹ Refers to holdings as of December 31, 2025, including shares in Share Savings Plan.

SUSTAINABILITY STATEMENT

ESRS 2

GENERAL
DISCLOSURES

E1

ENVIRONMENT
CLIMATE CHANGE

E5

ENVIRONMENT
RESOURCE USE AND
CIRCULAR ECONOMY

S1

SOCIAL
OWN WORKFORCE

S2

SOCIAL
WORKERS IN THE
VALUE CHAIN

G1

GOVERNANCE
BUSINESS
CONDUCT

Sustainability is a central part of our business. We strive to reduce our environmental impact, promote social responsibility, and drive innovation for a more sustainable future. This report summarizes our sustainability work in 2024 and outlines our progress, challenges, and ambitions. We hope this report inspires dialogue and collaboration to create a better tomorrow together.

HMS Sustainability Statement

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General disclosures

We report how our sustainability work is governed and monitored, including management responsibilities, incentives and risk management. We also describe our strategy, business model and value chain, as well as how we take stakeholder perspectives into account, all in relation to our double materiality assessment (DMA).

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HMS PRODUCTION FACILITY AND HEADQUARTERS, HALMSTAD

BP-1 General basis for preparation of the sustainability statement

This sustainability report has been prepared in accordance with the Swedish Annual Accounts Act (ÅRL) and follows the European Sustainability Reporting Standards (ESRS), in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD). The report also includes full reporting in accordance with the EU Taxonomy, in line with applicable requirements.

The report is prepared on a consolidated basis, consistent with the scope of our financial reporting. It encompasses the parent company, HMS Networks AB (Reg. No. 556661 8954), as well as all subsidiaries and entities included in the consolidated financial statements, as specified in Note 35 "Interest in subsidiaries". (BP 1, 5 (b, i), (b, ii))

Our sustainability statement provides an overview of our practices, performance, and impacts across the entire value chain, including both upstream and downstream activities. Sustainability-related information also appears in other sections of the report, such as the description of HMS's business strategy and the section on corporate governance. All disclosures incorporated by reference are presented in BP-2 of this sustainability report.

BP-2 Disclosures in relation to specific circumstances

The time horizons applied in this reporting follow the same definitions as in the financial statements. The short term period corresponds to the financial year (one year), the medium term period covers the time from the end of the short term period up to five years, and the long term period is defined as exceeding five years.

Sustainability matters relevant to our business are outlined in SBM-3, with additional details provided under each respective topic.

In accordance with the ESRS 'quick-fix' Delegated Act from July 2025, we have temporarily omitted certain disclosure requirements. This includes parts of ESRS S1 – own workforce, non-employees in the undertaking's own workforce, collective bargaining agreements, and training and skills development, where complete information was not available for the reporting year. These topics have been identified as material and will be incorporated into future reporting cycles as data quality and internal processes continue to improve.

Additionally, in line with Annex C of the ESRS, we have applied phase-in provisions for selected disclosure requirements. This includes qualitative reporting on anticipated financial effects in accordance with ESRS E5-6.

Measure uncertainties may occur across the entire value chain. For certain metrics in our upstream and downstream value chain, calculations and estimates have been applied, primarily in cases where direct access to primary data was not available or where collecting such data was not considered proportionate to the materiality of the impact. The use of estimated values is limited to specific, defined metrics, which are presented in the table to the right. Methods, assumptions, and any uncertainties associated with these calculations are described in further detail in the relevant sections of the sustainability report.

Metric	Basis for preparation
Greenhouse gas emissions	HMS applies a combination of methods to report climate emissions, including industry averages and average emission factors. For further details, see section E1-6.
Resource inflows	Information on resource inflows is partly based on estimates, involving a broad categorization of material types. These include assumptions regarding average material content, based on available product information and typical material compositions. For further details, see section E5-4.

This report constitutes the company's first reporting in accordance with the Swedish Annual Accounts Act (ÅRL) and ESRS. Previous sustainability reporting has been prepared in accordance with the GRI Standards. To ensure transparency and continuity, material changes in reported data between reporting periods are disclosed. These changes include adjustments to previous climate calculations within Scope 1 and Scope 2, as well as the addition of emissions from refrigerants, which are reported under Scope 1. In addition, the scope 3 reporting has been expanded to include emissions from the acquired businesses Red Lion Controls Inc. and PEAK-System Technik GmbH. All corrections and extensions have been made using 2022 as the base year to ensure comparability over time and an accurate representation of the company's emissions. See section E1-6 for further details.

In addition to changes made in the company's climate reporting, a correction has been made in the taxonomy table regarding the figures reported for 2024. The adjustment was carried out following a renewed review of the underlying data used in the previous year's reporting. The revised figures are presented in the comparative tables on pages 91–93 and therefore replace previously published values.

Our operations are supported by established management systems for both environmental and quality performance. 75 percent of our manufacturing sites are certified by an independent third party, ensuring that environmental and quality

processes are implemented and maintained in accordance with recognized standards. 'Manufacturing sites' refers to operations where actual product production takes place, excluding smaller assembly facilities and sales offices.

The sustainability report is subject to a limited assurance performed by the Group's external auditor; see pages 118-119.

Unless otherwise stated, the sustainability information disclosed in this sustainability statement has not been subject to any additional external validation. Climate related targets disclosed in accordance with ESRS E1 and linked to the company's commitment under the Science Based Targets initiative (SBTi) have been validated by the SBTi.

LIST OF DISCLOSURES INCORPORATED BY REFERENCE

DISCLOSURE REQUIREMENT AND RELATED DATA POINT	WHERE IN / OUTSIDE THE REPORT
BP-1, point 5 (b, i), (b, ii))	Note 35 Interest in subsidiaries (page 171)
GOV 1, point 21 (b)	Corporate Governance Report, section on the composition of the Board of Directors (page 36).
GOV 1, point 21 (c)	Corporate Governance Report, section on the composition of the Board of Directors (page 36), Board of Directors and Group Management (pages 42–45).
GOV 1, point 21 (d)	Corporate Governance Report, section on the Diversity Policy (page 36), Chief Executive Officer and Group Management (page 37).
GOV-1, point 21 (e)	Corporate Governance Report, section Board of Directors and Group Management (pages 42–45).
GOV 1, point 22 (d)	Corporate Governance Report, section on Chief Executive Officer and Group Management (page 37), section on Risks and Risk Management (pages 129–132).
GOV 1, point 23 AR 5; GOV 1, point 23 (a), (b)	Corporate Governance Report, section on the composition of the Board of Directors (page 36), Board of Directors and Group Management (pages 42–45).
GOV 3, point 29 (e)	Corporate Governance Report, section on the Remuneration Committee (page 37), Note 9 Remuneration to employees, and Note 10 Remuneration to the Board of Directors and senior executives, etc. (pages 146–149).
GOV 5, point 36 (b), (c)	Section on Risks and Risk Management (pages 129–132).
SBM 1, point 40 (a, i)	Directors' Report, section on Operations (page 124), Note 4 Operating segments (page 142).
SBM 1, point 40 (a, ii)	Directors' Report, section on Operations (page 124).
E1, AR 39 (b)	Sources for emission factors include Defra, EPA, AIB, IEA, Exiobase, NTM. In addition, supplier specific emission factors are used where available and appropriate. Basis for calculating emissions in categories 2 and 15 of Scope 3 is disclosed in Note 18 Property, plant, and equipment (page 155) and Note 33 Interest in associates (page 170).

GOV-1 The role of administrative, management and supervisory bodies

Sustainability governance is integrated into our corporate structure and overseen by the Board of Directors, which holds ultimate responsibility for sustainability-related matters, including strategic direction, approval of sustainability targets, and oversight of impacts, risks, and opportunities (IROs). The Board's work is supported by the Audit Committee, which monitors regulatory compliance, internal controls, and the quality of sustainability reporting. The Committee ensures that processes for data collection, internal control, and risk management are adequate to meet regulatory requirements.

The Board consists of eight non-executive members whose sustainability-related expertise is strengthened through active dialogue within the Board, recurring information briefings, and training activities as needed.

Group Management is responsible for translating the Board's guidance into operational governance. This includes integrating material sustainability matters into business models, product development, procurement processes, material selection and customer solutions. Group Management has clearly defined areas of responsibility aligned with the applicable ESRS topics. Progress on targets, KPIs and risks is monitored through monthly management meetings and ongoing follow ups with group functions and divisions, where any deviations are addressed and actions decided.

The Global Sustainability Department leads the coordination, operational execution and monitoring of the sustainability agenda in close collaboration with key functions, including Finance, Supply, Legal and HR. The Sustainability department supports the functions in implementing governance principles, policies and guidelines, and is responsible for consolidating sustainability data, tracking progress against targets, and

coordinating cross functional initiatives in cooperation with relevant parts of the organization. As part of this work, a dedicated ESRS reporting reference team, coordinated by the Head of Sustainability and Quality, ensures established procedures for data quality, documentation and internal control.

HMS's governing bodies are further described in the Corporate Governance Report (pages 36-37, 42-45), which outlines responsibilities, competencies and composition. (GOV-1, 21 (b), (c), (d), (e)), (GOV-1, 22 (d)), (GOV-1, 23 AR 5), (GOV-1, 23 (a), (b))

The responsibilities and scope of sustainability related policies are presented in Appendix 1, pages 110-111.

The establishment of targets linked to material impacts, risks and opportunities is carried out by Group Management and the Board of Directors, with the Board serving as the final decision making body. Once the targets have been approved, they are systematically monitored using defined qualitative and quantitative indicators to ensure transparency and accountability.

HMS's double materiality assessment (DMA) forms the foundation of the company's sustainability governance. The Board and Group Management jointly decide on targets linked to material impacts, risks and opportunities. Once targets are established, progress is tracked through qualitative and quantitative indicators. Any deviations or significant events are escalated from functions to Group Management and, where necessary, to the Board to ensure transparency and accountability.

Sustainability related risks, including associated actions and alignment with the organization's risk tolerance, are reported through the risk and risk management process, pages 129-132. (GOV-1, 22 (d))



Resources at different levels of the organization are responsible for carrying out sustainability related control activities within their respective areas and for adhering to the company's policies and guidelines.



GOV-2 Information provided to, and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

Sustainability-related matters are subject to regular governance by the governing bodies to ensure strategic alignment, regulatory compliance, and continuous improvement. The Board of Directors is informed about sustainability matters annually and as needed. This includes updates on progress in the annual sustainability reporting, results from the double materiality assessment (DMA), performance related to IROs, and developments toward sustainability strategic objectives.

Group Management receives regular quarterly and bi-annual updates on sustainability performance indicators, regulatory developments, and progress in the implementation of sustainability initiatives. Additional briefings are provided when new risks or regulatory changes require immediate attention.

During the reporting period, both the Board and the Group Management actively considered the IROs and trade-offs identified as material through the DMA when monitoring strategic direction, investment decisions and risk management processes.

Examples of how IROs are integrated into strategy and risk management:

- **Strategic planning and business direction:** Material IROs identified through the DMA serve as key decision making inputs when updating the corporate strategy and shaping long term objectives. These insights include, for example, climate related emission reduction requirements, supply chain expectations, and evolving regulatory demands. The IROs are integrated into relevant policies, governing guidelines and action plans, and

progress is monitored through defined KPIs reported to management and the Board. IROs are also considered in investment processes, such as decisions related to product development or acquisitions. This ensures that risks and opportunities linked to climate impact, supplier stability, resource availability and future regulatory requirements are systematically incorporated into decision making.

- **Risk management:** Financial sustainability related risks identified in the DMA are integrated into HMS's risk management process, as described in the section on risks and risk management on pages 129–132. This ensures that sustainability related risks are managed with the same structure and level of rigour as other enterprise risks. IROs that do not meet the threshold for financial materiality are reported regularly to the Board of Directors in accordance with established reporting procedures.
- **Governance and reporting lines:** The oversight of these matters is embedded in our governance structure, where responsibilities and reporting lines are defined according to GOV-1.

At the end of 2024, Group Management conducted a review of the material IROs identified through the DMA. The assessment was formally approved by both the Board of Directors and Group Management. These IROs were evaluated for their strategic significance and integrated into strategy and risk management. The DMA served as an important basis for aligning sustainability priorities with business objectives.

During the first half of 2025, the DMA was updated and presented to Group Management as part of the mid-year review to ensure continued relevance and alignment. Our material IROs are disclosed under SBM-3 and reported under the respective ESRs topical standards. The oversight

and governance of these IROs are embedded in our management structure, with reporting lines and responsibilities described under GOV-1. This ensures that the relevant committees and oversight bodies remain informed and engaged throughout the reporting period.

GOV-3 Integration of sustainability-related performance in incentive schemes

To promote accountability, performance alignment, and transparency, HMS has implemented structured incentive schemes that complement fixed remuneration. These schemes are designed to motivate employees and leadership by linking part of their compensation to the achievement of strategic and operational goals, including sustainability-related targets where applicable.

SHORT-TERM INCENTIVES:

HMS offers annual incentive plans such as the Annual Incentive Plan and the Sales Incentive Plan. These are designed to reward employees for achieving short-term performance objectives within the fiscal year. Eligibility is based on predefined performance criteria set at the beginning of the year and applies to all employees who meet these targets.

LONG-TERM INCENTIVES:

Long-term incentives are structured to support long-term company performance and strategic goals. These incentives aim to align the interests of key employees with the sustained success and growth of HMS. Eligibility is generally limited to employees in key positions who have a significant impact on the company's long-term strategy.

SHARE SAVING PROGRAM:

The Share Saving Program is a four-year program available to all employees. It enables employees to invest in company shares, fostering a sense of ownership and long-term commitment. This program supports a culture of shared success and collective growth, reinforcing the link between individual contributions and company-wide sustainability outcomes.

Performance at HMS is assessed against specific sustainability-related targets, which are integrated into the incentive programs to ensure alignment with the company's sustainability objectives. For the 2025 incentive program, the following sustainability related targets are included:

- Submission and validation of climate targets in accordance with the SBTi, aligned with the Paris Agreement.
- Absolute reduction of greenhouse gas emissions in scope 1 and 2, in line with SBTi targets.
- Increased employee engagement (Engagement Index or eNPS).
- Increased customer satisfaction (cNPS).

Sustainability-related performance metrics are explicitly reflected in the remuneration policies. For Group Management, 10 percent of variable compensation is directly linked to the achievement of these sustainability targets. This ensures that management is incentivized to drive progress on environmental and social objectives. The targets to be included, as well as the relevant performance metrics and payout criteria, are determined and approved annually by the Board of Directors.

Governance is further described in the Corporate Governance Statement (page 37), which includes information on remuneration committee, remuneration and the process. Our guidelines for remuneration can be found in the financial statement, note 9 and 10 (pages 146-149). (GOV-3, 29(e))

GOV-4 Statement on due diligence

The table below shows how HMS meets the requirements of GOV-4 by linking each part of our due diligence process to the relevant sections of the sustainability report. It provides an overview of how we integrate due diligence into governance and strategy, engage with stakeholders, identify and address negative impacts, and monitor and communicate the outcomes of our actions in accordance with the ESRS requirements.

CORE ELEMENTS IN THE SUSTAINABILITY STATEMENT	DISCLOSURES IN THE SUSTAINABILITY STATEMENT
a) Embedding due diligence in governance, strategy and business model	GOV-1, GOV-2, GOV-3, SBM-3
b) Engaging with affected stakeholders in all key steps of sustainability due diligence	GOV-2, SBM-2, IRO-1, Appendix 1
c) Identifying and assessing adverse impacts	IRO-1, SBM-3
d) Taking actions to address those adverse impacts	SBM-3, E1-3, E5-2, S1-4, S2-4, G1-3
e) Tracking effectiveness of these efforts and communicating	E1-4, E5-3, S1-5, S2-5, G1-4

GOV-5 Risk management and internal controls over sustainability reporting

To ensure reliable and transparent sustainability reporting, HMS has established a robust control framework designed to minimize risks of inaccuracies, such as human mistakes or inconsistent routines. The framework includes the following key components:

- Accuracy, completeness, and regulatory compliance:** Built on well-structured processes, clear guidelines, and continuous competence development for employees. The aim is to ensure that sustainability data and external disclosures are accurate, consistent and compliant with applicable regulations. Training initiatives have been carried out for reporters, and guidance documents have been developed for climate data, which is considered a high-risk area for inaccuracies. This elevated risk stems both from the large volume of data involved in climate reporting and from previously identified discrepancies and inaccuracies.
- Centralized system tools:** Defines and standardizes methods across the Group to improve data quality, transparency and comparability. This includes the use of a global HR system containing information on the workforce, a whistleblowing system for reported cases, and a sustainability reporting platform to ensure consistent data collection and disclosures in line with regulations. The platform also includes supplier monitoring solution for systematic oversight of performance and compliance with environmental and social standards, as well as climate reporting systems enabling comprehensive calcula-

tions for greenhouse gas emissions.

- Integrated controls in certified processes:** Control mechanisms are embedded within ISO 14001 and ISO 9001 certified management systems.
- Internal and external verification:** The Global Sustainability Team performs internal reviews, including quarterly validations of climate data, where at least one additional reviewer verifies the reported figures. External assurance is applied to greenhouse gas emissions linked to the company's SBTi targets.

Sustainability related risks are assessed annually as part of HMS's risk and risk management process, which is described in more detail in the section on risks and risk management on pages 129–132. (GOV-5, 36 (b), (c))

The risk assessment considers financial materiality and evaluates how risks may affect the company's financial performance, operations, and strategic objectives. Results from the DMA are mapped against the risk and risk management process, ensuring that sustainability risks with financial materiality are systematically identified, assessed, and managed within the existing risk-management framework.

Risk insights are shared systematically across key functions, including Sustainability, Finance, HR, and Operations through established workflows and cross-functional collaboration. The results from the annual risk assessments are used to continuously improve reporting procedures, strengthen control structures and inform strategic decision-making.

SBM-1 Strategy, business model and value chain

BUSINESS MODEL

HMS has a global workforce of 1,134 employees across more than 20 countries, including 726 in Europe, 290 in North and South America, 113 in Asia and 5 in Oceania.

We provide innovative products and services that enable industrial equipment to communicate and share data with software and systems, supporting smarter and more sustainable industrial operations.

Our operations are organized into three main divisions: Industrial Data Solutions (IDS), Industrial Networking Technology (INT) and New Industries (NI).

In 2025, IDS accounted for 46 percent of HMS's total net sales, INT for 30 percent and NI for 24 percent.

HMS does not generate revenue from activities related to fossil fuels (exploration, mining, extraction, production, processing, storage, refining or distribution), chemicals production, controversial weapons or the cultivation and production of tobacco.

Read more about our divisions and business model in the Directors' Report, section 'Operations' (page 124), as well as in Note 4 'Operating segments' (page 142). (SBM 1, 40 (a, i), (a, ii), 40 (b))

STRATEGY

Our company's strategy is centered on delivering innovative and sustainable solutions with a focus on long-term value creation for stakeholders. Our sustainability effort is based on internationally recognized principles, such as the 17 UN Sustainable Development Goals, the Ten Principles of the UN Global Compact, and the UN Guiding Principles on Business and Human Rights. These principles and frameworks are clearly reflected in our policy commitments, frameworks, and Group-wide goals.

The sustainability agenda is based on the results from our double materiality assessment and considers the impact our operations have on the value chain, both positive and negative. Our group-wide sustainability goals are focused on minimizing negative environmental and social impacts, while promoting employee well-being, inclusion, and equity across all divisions. HMS 2030 strategy framework is built on three pillars, Planet, People and Growth.

- **Planet:** Our roadmap incorporates HMS's science-based climate targets, approved by the SBTi in 2025, along with our ambition to rank within the top 5 percent on EcoVadis, which evaluates performance across environment, labor and human rights, ethics, and responsible procurement.
- **People:** Focuses on fostering a safe, inclusive, and engaging workplace that promotes diversity, well-being, and continuous development. A key objective is to increase the share of female managers to at least 30 percent and to achieve an employee engagement index above 80.
- **Growth:** Emphasizes sustainable growth through innovation, responsible business practice, and long-term value creation for stakeholders. A key objective is to achieve a customer Net Promoter Score (NPS) above 50.

Our sustainability targets and key performance indicators are presented in detail in the thematic ESRS sections. Information on strategy and markets is presented in the Directors' Report, section 'Operations' (page 124), as well as in Note 4 'Operating segments' (page 142). (SBM 1, 40 (a, i), 40 (a, ii))

To ensure relevance and effectiveness, we have considered geographical differences, customer categories, and stakeholder perspectives

in relation to our three strategic goals. This means analyzing how the goals impact different markets and customer segments, as well as how they align with the expectations of key stakeholders, including customers, suppliers, employees, and investors.

To achieve our climate objective, several key activities must be undertaken, including integrating sustainable design principles into new products and transitioning our own operations to renewable energy. These efforts, combined with collaboration across the value chain, are critical for enabling long-term decarbonization.

As the energy consumed by customers when using our products accounts for over 70 percent of our total value chain carbon footprint, continually improving the energy performance of our portfolio is central to our transition efforts. However, reaching net zero emissions across the value chain also requires that both customers and suppliers shift to electricity generated from fossil-free sources to power our products, an essential change that lies largely beyond our direct control.

To achieve the goal of ranking among the top five percent according to EcoVadis, strong data collection processes and transparent reporting are essential across the global organization. This requires systematic monitoring of sustainability performance, consistent documentation, and reliable disclosure practices. A key enabler of this objective is the Responsible Sourcing framework, implemented in 2025, which ensures compliance throughout the supply chain and embeds environmental, social, and ethical standards into all procurement processes.

Another strategic area of transformation is the adoption of circular design principles, which will be central to meeting our environmental objectives. By integrating circularity into product development, we reduce resource consumption,

extend life cycles, and promote reuse and recycling. Read more about resource use and circularity in the sections to E5.

To achieve our ambition in the People area, several key actions must be undertaken, including promoting a strong corporate culture grounded in our Heart, Mind & Soul values, building robust leadership capabilities, and ensuring a safe and inclusive work environment. These efforts, combined with transparent processes and continuous development opportunities, are critical for enabling long-term employee engagement and organizational growth.

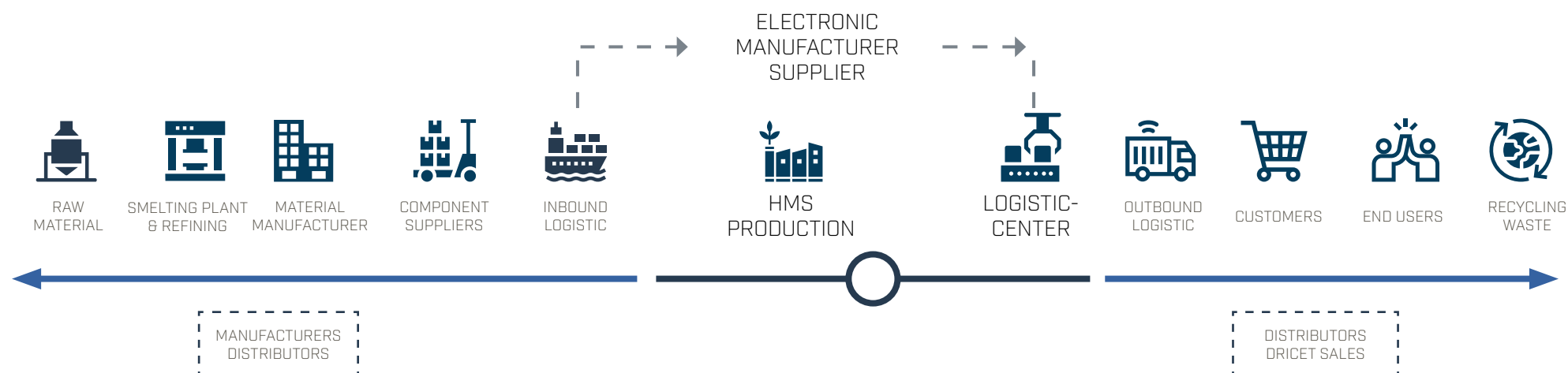
As our people are the foundation of HMS's success, maintaining high engagement and well-being across all global operations is central to our strategy. However, creating a truly inclusive and diverse workplace also requires collaboration beyond our direct control, including partnerships with external stakeholders and alignment with international standards.

Achieving our targets such as a strong leadership and engagement index and increased female managers requires reliable HR systems and data-driven processes. This includes comprehensive tracking of workforce metrics, consistent documentation, and transparent reporting. A key enabler of this objective is the global Human Resources Information System (HRIS) implemented in 2025, which harmonizes onboarding, performance management, and talent development across all regions.

Another critical area of transformation is the rollout of structured learning and development initiatives, including a future global learning management system, to foster a continuous learning culture and prepare employees for evolving business needs. Read more about leadership development, engagement, and diversity in the sections related to S1.

Value chain

The value chain is visualized based on HMS's physical products, which represent the dominant part of our business model. Cloud based services account for less than 5 percent of HMS's revenue 2025 and are therefore not included in the graphical visualization of the value chain.



Upstream

The global electronics manufacturing value chain begins with the extraction of natural resources, such as metals and minerals, which are essential for electronic hardware. These raw materials are sold and transported to smelters and refiners for processing. After refining, materials enter global trade and are used in the manufacturing of parts and components, which are subsequently assembled into finished products.

HMS sources electronic components both directly from manufacturers and through authorized distributors.

The cloud processing and storage capacity required for HMS cloud services is largely procured from external providers.

Own operations

HMS manages its own warehouses at our major production sites to support efficient logistics and inventory control. Research and development for both software and hardware are conducted within our own operations. The manufacturing and assembly of industrial communication equipment takes place at HMS production facilities as well as through trusted third-party electronics manufacturing suppliers. In 2025, 43 percent of HMS's electronic equipment was produced by contracted electronics manufacturing partners.

Downstream

HMS serves customers worldwide, from manufacturers of automation products and machine builders to system integrators and end users, although end-users rarely serve as our direct customers. Our business models adapt to customer needs, market conditions, and product offerings, ensuring flexibility and resilience. Revenue streams include direct sales, indirect sales through distributors and partners, and e-commerce. In 2025, direct sales represented 48 percent of revenue, while distributor sales accounted for 52 percent.

Product lifecycle management and circularity are supported through HMS's established claims process, which enables customers to return products for repair or replacement.

Value creation

HMS deliver advanced industrial communication solutions that enhance connectivity, streamline processes, and help customers reduce energy consumption and emissions, contributing to more sustainable industrial environments and accelerating digital transformation.

Our global network of distributors and partners provides extensive market reach, reinforcing our position as a trusted industry leader. Continuous innovation and a strong international presence drive profitable growth, ensuring long-term financial stability and delivering solid returns for shareholders.

We are committed to creating a workplace where employees thrive. By prioritizing well-being, professional development, and diversity, we foster a secure and inclusive environment that attracts, develops, and retains the talent essential for our continued success.

Read more about our divisions and business model in the Directors' Report, section "Operations" (page 124), as well as in Note 4 "Operating segments" (page 142). (SBM 1, 40(a)(i), (a)(ii), 40(b))

SBM-2 Interests and views of stakeholders

KEY STAKEHOLDERS

We drive sustainable growth by engaging stakeholders through regular feedback, competence development and sustainability initiatives that support continuous improvement and innovation. Stakeholder dialogue is a vital part of our materiality assessment, helping us understand expectations on our business and strengthening our insight into stakeholder priorities.

The table to the right provides an overview of how we engage with our key stakeholders and how their perspectives are considered when assessing our strategy and business model. Insights from stakeholder dialogues are integrated into our DMA and form an important basis for the ongoing development of our strategy and sustainability framework. Management and the Board are regularly informed of the results from stakeholder dialogues as part of the DMA process. For more information on the DMA process, see IRO-1.

Stakeholder input has contributed particularly to the following areas:

- Strengthened prioritization of climate related targets, where the expectations of owners, investors and customers for transparency and credible emission reduction plans have reinforced our work with SBTi validated targets.
- Increased focus on integrating circular principles into product development, driven by growing customer requirements for energy efficient products and more sustainable material choices.
- Development of the Responsible Sourcing Framework, informed by insights from supplier dialogues and societal stakeholders with a strong focus on human rights.
- Enhanced occupational health and safety efforts, based on feedback from employee dialogues, workplace inspections and safety representatives. This has resulted in a global health and safety policy and the implementation of a new system for incidental and near miss reporting at HMS production facilities in Halmstad and York.

In addition, stakeholder dialogues have provided valuable perspectives on sector specific challenges, customer expectations and emerging trends. These insights confirmed that our strategic direction remains relevant. The three strategic pillars, Planet, People and Growth, therefore continue to form the foundation of HMS's long term strategy. Stakeholder perspectives have thus served as validation that our current strategic direction is well aligned with material topics and external expectations.

	WHY WE ENGAGE	HOW WE ENGAGE	OUTCOME OF ENGAGEMENT	COMMUNICATION TO STAKEHOLDERS
OWNERS AND INVESTORS	Ensure long term value creation, transparency in sustainability and risk management, and meet increasing expectations on sustainability.	Capital markets days. Board meetings. Rating dialogues (Sustainability, EcoVadis, etc.). Individual investor dialogues.	Enhanced sustainability reporting and climate strategy. Structure for KPI follow up within sustainability areas. Increased transparency on supply chains and conflict minerals.	Quarterly and annual reports. Board meetings. Semi annual sustainability review with Group Management. Public disclosure of sustainability ratings.
EMPLOYEES	Create an attractive and safe workplace, strengthen engagement, and support competence development and long term talent retention.	Employee surveys and engagement index. Safety representatives and occupational health & safety committees. Performance reviews and dialogue forums. Incentive scheme Programs within occupational health & safety and leadership.	Health promoting initiatives. Actions to strengthen employee engagement based on survey insights. Strengthened focus on competence development	Internal communication via HR. Occupational health & safety reports. Annual General Meeting. Intranet and leadership communication.
CUSTOMERS	Understand customer needs, drive innovation, strengthen competitiveness, and contribute to reduced environmental and climate impact for our customers.	Customer surveys (cNPS). Support cases and service forums. Trade fairs, seminars and webinars. Targeted product dialogues.	Product or service improvements based on customer feedback. Integration of customer insights in product development. Improved usability and energy efficiency in products.	Quarterly and annual reports. Customer portal and website. Direct customer dialogue via support and the sales organization.
SUPPLIERS	Ensure responsible sourcing, compliance with the Code of Conduct, human rights, quality and circularity.	Regular reviews and meetings. Supplier assessments and audits. Evaluation and reporting of conflict minerals (CMRT). Innovation dialogues.	Stronger requirements and improved follow up of suppliers through the framework for responsible sourcing. Annual risk assessments including conflict minerals. Innovation and collaboration projects.	Supplier portals. Contract updates. Semi annual sustainability review with Group Management.
AUTHORITIES AND SOCIETY	Ensure compliance with laws and standards, support innovation and sustainable development, and manage external risks.	Consultations and knowledge sharing. Participation in industry initiatives. Dialogue with authorities.	Stronger focus on circularity and resource efficiency. Adaptation and improved processes for regulatory compliance, including CSRD and EUDR.	Public sustainability reporting. ISO certifications. Regulatory reporting.

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

Our DMA is a central part of our sustainability work and forms the basis for identifying the most relevant sustainability issues for our business and our stakeholders. The assessment is conducted in multiple stages, integrating internal insights with external perspectives to ensure we prioritize areas where our impact is greatest and where sustainability considerations are strategically significant.

As part of this process, all the sub-sub-topics listed in ESRS 1 are considered when identifying our IROs. For impacts on people and the environment, we consider both positive and negative impacts related to sustainability matters, which may be actual or potential. In our financial assessment, we analyze potential sustainability related risks that could have a negative financial impact on the business, as well as opportunities that may positively benefit our operations. The assessment covers activities within our own operations as well as those arising from our business relationships and value chain. Affected communities were not consulted.

The process covers all sustainability matters listed in Appendix C to ESRS 2. Climate related risks and opportunities (E1) are identified separately through the company's climate scenario analysis, pages 68-69. For resource use and circular economy (E5), we analyze resource inflows, material efficiency, design choices and waste management, with results used to inform strategic priorities. Within responsible business conduct (G1), we assess risks related to corruption and bribery in those parts of the business where such exposure may occur. The results guide preventive measures and ensure integrity in business relationships.

Matters related to pollution (E2), water and marine resources (E3), and biodiversity and ecosystems (E4) have been assessed as non material and are therefore not subject to further disclosures under their respective topical standards. The basis for this assessment is largely derived from conducted life cycle assessment screenings and analyses of product composition. These have included a review of constituent materials, their manufacturing processes, and the potential environmental impacts of each material. Particular consideration has been given to minerals and metals, as these are often associated with higher environmental

burdens in extraction and processing. At the same time, the impacts have been evaluated in relation to their actual presence and significance in the final products.

DMA-PROCESS

UNDERSTANDING

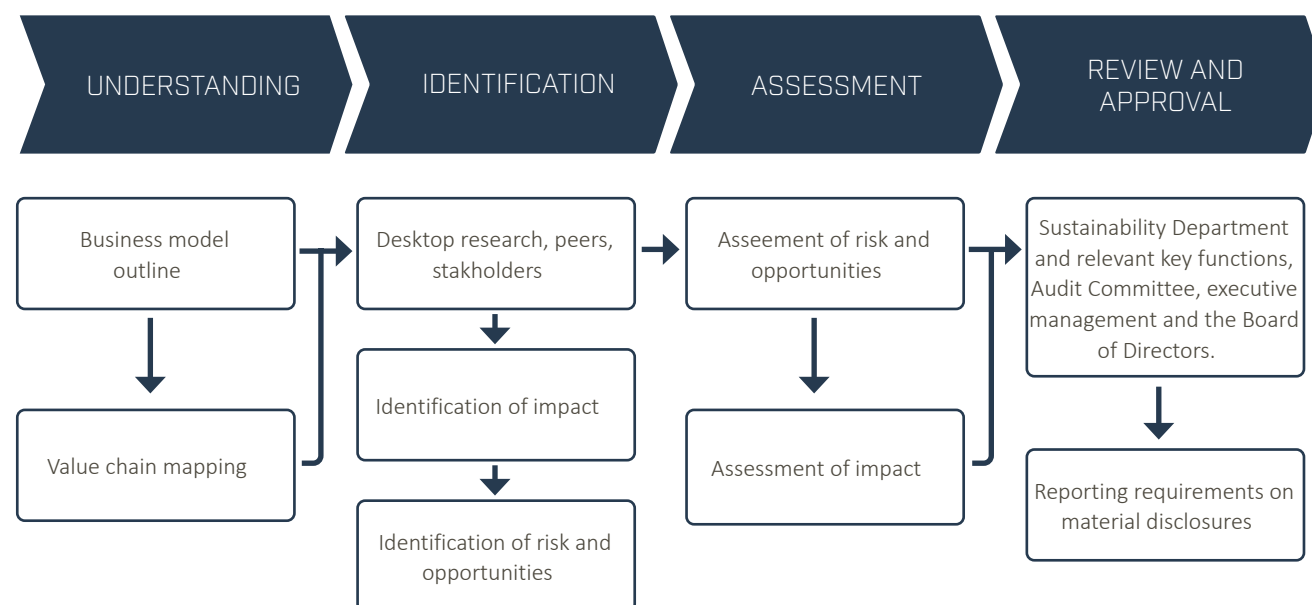
The first step in the DMA process is to develop a thorough understanding of the company's business model and how our technology is used in industrial environments worldwide. This includes a review of our product portfolios and how they create value for customer segments in areas such as automation, energy, transportation and manufacturing.

As part of this step, we map our global value chain, from component suppliers and contract manufacturers to global distribution channels and end users. The mapping also includes identifying the groups affected by our operations, such as customers, distributors, suppliers, employees and regulatory stakeholders.

IDENTIFICATION

Once the business model and value chain are clearly mapped, the identification phase begins. For HMS, this involves a systematic collection of data and perspectives from both internal and external sources. The work includes:

- External standards and frameworks: analyzing requirements and guidance from the ESRS, the EU Taxonomy, the GHG Protocol and relevant industry initiatives such as the Responsible Minerals Initiative to identify sustainability matters that may affect, or be affected by, our business.
- Industry benchmarking: comparing with similar companies in the sector to understand expected industry practices.
- Internal inputs: reviewing results from supplier assessments, audits, employee surveys, and quality and safety incidents to identify risks and opportunities within our own operations. For resource use and circular economy (E5), this includes reviewing material content, material choices, as well as the handling of returns and waste at our produc-



tion sites to identify impacts and risks related to resource efficiency and circularity. For responsible business conduct (G1), we assess geographic risk exposure and review whistleblowing reports to identify potential business ethics risks, including risks related to corruption and bribery.

- Stakeholder dialogues: conducting interviews with selected stakeholders, such as key customers, suppliers, contract manufacturers, and internal functions within HR, Supply, Legal, R&D and Sustainability, to incorporate area specific perspectives that highlight both operational and strategic sustainability topics. For suppliers beyond the first tier, where direct engagement is limited, sector knowledge, recognized risk indicators and reliable external sources are used.

The outcome of the identification phase is a structured list of potential impacts, risks and opportunities (IROs), which are further analyzed in the subsequent stages of the DMA process.

ASSESSMENT

Once the lists of IROs are compiled, they are validated through structured workshops with cross-functional teams of subject matter experts from Finance, HR, Operations, Procurement, R&D, Sustainability and Management. These sessions are led by the Sustainability team and use systematic evaluation methods to prioritize issues with the highest significance.

Each identified impact, positive or negative, is reviewed to understand how it might affect the business. This includes assessing whether it could create financial, operational, or reputational risks, or whether it could lead to new opportunities such as improved efficiency, innovation, or competitive advantages. We also examine our dependencies on natural resources, ecosystems, and social systems to see where disruptions could create vulnerabilities or risks for the business.

Impact materiality is determined using EFRAG guidance by assessing scale, scope, and irremediability, with an additional

likelihood parameter for potential IROs. For scale, we assess the magnitude of the impact on people and the environment; for scope, its geographic span and, where relevant, irremediability, indicating how difficult negative effects are to remedy.

Financial materiality is assessed in alignment with HMS risk and risk management process, which is described in more detail in the section on risks and risk management on pages 129–132. (ESRS 2, GOV-5, 36 (b), (c))

Scoring is based on the magnitude of the financial effect and the likelihood of occurrence. The risk management process is financially driven, meaning all risks are evaluated based on their potential effect on financial performance, operations, and long-term resilience.

IROs that do not meet the financial materiality threshold for inclusion in the risk management framework are managed outside the risk management process. They remain important to the overall sustainability strategy and are followed up through dedicated sustainability governance processes and integrated into relevant policies, action plans and performance tracking.

The methodology for assessing IROs is closely linked to our sustainability due diligence process. The due diligence process is a systematic, risk based approach to identifying, assessing, preventing and addressing actual and potential adverse impacts in the supply chain relating to the environment, human rights, working conditions, business ethics and regulatory compliance. It includes supplier reviews, risk mapping, incident follow up, escalation routines and preventive and corrective actions, including monitoring the effectiveness of measures over time. These elements provide a central input to the DMA and ensure that the materiality assessment is grounded in verified risk indicators and current risk management.

During 2025, the due diligence process was further enhanced through the introduction of new, more detailed assessment templates and an expanded scope of suppliers covered by the

evaluation, providing a more comprehensive, risk based overview. Follow up of collected information is now performed via a system tool rather than previous manual handling, improving traceability, data quality and the overall structure of risk management.

Conflict minerals risk mapping is conducted annually and is governed by HMS's Conflict Minerals Policy. This is a key risk area in the electronics sector and includes the collection and review of CMRT reports, assessment of smelter and country of origin risks, and follow up on identified risks, such as when high risk suppliers need to take action or update their information. This annual process therefore represents a recurring and important component of our consolidated risk basis in the DMA.

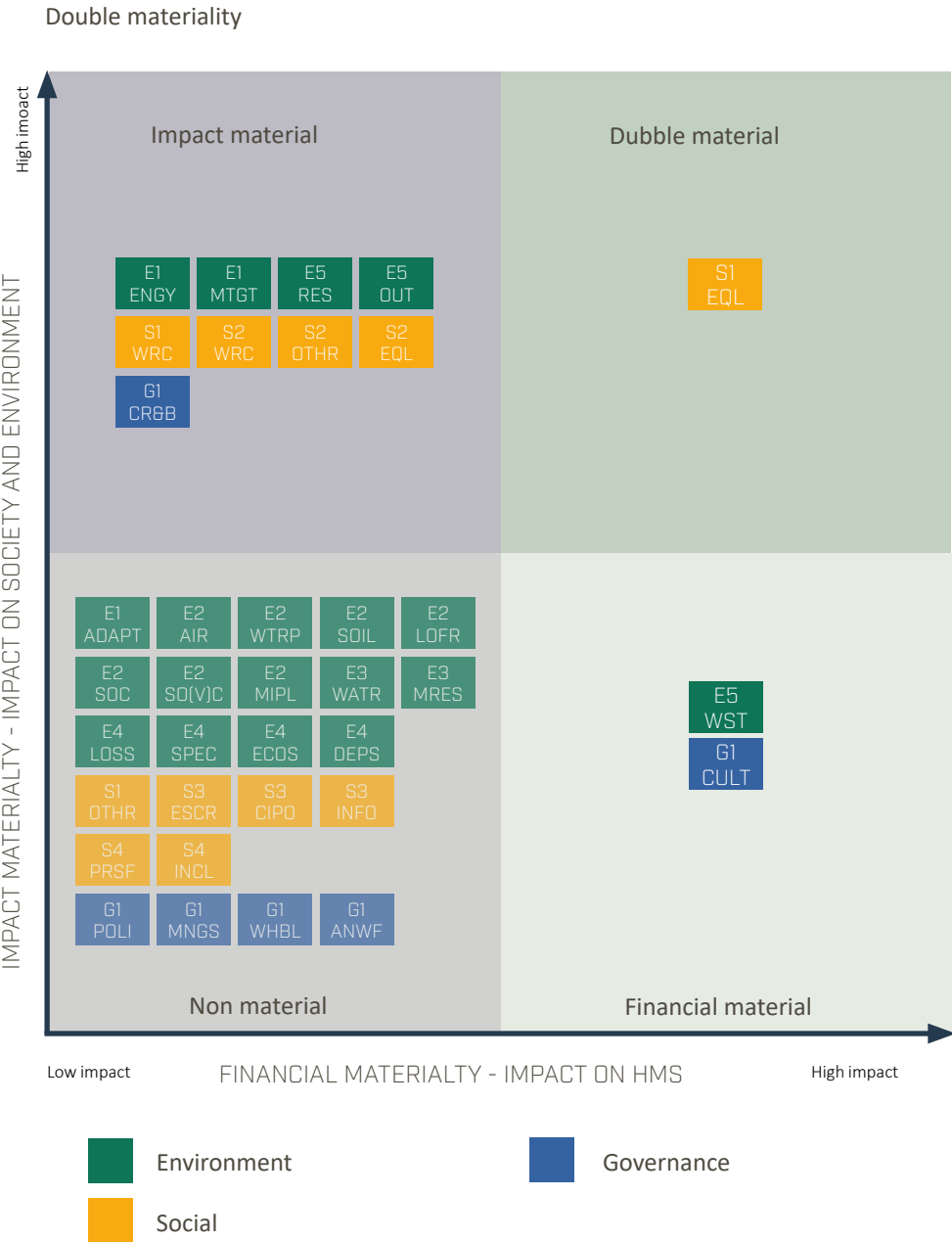
External sustainability advisors have provided methodological support and assistance in setting thresholds for our scoring model and prioritization approach. These thresholds have subsequently been adopted internally to reflect our risk profile and business context. Threshold values are used to determine which topics are considered material from both a financial and impact perspective; non material IROs are excluded from this report. IROs are assessed across three time-horizons: short term (less than one year), medium term (one to five years) and long term (more than five years).

REVIEW AND APPROVAL

In the final step, the results are presented to Group Management for review and are ultimately approved by the Board of Directors. This ensures that material sustainability matters are fully integrated into our strategic governance and that we meet both regulatory requirements and stakeholder expectations for transparency regarding impacts.

The DMA is reviewed annually, or earlier if specific strategic criteria are met, such as entry into new markets, acquisitions, or significant changes in sustainability related exposure.

RESULT



INDEX OF SUSTAINABILITY MATTERS

E1 ADAPT	Climate change adaptation	S1 WRC	Working conditions of own workers
E1 MTGT	Climate change mitigation	S1 EQL	Equal treatment and opportunities for all own workers
E1 ENGY	Energy	S1 OTHR	Other work-related rights of own workers
E2 AIR	Pollution of air	S2 WRC	Working conditions of supply chain workers
E2 WTRP	Pollution of water	S2 EQL	Equal treatment and opportunities for all supply chain
E2 SOIL	Pollution of soil	S2 OTHR	Other work-related rights of supply chain workers
E2 LOFR	Pollution of living organisms and food resources	S3 ESCR	Communities economics, social and cultural rights
E2 SOC	Substance of concern	S3 CIPO	Communities civil and political rights
E2 SO(V)C	Substance of (very) high concern	S3 PRIC	Particular rights of indigenous communities
E2 MIPL	Microplastics	S3 INFO	Information-related impact for customers and/or end users
E3 WATR	Water	S4 PRSF	Personal safety of consumers and end users
E3 MRES	Marine resources	S4 INCL	Social inclusion of consumers and end users
E4 LOSS	Direct impact drivers on biodiversity loss	G1 CULT	Corporate culture
E4 SPEC	Impact on the state of species	G1 WHBL	Protection of whistle blowers
E4 ECOS	Impact on the extent and conditions of ecosystems	G1 ANWF	Animal welfare
E4 DEPS	Impact and dependencies of ecosystems	G1 POLI	Political engagement and lobbying activities
E5 RES	Resource inflows, including resource use	G1 MNGS	Management of relationships with suppliers payments practices
E5 OUT	Resource outflows related to products and services	G1 CR&B	Corruption and bribery
E5 WST	Waste		
			Material topics for HMS

A detailed breakdown of the disclosure requirements under ESRS 2 IRO-2, including the specific ESRS disclosures covered by the undertaking's sustainability statement, is provided in Appendix 2.

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

The assessment of impacts, risks and opportunities is based on factors such as stakeholder dialogue, risk analysis and regulatory requirements. The complete process is described in section IRO-1.

Materiality thresholds for financial and impact perspectives correspond to the levels “important,” “significant,” or “critical.” IROs assessed as non material according to our materiality criteria have been excluded from this report.

We have applied the phased in requirements and have chosen not to report voluntary datapoints where data availability and data quality are not yet sufficient.

A complete content index of the ESRS requirements can be found in Appendix 2.

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

The initial DMA was conducted at the end of 2023 and was subsequently revised in 2024 following HMS’s acquisition of Red Lion Controls Inc. The acquisition triggered a new assessment due to its impact on revenue and organizational structure. This included a review of our business model, stakeholders, value chain and dependencies.

In 2025, the DMA was revised again, and the environmental category “Pollution” was excluded from the list of material topics. The decision is based on the very low volumes of substances containing SVHCs present in our products and our limited influence over their presence, as these substances are introduced upstream in the value chain, outside our direct operations. Measures to address hazardous substances in our products are primarily covered under E5 Resource use and circular Economy.

Following HMS’s acquisition of Molex’s industrial communications division at the end of 2025, the DMA will be reviewed again in 2026 to ensure it fully reflects the new conditions, including changes in the value chain, risk profile and opportunities associated with the integration of the acquisition.

Resilience within the organization is embedded through a unified risk management process, enabling us to manage challenges effectively and ensure business continuity.

To strengthen resilience within our own workforce, we have implemented integrated policies and processes designed to create a safe, skilled and inclusive working environment, in line with our strategic direction.

To enhance resilience in the supply chain, we apply measures such as alternative supplier sources, establishment of operations closer to our markets, and capacity buffers. These actions reduce vulnerability and support long term stability. Resilience is further reinforced through systematic risk assessments, safety stocks for critical components and the identification of alternative suppliers.

Digital tools improve forecasting accuracy, increase transparency, and enable faster decision making across the organization.

We work systematically with risk reduction through targeted measures, policies and objectives. These actions are integrated into the annual Group wide risk assessments and form a central basis for our strategy and annual business planning. The table presented on pages 63–67 summarizes HMS’s material impacts, risks and opportunities for each identified area, based on the results of our DMA. The identified IROs are linked to the business model and value chain and are described in more detail in the respective topical standards.

In line with the time horizons defined in the ESRS, we have categorised our aspects as follows:

- Short term – within the reporting period
- Medium term – up to five years
- Long term – more than five years

This structure enables us to identify both positive and negative impacts, risks and opportunities across our operations and value chain. Each material aspect includes a description, risk mitigating measures, planned actions, and references to relevant policies where applicable.

The resilience of our strategy and business model in managing and capitalising on the impacts, risks and opportunities assessed as material was a key part of our DMA, as described in IRO 1. Based on this analysis, we do not anticipate any significant changes to our current business model or strategic direction in order to address the material aspects identified.




E1 CLIMATE CHANGE													
				MATERIAL FOR		IMPACT				FINANCIAL		TIME HORIZON	REFERENCE TO POLICIES & STANDARDS
SUBTOPIC	MATERIAL IMPACT OR RISK	DESCRIPTION	MITIGATION / ACTION / FINANCIAL EFFECT	Value Chain	Operation	Positive	Negative	Potential	Actual	Opportunity	Risk	Short <1 year, medium 1-5 years, long >5 years	
Climate change mitigation	GHG emissions from own operations.	We impact the environment through greenhouse gas emissions from our operations, originating from company vehicles, business travel and the heating of offices, primarily due to the use of fossil energy sources.	SBTi-validated climate targets and the associated action plan. Environmental management systems and external sustainability assessments. Financial impact: May result in increased operating costs and investments in energy and travel.		X		X		X			Short	Environmental Policy, Management System (ISO 14001), SBTi commitment
	GHG emissions from the value chain	We contribute to climate impact through greenhouse gas emissions across our entire value chain, from upstream activities such as purchased goods and services to downstream activities including the use of our products.	SBTi-validated climate targets and the associated action plan. Framework for responsible sourcing. Environmental management systems and external sustainability assessments. Financial impact: May lead to increased procurement costs and a risk of supplier changes.	Upstream & Downstream			X		X			Short	Environmental Policy, Management System (ISO 14001), SBTi commitment. Responsible Sourcing Framework.
Energy	Energy consumption and mix	We consume energy across our operations, which results in negative environmental impacts. Several units use renewable energy, while others face transition challenges due to limited possibilities to switch energy sources. In addition to reducing energy use within our own operations, there is also potential to lower the energy consumed by our products during use.	SBTi-validated climate targets and the associated action plan. Environmental management systems and external sustainability assessments. Financial impact: Increased costs for investments in renewable energy and technology, but with potential savings in operating expenses through energy efficiency improvements.		X		X		X			Medium and long	Environmental Policy, Management System (ISO 14001), SBTi commitment. Responsible Sourcing Framework.

Opportunities/risks as % of EBIT




1		Minimal	< 0,25 %
2		Informative	> 0,25-1 %
3		Important	> 1-2,5 %

Opportunities/risks as % of EBIT




4		Significant	> 2,5 %
5		Critical	> 5 %

E5 RESOURCE USE AND CIRCULAR ECONOMY													
SUBTOPIC	MATERIAL IMPACT OR RISK	DESCRIPTION	MITIGATION / ACTION / FINANCIAL EFFECT	MATERIAL FOR		IMPACT				FINANCIAL		TIME HORIZON	
				Value Chain	Operation	Positive	Negative	Potential	Actual	Opportunity	Risk	Short <1 year, medium 1-5 years, long >5 years	REFERENCE TO POLICIES & STANDARDS
Resource inflows, including resource use	High use of virgin materials signals a need for more circular design.	High raw material use, especially virgin materials calls for more circular practices in division and supply chains.	We intend to integrate circular principles into product development by selecting more sustainable materials and components when developing new products. Financial impact: The initiative may lead to increased material costs due to the purchase of recyclable and energy-efficient materials, impacts on inventory management, the need for supplier changes, as well as costs related to development and regulatory compliance.	Upstream & Downstream			X		X			Long	Environmental Policy, Mana- gement System (ISO 14001), SBTI commitment. Responsible Sour- cing Framework.
Resource outflows related to products and services	High quality drives product sustainability.	Electronics manufacturing, by definition, entails negative environmental impacts due to the use of metals, plastics and components that require energy-inten- sive extraction and processing. A lack of circularity in certain product lines means that materials are lost at end-of-life, incre- asing resource outflows and reducing the potential for value retention throughout the life cycle.	We strive to increase the share of products that are repaired in connection with custo- mer returns, as well as the share of defective products identified during production. By prioritizing repair, we extend product lifetimes and reduce both resource consumption and waste. Financial impact: Higher costs for regulatory compliance, operations and development, increased material costs when recyclable materials are required, and impacts on supplier relationships.	Upstream & Downstream			X		X			Long	Environmental Policy, Mana- gement System (ISO 14001), SBTI commitment. Responsible Sour- cing Framework.
Waste	Waste generation in operations and supply chain	Most production waste is recycled, but e-waste remains a complex challenge with high regulatory and financial risks	In our own operations, we work actively to maximize resource efficiency and thereby mini- mize the amount of waste. This is achieved by systematically reducing waste in our processes, including through lean principles and a strong focus on quality. Financial impact: Increased costs for recycling services or third-party partnerships for circular solutions, regulatory compliance, as well as material costs for recyclable materials.		X		X		X			Long	Environmental Policy, Mana- gement System (ISO 14001), SBTI commitment



S1 OWN WORKFORCE

SUBTOPIC	MATERIAL IMPACT OR RISK	DESCRIPTION	MITIGATION / ACTION / FINANCIAL EFFECT	MATERIAL FOR		IMPACT				FINANCIAL		TIME HORIZON	REFERENCE TO POLICIES & STANDARDS
				Value Chain	Operation	Positive	Negative	Potential	Actual	Opportunity	Risk		
Equal treatment and opportunities for all	Insufficient competence development can reduce innovation capacity and competitiveness.	We strengthen our competitiveness by providing continuous learning that makes the workforce flexible and prepared for technological change. This drives innovation, increases productivity, and supports long-term sustainability. Insufficient investment in these areas risks reducing efficiency and diminishing our attractiveness as an employer.	As part of our People Strategy, we are working to strengthen our systems and tools. In 2025, global initiatives are being implemented to further develop performance and talent management. Financial impact: Costs for training and systems, but potential savings through lower employee turnover and higher productivity.		X		X	X				Short, medium and long	Code of Conduct, Health and Safety Policy, Whistle-blowing directive.
Equal treatment and opportunities for all	Uneven representation in leadership roles can negatively affect engagement, employer branding, and recruitment.	Gender balance in leadership roles is essential for engagement and stability. An inclusive culture enhances satisfaction and retention, strengthening the brand and reducing the risk of losing key competencies. Shortcomings in this area may negatively affect recruitment and investor relations.	The employee engagement index, leadership index and the proportion of female managers constitute key metrics within our People Strategy and are complemented by an established whistleblowing process. Financial impact: Costs for leadership and diversity programs, along with the risk of lower engagement and reduced brand value if gender equality is not achieved.		X		X		X			Short, medium and long	Code of Conduct, Health and Safety Policy, Whistle-blowing directive.
Working Conditions	Health and Safety culture enables happy and engaged employees for all employees and non-employees in our operation.	A safe and healthy work environment is essential for protecting employees and maintaining productivity. Low incident rates, particularly in manufacturing, reflect our strong safety culture. Protecting employees supports growth, reduces costs, and strengthens our reputation.	Work environment programs focusing on prevention, behaviour and culture for all employees and non-employees in our own operations. Continuous improvements are driven through ISO 9001, ISO 14001, EcoVadis and operational excellence (lean principles). Financial impact: Costs for work environment initiatives/programs and certifications, savings from fewer accidents and reduced sick leave, and risk of damages in the event of deficiencies.		X		X		X			Short, medium and long	Code of Conduct, Health and Safety Policy, Whistle-blowing directive.


Opportunities/risks as % of EBIT

1		Minimal	< 0,25 %
2		Informative	> 0,25-1 %
3		Important	> 1-2,5 %

Opportunities/risks as % of EBIT

4		Significant	> 2,5 %
5		Critical	> 5 %

S2 WORKERS IN THE VALUE CHAIN													
SUBTOPIC	MATERIAL IMPACT OR RISK	DESCRIPTION	MITIGATION / ACTION / FINANCIAL EFFECT	MATERIAL FOR		IMPACT				FINANCIAL		TIME HORIZON	
				Value Chain	Operation	Positive	Negative	Potential	Actual	Opportunity	Risk	Short <1 year, medium 1-5 years, long >5 years	REFERENCE TO POLICIES & STANDARDS
Equal treatment and opportunities	Workers' rights and promoting equitable treatment across all tiers of our supply chain.	We affect people in our value chain through how our suppliers manage labour rights, working conditions and fair treatment. A responsible value chain is built on consistent respect for human rights and diversity. Shortcomings in these areas can lead to serious social consequences and simultaneously undermine trust in our brand.	The HMS Supplier Code of Conduct and our Responsible Sourcing Framework include core processes to ensure that our suppliers comply with requirements related to human rights and working conditions. Financial impact: Costs for supplier assessments and audits, investments in system support and competencies, as well as risks of fines and legal costs, along with potential revenue losses and higher capital costs in cases of non-compliance.	Upstream			X		X			Short, medium and long	Supplier Code of Conduct, Conflict Minerals Policy, Responsible Sourcing Framework, general purchasing terms, whistle-blowing directive.
Other work-related rights	Improper treatment of value chain workers	Inappropriate treatment of workers in the value chain, including the risk of forced labour and modern forms of exploitation, is a critical issue. This can lead to legal risks, delivery disruptions, and loss of trust among customers and investors.	The HMS Supplier Code of Conduct and our Responsible Sourcing Framework include core processes to ensure that our suppliers comply with requirements related to human rights and working conditions. Implementation of annual risk assessments regarding the use of conflict minerals in the value chain. Financial impact: Costs for supplier assessments and audits, investments in system support and competencies, as well as risks of fines and legal expenses, along with potential revenue losses and higher capital costs in cases of non-compliance.	Upstream			X	X				Short, medium and long	Supplier Code of Conduct, Conflict Minerals Policy, Responsible Sourcing Framework, general purchasing terms, whistle-blowing directive.
Working conditions	A better life for value chain workers and their families	Advocate fair working hours, secure employment and living wages that reflect regional cost-of-living conditions. Our ambition is to ensure that workers can meet basic needs, live with dignity and benefit from stable, long-term employment.	Review of suppliers with continuous improvement measures for low-performing or non-improving suppliers. Financial impact: Costs for assessments and audits, investments in system support and competencies. Risk of fines, legal costs, revenue losses and higher capital costs in cases of non-compliance.	Upstream			X		X			Short, medium and long	Supplier Code of Conduct, Conflict Minerals Policy, Responsible Sourcing Framework, general purchasing terms, whistle-blowing directive.
Working conditions	Health and safety risks for all workers in the value chain	Workers in the value chain risk injuries and illness when working conditions fall short of required standards. This can lead to production interruptions, increased costs, and a negative impact on our reputation.	Our Responsible Sourcing Program includes occupational health and safety criteria and supplier audits to verify compliance. Financial impact: Costs for assessments and audits, investments in system support and competencies. Risk of fines, legal costs, revenue losses, and higher capital costs in cases of non-compliance.	Upstream			X		X			Short, medium and long	Supplier Code of Conduct, Conflict Minerals Policy, Responsible Sourcing Framework, general purchasing terms, whistle-blowing directive.

G1 GOVERNANCE													
SUBTOPIC	MATERIAL IMPACT OR RISK	DESCRIPTION	MITIGATION / ACTION / FINANCIAL EFFECT	MATERIAL FOR		IMPACT				FINANCIAL		TIME HORIZON	
				Value Chain	Operation	Positive	Negative	Potential	Actual	Opportunity	Risk	Short <1 year, medium 1-5 years, long >5 years	REFERENCE TO POLICIES & STANDARDS
Corporate Culture	A strong corporate culture boosts reputation, attracts talent and investors, and drives long-term stability through loyalty and low turnover	We promote a values-driven corporate culture that strengthens ethical behaviour, increases engagement and reduces cultural risks. This creates a sustainable organization that contributes to long-term success by strengthening the brand, attracting talent and investors, increasing loyalty and reducing employee turnover. A strong culture fosters productivity and innovation.	Investments in culture-building initiatives, such as employee engagement programs and values-driven leadership. Financial impact: Costs for culture and ethics programs, but savings through reduced employee turnover as well as a positive effect on brand value and the cost of capital.		X		X	X				Short, medium and long	Code of Conduct. Anti-corruption policy, Whistle-blowing directive.
Corruption and bribery	Unchecked corruption can lead to unfair contracts, regulatory penalties, and serious reputational damage	We work actively to prevent corruption and bribery through clear guidelines, training and control mechanisms. The purpose is to ensure fair business conduct, legal compliance and to protect our brand. By placing high expectations on our suppliers and partners, we reduce the risk of misconduct across the value chain and strengthen trust among customers, investors and society.	Training in the Code of Conduct and anti-corruption, as well as supplier programs to verify compliance with requirements. Financial impact: Risk of fines and damages, lost contracts, increased compliance costs, and higher insurance premiums.	Upstream & Downstream	X		X	X				Short, medium and long	Code of Conduct. Anti-corruption policy. Supplier Code of Conduct. Whistleblowing directive.

Opportunities/risks as % of EBIT			
1		Minimal	< 0,25 %
2		Informative	> 0,25-1 %
3		Important	> 1-2,5 %
4		Significant	> 2,5 %
5		Critical	> 5 %

Climate Scenario Analysis

As part of our climate risk assessment and strategic planning, we have conducted a climate scenario analysis in 2025 to evaluate how different future climate conditions may affect our operations and long-term resilience. The analysis will be reviewed regularly as part of our ongoing process for managing climate-related risks.

To ensure a balanced and forward-looking perspective, we have selected two scenarios from IPCC's Framework of Shared Socioeconomic Pathways (SSPs):

- SSP1-1.9, representing a low-emissions scenario aligned with global net zero ambitions and strong climate policy.
- SSP5-8.5, representing high emissions a worst-case scenario with no significant mitigation and continued fossil fuel use.

To conduct the climate scenario analysis, we first identified the key scenario drivers most relevant to our operations, supply chain, and product use environments. These included assump-

tions about future policy and regulatory developments, carbon pricing trajectories, energy system transitions, technology adoption rates, market dynamics, and projected changes in temperature, precipitation, and extreme weather events. This ensured that each scenario reflected a realistic range of potential future conditions.

For physical risks, we have analyzed climate-related hazards such as rising temperatures, heavy precipitation, flooding, and sea-level rise. Production facilities have been assessed using regional climate projections to highlight their direct exposure to these environmental conditions. Sales offices have not been considered relevant for inclusion, as their exposure to physical climate risks is assessed to be minimal compared to our production sites. The material physical risks for our factories are precipitation, flooding, sea level rise and heat.

Transition-related events were also analyzed. These included potential changes in regulation, shifts in customer expectations, developments in energy markets, and evolving technology trends.

The climate analysis considers the time frames of 2030, 2050, and 2100. These horizons offer a practical framework for evaluating business risks and opportunities in the short, medium, and long term. The chosen time horizons create a consistent framework for evaluating climate-related risks and opportunities in the short, medium, and long term. While these horizons extend beyond our standard financial planning cycle, they align with TCFD recommendations, and the timeframes used in IPCC and IEA scenario datasets. This approach also reflects the fact that many of our hardware and software solutions have long operational lifespans and may therefore face climate-related risks that unfold over extended periods.

The matrix on page 69 summarizes HMS's climate related risks, divided into physical and transition risks, as well as opportunities for each scenario. The time horizon is described for all identified risks and opportunities.



RISKS &
OPPORTUNITIES

SSP1-1.9 - REALIZING THE PARIS AGREEMENT

SSP5-8.5 – CONTINUED HIGH
GREENHOUSE GAS EMISSIONS

TRANSITION RISKS (TR), PHYSICAL RISKS (PR), OPPORTUNITIES (O)

REGULATORY	Stricter requirements and regulations, such as carbon taxes and eco-design. Need to redesign legacy products to meet energy efficiency and recyclability standards. (TR). Short to medium term.	Weak climate regulations lead to slow transition. Generates lower availability of renewable energy which affect climate targets. (TR). Short to medium term.
ACQUISITION	Pressure to acquire green assets; integration risk. (TR). Short term.	Risk of owning outdated or vulnerable assets. (TR). Medium to long term.
MARKET DEMAND	Investment needed in R&D for sustainable materials and modular designs due to increased customer demand for low-carbon products. (TR + O). Short to medium term. Strong sustainability performance can enhance brand value and attract investors. (O). Short to medium term.	Low demand for green solutions. (TR). Medium term. Resilient, adaptive technologies to extreme weather (e.g., remote monitoring, predictive maintenance). (O). Medium to long term.
SUPPLY CHAIN	Pressure to source low-carbon materials and components. Need for traceability and transparency in supply chains. (TR + PR). Short to medium term.	Disruption due to climate and trade instability. Materials availability, such as critical materials (e.g., minerals, semiconductors). (PR). Short, medium and long term.
OPERATIONAL	Need to upgrade and retrofit older sites. (PR). Short to medium term.	Production disruptions due to extreme weather events. (PR). Short term with increasing risk over the medium and long term.
POTENTIAL FINANCIAL IMPACT	Carbon taxes, eco-design mandates, and energy efficiency standards might require HMS to redesign products, incurring R&D and retooling costs. Non-compliance risks could lead to market exclusion or penalties, especially in regions with aggressive climate policies. Investment needs sustainable materials and modular designs, which could increase operational costs but also unlock new revenue streams. Sourcing low-carbon materials may increase procurement costs. Short to medium term.	Climate and trade instability could disrupt supply chains, affecting availability of critical components like semiconductors. Physical risks such as extreme weather, flooding, and heat stress, potentially causing production disruptions and facility damage. May need to retrofit older sites and invest in resilient infrastructure, impacting capital expenditure. Medium to long term.

Up to 2030, transition risks dominate, driven by stricter regulations, rapid technological development and shifting market demands. At the same time, opportunities arise from increasing demand for climate friendly, energy efficient and innovatively designed products.

Towards 2050, both chronic and acute physical risks intensify, including rising temperatures, extreme weather events, and impacts on infrastructure and supply chains. In parallel, business opportunities expand through the scaling of energy efficient solutions, electrification and circular material flows.

In the long term perspective, structural climate changes, shifting availability of natural resources and geopolitical effects become dominant. This requires substantial climate adaptation and investments in resilience. At the same time, long term opportunities emerge in advanced technologies, climate monitoring, digitalization and robust infrastructure.

Limitations and future improvements

The assessment is based on external datasets and regional climate projections, with simplified assumptions about future policies, technologies, and market developments. Some data gaps and approximations were necessary, and potential future changes in our operations or value chain are not fully reflected. As our business and climate-risk processes develop, we will continue to refine the analysis and update assumptions over time.



Environment

We focus on reducing greenhouse gas emissions through energy efficiency, renewable energy, and low carbon solutions, while promoting resource efficiency through sustainable design, reuse and recycling. Our efforts are supported by ISO 14001 certification and contribute to long term sustainability across the entire value chain.

CONTENT E1 CLIMATE CHANGE

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CONTENT E5 RESOURCE USE AND CIRCULAR ECONOMY

E5 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	59
E5 SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	62
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E1 Climate change

E1-1 Transition plan for climate change mitigation

HMS is committed to supporting the global transition to limit climate change through a combination of direct emissions reductions, value chain collaboration, and technology driven innovation. Our climate strategy focuses both on reducing our own carbon footprint and on enabling our customers to reduce theirs.

The transition plan is based on our target to reach net zero emissions by 2050, in line with the Paris Agreement’s ambition to limit global warming to 1.5 °C. Our climate targets, approved by the SBTi in 2025, form a cornerstone of our long term climate strategy. The transition plan is newly established and currently in an early implementation phase, meaning that efforts are focused on building the foundation through internal coordination, development of data collection processes, and integration into strategic and financial planning.

The transition plan is approved by HMS Group Management and coordinated by the Global Sustainability department. The necessary actions are broken down and implemented across the organization, ensuring execution at all sites and legal entities globally.

At this stage, it is too early to evaluate measurable progress of the transition plan. However, the adoption of the plan, together with our ambitious climate targets, marks an important milestone in our climate journey and demonstrates our clear commitment.

MATERIAL IMPACT, RISKS AND POSSIBILITIES	POSITION IN VALUE CHAIN
Negative actual impact: We impact the environment through greenhouse gas emissions from our operations, originating from company vehicles, business travel and the heating of offices, primarily due to the use of fossil energy sources.	Own operations
Negative actual impact: We contribute to climate impact through greenhouse gas emissions across our entire value chain, from upstream activities such as purchased goods and services to downstream activities including the use of our products.	Upstreams & Downstreams
Negative actual impact: We consume energy across our operations, which results in negative environmental impacts. Several units use renewable energy, while others face transition challenges due to limited possibilities to switch energy sources. In addition to reducing energy use within our own operations, there is also potential to lower the energy consumed by our products during use.	Own operations



HMS'S TRANSITION PLAN FOR REDUCING EMISSIONS IN OUR OWN OPERATIONS [SCOPE 1 AND 2]

Since our base year, we have reduced Scope 1 and Scope 2 emissions by approximately 59 percent. This reduction has primarily been achieved through the gradual transition to electric vehicles in our company fleet, which has lowered emissions from fuel consumption. In addition, we have implemented energy efficiency measures at our facilities and increased the share of renewable electricity purchased.

Together, these efforts have contributed to a significant reduction in emissions, but we continue to work toward further decreases through continued electrification, optimization of energy use, and investments in sustainable energy solutions.



TYPE OF MEASURE	DESCRIPTION OF MEASURE
Electrification	<p>Gradual increase in the share of electric vehicles, with the goal of achieving a 100% electric fleet by 2030.</p> <p>The measure is estimated to reduce Scope 1 and Scope 2 emissions by 10% (157 metric tons of CO₂e) compared with the 2022 baseline.</p>
Transition to fossil free energy	<p>Installation of solar panels at remaining production sites where feasible, and an increased share of renewable electricity via certificates (PPA, VPPA, REC) or supplier contracts, with a target of 100% renewable electricity by 2030.</p> <p>Estimated to reduce Scope 1 and Scope 2 emissions by 69% (1,058 metric tons of CO₂e) by 2030 compared with 2022.</p> <p>Transition from fossil fuels to biofuels for heating at the factories in York and Bilbao.</p> <p>Estimated to reduce Scope 1 and Scope 2 emissions by 8% (121 metric tons of CO₂e) by 2030 compared with 2022.</p>

The planned measures are estimated to reduce Scope 1 and Scope 2 emissions by approximately 87 percent by 2030 compared with the 2022 baseline.

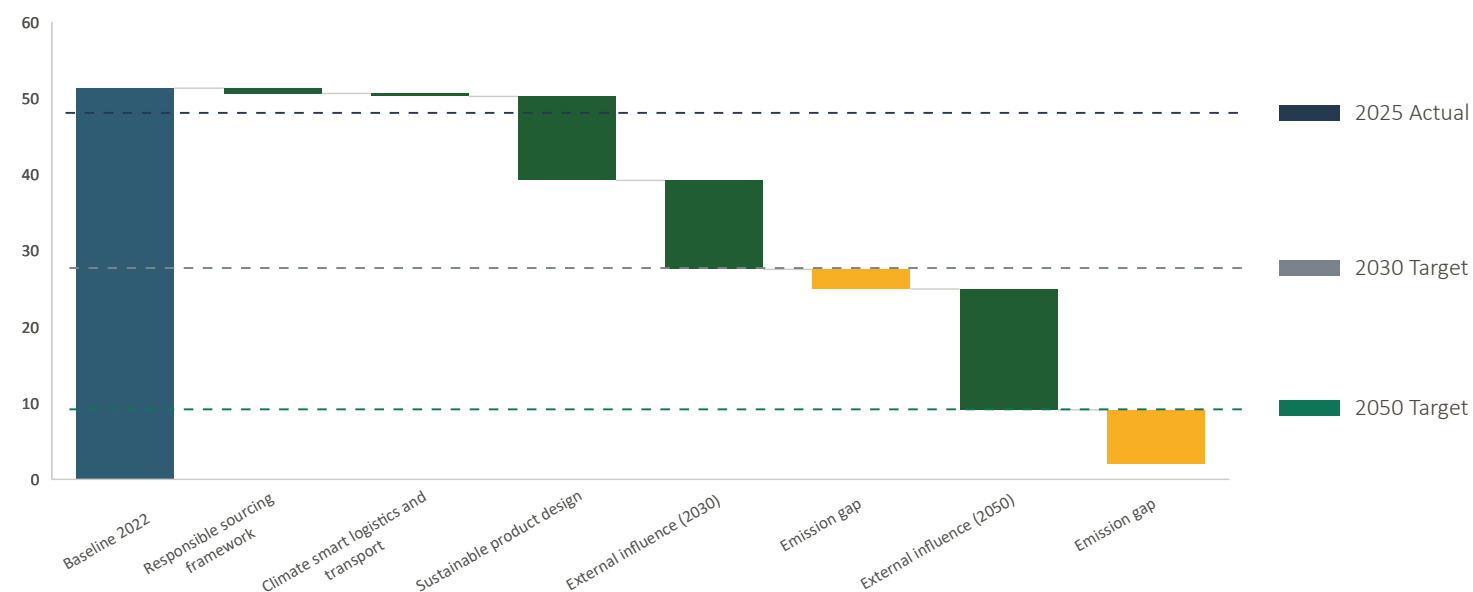
HMS'S TRANSITION PLAN FOR REDUCING EMISSIONS IN THE VALUE CHAIN (SCOPE 3)

Scope 3 emissions represent the largest share of HMS's total carbon footprint. These value chain emissions are complex to influence, underscoring the need for continued focus on innovation, collaboration with suppliers, and circular principles.



Metric tons CO₂e/MSEK gross profit

NET ZERO TRANSITION PLAN - SCOPE 3



TYPE OF MEASURE	DESCRIPTION OF MEASURE
Responsible sourcing framework	Awareness raising and encouragement of climate action within the value chain. Climate aspects are included in supplier assessments where information on climate targets and emissions is collected, and suppliers below threshold levels are followed up for further dialogue. The process provides a foundation for continuous improvement; read more about the process in section S2 - Workers in the value chain. Estimated to reduce Scope 3 emissions by approximately 1% by 2030 compared with 2022.
Climate smart logistics and transport	Measures to reduce emissions from transport and logistics include near shoring to shorten transport distances as well as investments in Sustainable Aviation Fuel (SAF) to reduce the climate impact of air freight. Future efforts include shifting from air to rail and sea transport, consolidation of deliveries, route optimization and investments in low carbon fuels. Additionally, low emission business travel is promoted, and increased digital collaboration is encouraged to reduce travel. Estimated to reduce Scope 3 emissions by approximately 1% by 2030 compared with 2022.
Sustainable product design	Integration of sustainable design principles to reduce material use, extend product lifetimes and increase recyclability, thereby contributing to lower emissions. Read more about this in section E5 – Resource use and circular economy. Estimated to reduce Scope 3 emissions by approximately 21% by 2030 compared with 2022.
External influence	The global energy transition is expected to play a crucial role in achieving our transition plan. This is due to the fact that the majority of our emissions occur during the use phase of our products, where the shift to fossil free energy will have a significant impact on our total emissions. The global energy transition is expected to reduce Scope 3 emissions by approximately 23% by 2030 compared with 2022. The estimate of the external influence is based on a conservative methodology according to the Stated Policies Scenario (STEPS). This scenario is derived from current political commitments and enacted measures, without including assumptions about additional or accelerated efforts.

The planned measures, together with the global energy transition, are estimated to reduce Scope 3 emissions by approximately 46 percent by 2030 compared with the 2022 baseline. Despite this, an emissions gap remains in the transition plan to reach our short term Scope 3 intensity target for 2030. In addition to the defined measures in the table, further reductions are expected through changes in the product portfolio, where the share of sold services is expected to account for around 10 percent of revenue by 2030 according to our five year strategy, compared with roughly 3 percent in 2025. This shift contributes to lower emissions intensity, as services generally have a significantly smaller climate impact than physical products.

LOCKED-IN EMISSIONS

Accumulated locked in greenhouse gas emissions from our own operations are not considered material, as HMS does not have emission intensive assets. Locked in emissions from the use phase of sold products are primarily driven by the energy required to operate HMS products, which in turn depends on the customer's energy type and energy source. These emissions are therefore largely determined by the pace of the climate transition among our customers and within regional electricity grids.

FINANCIAL EFFECTS OF IMPLEMENTING CLIMATE TRANSITION MEASURES

A successful implementation of our transition plan depends on the availability and allocation of several key resources:

- **Financial resources:** Adequate investments are required to enable the adoption of low emission technologies and materials. This includes the purchase of electric vehicles, renewable electricity, potential use of sustainable aviation fuel, and the integration of recycled or climate friendly materials in products and operations.
- **Competence and human resources:** Skilled employees are essential for driving the climate initiative forward. This includes expertise in emissions monitoring, supplier engagement and sustainable product design. Capacity building and cross functional collaboration are critical to embedding sustainability into the core business.

- **Technical resources:** Implementation requires the right tools and systems for emissions tracking, data governance and supplier assessments. These support accuracy, consistency and transparency in climate reporting and follow up.

The assurance and effective allocation of these resources is a key factor in our transition plan. Therefore, we actively align resource planning with our climate targets as part of our overall financial and operational strategy.

The resources assessed as essential for the transition plan are not expected to have a material financial impact on operating expenses (OpEx) or capital expenditures (CapEx). Related costs have been evaluated and integrated into the regular budgeting process.

ALIGNMENT OF THE TRANSITION PLAN WITH THE EU TAXONOMY AND EU BENCHMARKS

Several of our products and solutions are classified under the EU Taxonomy and fall within activities that substantially contribute to climate change mitigation. By enabling advanced monitoring and control of industrial processes, these solutions support emission reductions and improved resource efficiency. In addition to activities that substantially contribute to climate change mitigation, HMS's physical products are also linked to the Taxonomy's environmental objective on the transition to a circular economy. Our products play an important role in industrial digitalization and optimization, areas that are central to the global climate transition and form a key part of our strategy to support sustainable industrial development.

We assess that no major adjustments are required to meet the criteria set out in the Commission Delegated Regulation (EU) 2021/2139. Future CapEx and OpEx investments will focus on further development and maintenance of existing solutions rather than extensive transformations. Read more about the EU Taxonomy on pages 89-93.

Based on the activities subject to the exclusion criteria applied within the EU Paris aligned Benchmarks, HMS has assessed that the company is not excluded.

E1-2 Policies related to climate change mitigation and adaptation

Our environmental policy, Code of Conduct and Supplier Code of Conduct form the foundation for how we integrate environmental considerations into decisions, processes and development initiatives. These policies apply across the entire Group and cover both internal functions and the value chain.

HMS's environmental policy is based on three priority areas, climate, circularity and responsible value chain, which are central to our operations and critical for achieving our sustainability objectives.

Within the climate area, we work to reduce our climate impact in line with the Paris Agreement and our SBTi approved emission reduction targets. This includes measures such as electrification, energy efficiency improvements and increasing the share of renewable energy across our operations. We also develop solutions that help our customers improve their own environmental performance.

Climate adaptation is managed by identifying physical climate risks, such as extreme weather and disruptions in the value chain, and implementing measures that strengthen the resilience of our facilities, IT environments and logistics flows.

Within circularity, we focus on developing and using technologies, products and services with a low environmental footprint. This includes reducing the use of hazardous substances, increasing the share of recycled and resource efficient materials, and designing products with long lifetimes and high recyclability.

Within responsible value chain, we work actively with our suppliers and partners to ensure that environmental requirements and sustainability principles are implemented in practice. This includes setting expectations, monitoring compliance, conducting risk assessments and maintaining dialogue to ensure adherence to our environmental and sustainability standards.

HMS also applies a Travel Policy that integrates environmental considerations into the planning and execution of business travel. The policy requires that travel be minimized whenever possible, digital meetings prioritized, and sustainable transport options, such as trains or electric vehicles, are chosen over air travel when feasible.

An overview of HMS's policies, including their scope in relation to relevant ESRS requirements as well as responsibilities and approval structures, is presented in our policy matrix, Appendix 1.

E1-3 Actions and resources in relation to climate change policies

The organization's long term climate actions and their financial effects are outlined in the transition plan under section E1-1. Below is a summary of how these actions have influenced performance during the reporting year, with a focus on implemented measures and their contribution to emission reductions.

SCOPE 1 – ELECTRIFICATION

In 2025, a global vehicle policy was introduced requiring all new leased vehicles to be electric. The share of electric vehicles increased from 57 percent in 2024 to 71 percent in 2025, with a target of 100 percent by 2030.

SCOPE 2 – TRANSITION TO FOSSIL FREE ENERGY

Since the 2022 baseline, we have reduced emissions from electricity use through renewable energy certificates, supplier agreements, and solar panel installations. The share of renewable electricity increased from 86 percent in 2024 to 89 percent in 2025.

SCOPE 3 – RESPONSIBLE SOURCING PROGRAM

During the year, a system tool for supplier assessments was implemented, enabling structured evaluation based on sustainability criteria. This strengthens transparency, risk management, and ensures that purchasing aligns with our climate targets. Read more under section S2-4.

SCOPE 3 – CLIMATE SMART LOGISTICS AND TRANSPORT

In 2025, we improved our logistics solutions by introducing direct deliveries from our logistics hub in China to customers in Asia. This change has shortened transport distances, reduced emissions and increased supply chain efficiency.

In addition, we invested in renewable fuels, including Sustainable Aviation Fuel (SAF), to reduce the climate impact from air transport. These efforts are estimated to have reduced upstream air freight emissions, where HMS pays for transport, by around 5 percent compared with using conventional fossil fuels.

SCOPE 3 – SUSTAINABLE PRODUCT DESIGN

During the year, initiatives were launched to transition to recyclable or environmentally certified packaging, with the goal

of reaching 100 percent by 2030. Future work includes systematic integration of sustainable design in product development to reduce material use, increase the share of recycled materials, improve recyclability, and enhance product energy efficiency. Read more under section E5-3.

TRAINING INITIATIVES

A dedicated system tool for emissions monitoring was implemented last year. To ensure consistent and reliable data collection, employees were trained during the year, and unified reporting guidelines were introduced. Emissions from our own operations are now monitored quarterly, increasing transparency and enabling identification of trends and timely mitigation actions.

Training in the supplier assessment system has been provided to our purchasers. See section S2-2 for more information.

The measures implemented during 2025 were carried out without requiring significant investments in either CapEx or OpEx.



E1-4 Targets related to climate change mitigation and adaptation

We are committed to achieving net zero greenhouse gas emissions across our entire value chain by 2050, a target validated by Science Based Targets initiative (SBTi) in 2025. The target have been adopted by HMS Group Management and the Board of Directors and form a central part of the Group's strategy towards 2030. This long term ambition comprises:

- 90 percent reduction in absolute Scope 1 and Scope 2 emissions compared with the 2022 baseline.
- 97 percent reduction in Scope 3 emissions per MSEK of value added (defined as gross profit) within the same timeframe. This includes emissions categories such as purchased goods and services, upstream transportation and distribution, business travel, and the use of sold products.

In addition to our long term climate targets, we have also established short term targets for 2030:

- Reduce absolute Scope 1 and 2 emissions by 55.84 percent from the 2022 baseline.
- Reduce Scope 3 emissions by 51.60 percent per MSEK of value added (defined as gross profit), covering the categories purchased goods and services, upstream transportation and distribution, business travel, and use of sold products.

Both our near-term and long-term targets include land-related emissions and removals from bioenergy feedstocks.

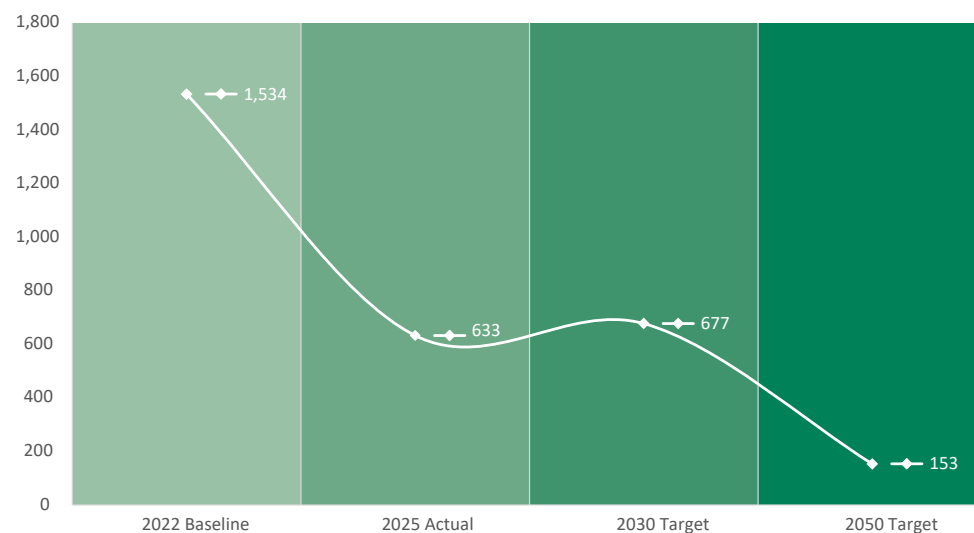
Our Scope 3 footprint makes up almost 99.5 percent of our total footprint, with the largest emissions categories being the use of sold products and purchased goods and services.

Compared with our 2022 baseline, we have achieved a 59 percent reduction in Scope 1 and Scope 2 emissions, and a 5 percent reduction in Scope 3 emission intensity.

We apply a recalculation policy consistent with the GHG Protocol Corporate Standard to ensure consistency and comparability of our emissions data over time. Recalculation of base year emissions is initiated in the event of significant structural changes, such as acquisitions or divestments, changes in calculation methodologies, or discovery of material errors. The threshold for recalculation is set at a change of 5 percent of base-year emissions. Our emissions inventory and base year are reviewed annually and adjusted as necessary to reflect such changes.

Metric tons CO₂e

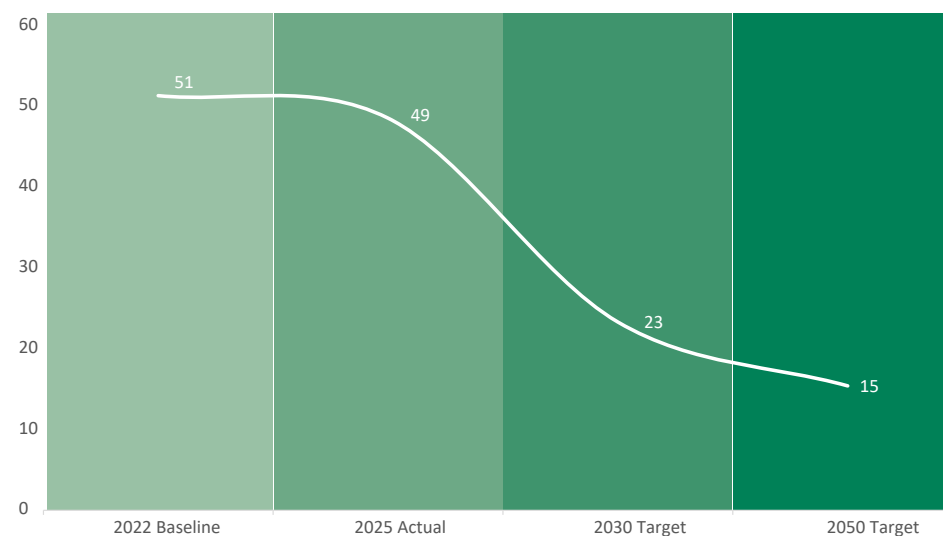
ABSOLUTE TARGETS - SCOPE 1 AND 2



The goal entails a 90% reduction from baseline.

Metric tons CO₂e/MSEK gross profit

INTENSITY TARGET - SCOPE 3



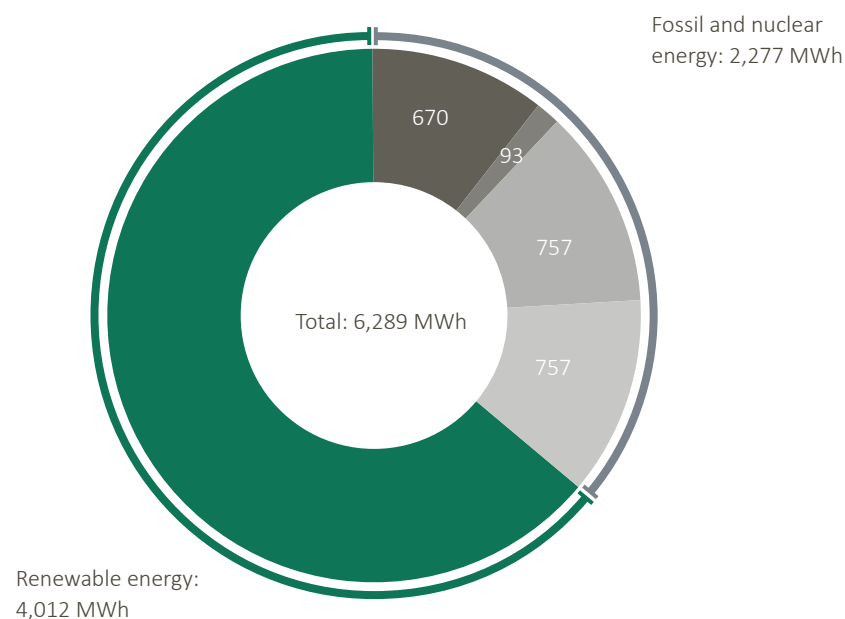
The goal entails a 97% reduction from baseline.

E1-5 Energy consumption and mix

Our methodology follows the operational control approach under the GHG Protocol, ensuring that all energy consumed within operations we control is included.

The total share of renewable energy amounts to 64 percent of total energy consumption. Of the total electricity consumption, renewable electricity accounts for 89 percent. The share of renewable energy originating from purchased renewable energy instruments is disclosed in section E1-6.

ENERGY CONSUMPTION AND DISTRIBUTION OF ENERGY SOURCES



- Crude oil and petroleum
- Natural gas
- Electricity, heat, steam and cooling from fossil sources
- Electricity, heat, steam and cooling from nuclear sources
- Electricity, heat, steam and cooling from renewable sources

The table below presents the energy consumption within our own operations, broken down by energy sources. The disclosure includes both fossil and renewable energy, as well as purchased and self-generated energy. The figures refer to total energy consumption during the financial year.

ENERGY CONSUMPTION IN OWN OPERATIONS*		
Energy (MWh)	2025	2024
Fossil sources		
Fuel consumption from coal and coal products	-	-
Fuel consumption from crude oil and petroleum products	670	658
Fuel consumption from natural gas	93	115
Fuel consumption from other fossil sources	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	757	811
Total fossil energy consumption	1,520	1,584
Share of fossil sources in total energy consumption, %	24%	24%
Nuclear sources		
Consumption from nuclear sources	757	811
Share of consumption from nuclear sources in total energy consumption, %	12%	12%
Total non-renewable energy consumption	2,277	2,395
Share of non-renewable energy sources in total energy consumption, %	36 %	37 %
Renewable sources		
Fuel consumption from renewable sources	-	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	3,783	3,915
Consumption of self-generated non-fuel renewable energy	229	235
Total renewable energy consumption	4,012	4,150
Share of renewable sources in total energy consumption, %	64%	63%
Total energy consumption	6,289	6,545

*) Purchased energy is classified as renewable only when this can be verified through valid agreements, such as guarantees of origin or energy certificates, that clearly confirm the energy originates from renewable sources. Energy lacking such verification, and therefore assumed to reflect the national energy mix, is not classified as renewable. In line with a conservative reporting principle, energy from the national energy mix is reported as non renewable. For purchased electricity, heating and cooling that cannot be confirmed as renewable, a standard allocation of 50/50 between fossil energy sources and nuclear power is applied.

ENERGY INTENSITY ASSOCIATED WITH ACTIVITIES IN HIGH IMPACT CLIMATE SECTORS*

MWh/net sales MSEK	2025	2024
Activities in high impact climate sectors	2,2	1,9

*HMS generates revenue from the manufacturing of electronic products, in particular communication equipment, which is classified as an activity within sectors with high climate impact according to Regulation (EU) No 2022/1288. Energy intensity associated with these activities is therefore disclosed. The numerator used to calculate this metric is the total turnover derived from the manufacture of electrical and electronic products (CE 1.2), as presented in the EU Taxonomy section on page 89. The denominator is the total energy consumption at HMS's manufacturing sites and warehouses. A large share of the electronic equipment sold is produced by third party electronics manufacturers, whose energy consumption is not captured by this metric.

§ ACCOUNTING PRINCIPLES

Reported energy consumption data cover the use of electricity, natural gas, heating and cooling in owned, leased or rented facilities, as well as fuel consumption from owned or leased vehicles. All data are based on actual consumption measured in MWh. Where data is not available, estimates are made based on the geographical location and type of operation. For electric heating (e.g., direct electric heating, geothermal heating or air source heat pumps), heat consumption is reported as electricity use.

The reported share of renewable energy is covered by guarantees of origin or energy certificates that clearly verify that the energy originates from renewable sources

The numerator used to calculate energy intensity is the total turnover derived from the manufacture of electrical and electronic products (CE 1.2), as presented in the Taxonomy section on page 89. The denominator is the total energy consumption at HMS's manufacturing sites and warehouses. A large share of the electronic equipment sold is produced by third party electronics manufacturers, whose energy consumption is not captured by this metric.

E1-6 Gross scopes 1, 2, 3 and total GHG emissions

Greenhouse gas emissions are reported in accordance with the recommendations of the Greenhouse Gas Protocol. Reporting is based on the operational control approach.

The table below presents HMS's total greenhouse gas emissions. All figures reflect the outcome as of 31 December for the respective years. Emissions from energy consumption under Scope 2 are calculated using both the market based and location based methods. The Scope 3 categories included in HMS's climate targets are clearly highlighted in the table; for Category 1,

the reporting covers only emissions associated with production materials.

Any methodological changes and adjustments to emissions data are described in more detail in the accounting policies in this section. All corrections and additions have been applied using 2022 as the base year to ensure comparability over time and an accurate representation of the company's emissions. These changes remain below 5 percent, in line with HMS's policy for recalculating historical emissions data.

Gross greenhouse gas emissions by scope and emission category

Metric tons CO ₂ e	Baseline SBTi	Baseline Adjust	N – 2025	N-1 2024	% N / N-1	2030 SBTi	2050 SBTi	Yearly target in %/base-line (SBTi)
Scope 1 GHG emissions								
Fuel used in owned or leased vehicles	158	215	86	135				
Stationary combustion and refrigerants	117	122	142	159				
Total Scope 1 GHG emissions	275	337	228	294	-23			
Of from regulated emission trading schemes (%)	0	0	0	0				
Scope 2 GHG emissions								
Location-based Scope 2 GHG emissions	1,356	1,378	1,148	1,264				
Market-based Scope 2 GHG emissions	1,259	1,303	405	620	-35			
Total Scope 1 and 2 GHG emissions (market-based)	1,534	1,640	633	914	-31	677	154	-59%

Indicators connected to SBTi target

Emission intensity by scope Metric tons CO ₂ e/net sales, MSEK	2025	2024
Scope 1	0.06	0.07
Scope 2 (location based)	0.3	0.3
Scope 2 (market based)	0.1	0.1
Scope 3	33	29
All scopes (market based)	33	30

Gross greenhouse gas emissions by scope and emission category

Metric tons CO ₂ e	Baseline SBTi	Baseline Adjust	N – 2025	N-1 2024	% N / N-1	2030 SBTi	2050 SBTi	Yearly target in %/base- line (SBTi)
Scope 3 GHG emissions								
Upstream								
1. Purchased goods and services	39,560	39,732	21,950	29,647				
- Material used in production*	31,713	31,713	17,384	23,702	-27			
- Other purchased goods and services	7,947	8,019	4,566	5,945				
2. Capital goods	1,179	1,259	1,805	1,780				
3. Fuel and energy related activities	372	387	285	314				
4. Upstream transportation and distribution*	2,019	2,019	2,070	1,368	+51			
5. Waste generated in operations	5	5	1	1				
6. Business travel*	1,079	1,079	1,858	1,329	+40			
7. Employee commuting	1,986	1,986	1,976	1,845				
8. Upstream leased assets					Not applicable			
Downstream								
9. Downstream transportation and distribution	960	960	751	593				
10. Processing of sold products					Not applicable			
11. Use of sold products*	84,525	84,525	88,032	68,008	+29			
12. End-of-life treatment of sold products	54	12	8	10				
13. Downstream leased assets					Not applicable			
14. Franchises					Not applicable			
15. Investments	32	34	14	23				
Total Scope 3 GHG emissions	131,869	131,998	118,750	104,918				
Total Scope 3 GHG emissions / MSEK gross profit (includes Scope 3 categories within SBTi target)	51	51	49	42	+13	23	15	-5%
Total GHG emissions, Scope 1-3 (location-based)	133,500	133,713	120,126	106,476				
Total GHG emissions, Scope 1-3 (market-based)	133,403	133,638	119,383	105,831				

*Included in HMS intensity target for Scope 3, validated by SBTi.

Indicators connected to SBTi target



The following categories are assessed as not relevant to our business model or operations:

- **Category 8:** Upstream leased assets
This category is not material as we do not have leased assets outside our operational control. Emissions from leased company vehicles are reported under Scope 1 and Scope 2.
- **Category 10:** Processing of sold products
Assessed as not material because we do not sell physical products that require further processing by our customers.
- **Category 13:** Downstream leased assets
Assessed as not material since we do not act as a lessor.
- **Category 14:** Franchising
Assessed as not material as we do not operate through franchise models.

No biogenic emissions occur within Scope 1 and Scope 2. For Scope 3, Category 3 (fuel- and energy related activities) generates no biogenic emissions, consistent with their absence in Scope 1 and Scope 2. Biogenic emissions from waste management are assessed as not material. The majority of cardboard and paper in the value chain is recycled, which does not give rise to biogenic emissions. Biogenic emissions may occur within Scope 3 Category 4 (upstream transportation and distribution) and Category 9 (downstream transportation and distribution). These emissions are assessed as not material, as our products are mainly transported by using fossil fuels.

Primary activity data are used for most Scope 3 categories. This means that calculations are largely based on actual operational information such as volumes, distances, weight, energy use or other activity based metrics collected through internal systems and processes.

Primary supplier data are used only for parts of category 4 (upstream transportation and distribution) and category 9 (downstream transportation and distribution). Supplier specific emission factors are applied when our logistics partners can provide such data. For the remaining transport activities where supplier data are not available, emissions are estimated using internal calculations and secondary emission factors.

The share of Categories 4 and 9, covered by primary supplier data amounts to 81 percent. In relation to total Scope 3 emissions, this primary supplier data represents approximately 2 percent.

The table below presents the distribution of HMS's purchased instruments for renewable energy, as well as the share of energy consumption covered by contractual instruments. The information is reported on a calendar year basis and refers to the proportion of total purchased electricity that is verified through various types of certificates and guarantees of origin.

Energy covered by type of certificate	2025	2024
Share of purchased electricity consumption covered by Renewable purchased electricity Certificates (RECs) [%]	49	47
Share of purchased electricity consumption covered by Guarantees of Origin (GOs) [%]	39	32
Share of purchased electricity consumption covered by International Renewable purchased electricity Certificates (I-RECs) [%]	0	0
Share of purchased electricity consumption covered by Renewable purchased electricity Guarantees of Origin (REGOs) [%]	0.5	0.1

Contractual instrument coverage	2025	2024
Share of purchased energy consumption covered by contractual instruments* [%]	60	60
Share of purchased energy consumption covered by bundled contractual instruments [%]	33	32
Share of purchased energy consumption covered by unbundled contractual instruments [%]	27	28

*In addition to electricity covered by purchased instruments for renewable energy, purchased district heating produced using energy from renewable sources is also included, based on supplier specific data.



§ ACCOUNTING PRINCIPLES FOR GREENHOUSE GAS EMISSIONS

In addition to the limited assurance performed by the Group's external auditor, the emission categories included in the company's SBTi target have been validated by the Science Based Targets initiative.

SCOPE 1

Scope 1 emissions refer to direct emissions from sources owned or controlled by the organization. These emissions arise from company owned and leased vehicles, as well as from stationary fuels used for heating in owned, leased or rented facilities. Emissions from the use of refrigerants were included in 2025, and historical data have been updated; a leakage estimate of 5 percent has been applied in the calculations.

Emissions from company owned or leased vehicles have been calculated either based on fuel consumption or on kilometers driven. In cases where private and business use are not tracked separately and no survey has been conducted; a 50/50 allocation is applied.

Defra and EPA emission factors have been used for Scope 1 emission calculations.

In 2025, recalculations were carried out after inaccuracies in previously reported data were identified. Historical emissions data for company vehicles have therefore been corrected and updated, affecting reporting in both Scope 1 and Scope 2.

SCOPE 2

Emissions reported under Scope 2 cover the consumption of purchased electricity, heating and cooling in owned, leased or rented facilities. For electric heating (e.g., direct electric heating, geothermal systems or air source heat pumps), heat consumption is reported as electricity use. Where actual consumption data are not available, estimates are based on facility floor area or average consumption per employee. Scope 2 emissions also include electricity use associated with employee electric vehicles.

For purchased renewable energy, emissions are calculated using emission factors for renewable sources, provided this is verified through guarantees of origin, supplier agreements or equivalent documentation. If no such contractual instruments are in place, emissions are calculated using the residual mix emission factor of the respective country. Calculations have been performed using emission factors from Defra, EPA, AIB, IEA and the Swedish Energy Agency. Where possible, supplier specific emissions factors from energy providers have been applied.

In 2025, recalculations were carried out after inaccuracies in previously reported data were identified. Historical emissions data for company vehicles have therefore been corrected and updated, affecting reporting in both Scope 1 and Scope 2.

SCOPE 3

In 2025, Scope 3 was expanded to also include emissions from the acquired businesses Red Lion Controls Inc. and PEAK-System Technik GmbH. Historical emissions data have been updated from the 2022 base year.

The emission factors from Exiobase have been updated for historical calculations in relevant Scope 3 categories. The emission factors are updated with a time lag, meaning that factors based on a given year's economic and environmental data are applied to calculations for the subsequent reporting year. In accordance with this principle, Exiobase 3.9 is used for 2022, Exiobase 3.10 for 2023, and Exiobase 3.11 for 2024–2025. The updates affect calculations in the following categories: 1. Purchased goods and services, 2. Capital goods, 6. Business travel and 15. Investments.

Category 1: For purchased production materials such as electronic components, metals and plastics, emissions have been calculated using material specific emission factors from Defra, based on purchased weight. For purchased goods and services not directly linked to the manufacturing process, a spend based method (using global averages) has been applied. This portion is not included in our SBTi target because the method has a lower level of accuracy and offers limited value for steering effective climate actions. For spend based calculations, Exiobase has been used as the source of emission factors.

Category 2: Reported emissions have been calculated using a spend based method with emission factors from Exiobase. The investments included are presented in Note 18, page 155. Right of use assets are excluded as they do not fall within the definition of capital goods. Capital goods also include purchased furniture.

Category 3: Covers upstream emissions from fuel production as well as transmission and distribution losses from electricity generation. Emissions are reported in this category when they are not already included in Scope 1 or Scope 2.

Category 4: Covers transport between the company's sites and between HMS and tier 1 suppliers, such as the transport and distribution of materials and components. It also includes trans-

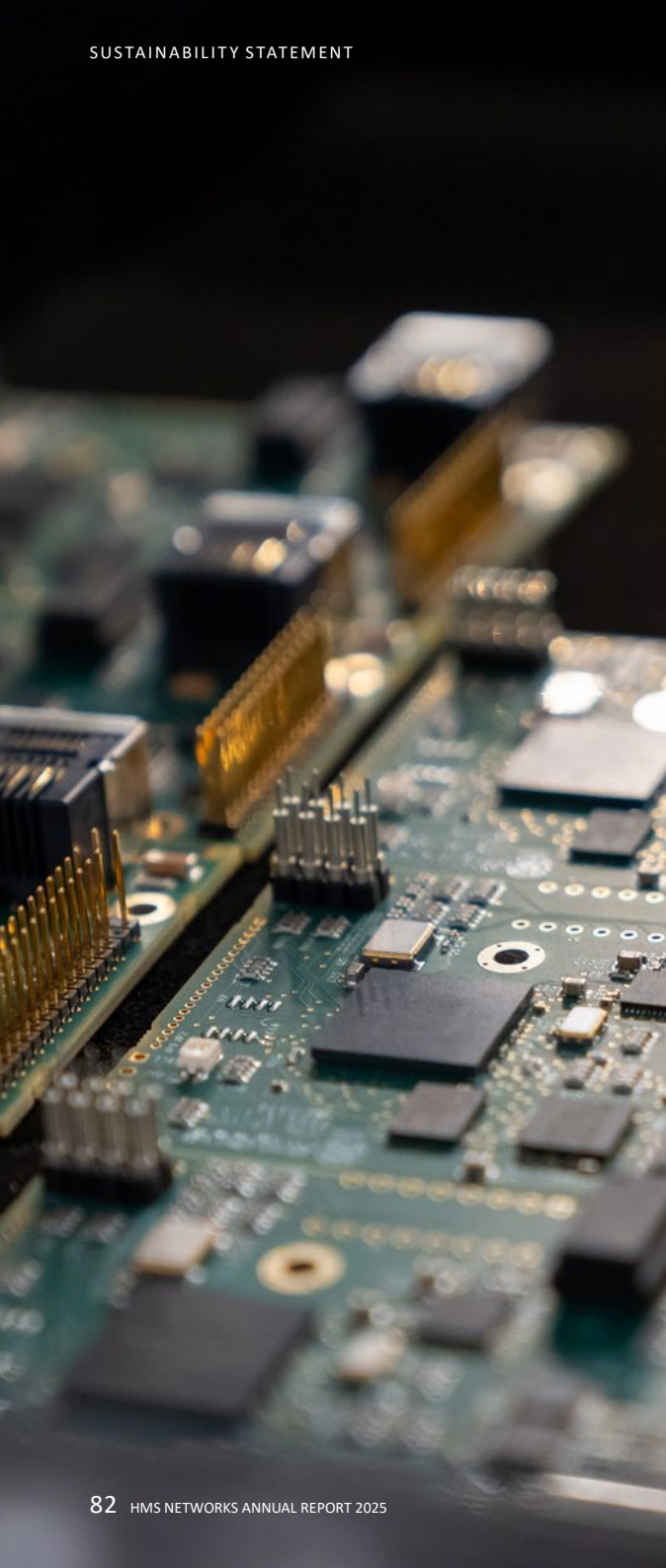
port between company sites and customers where HMS stands for the freight cost. Upstream transportation and distribution are reported either via direct data from carriers or through HMS own calculations based on recorded purchasing data. All emissions are reported on a well to wheel basis, capturing all phases of the fuel life cycle.

Category 5: Reported either via direct information from waste management companies or via estimates based on the scale and type of the organization's activities. Only waste from production sites is included, as waste from sales offices is not material. For waste disposed to landfill, emission factors include collection, transport and landfill emissions ("from gate to grave"). For incineration and recycling, only transport to energy recovery or recycling facilities is considered. This follows the GHG Protocol guidance, under which subsequent emissions are attributed to either electricity production or the production of recycled material. Emissions have been calculated using Defra emission factors.

Category 6: Covers travel by taxi, rental car, rail, air, and travel by employees' private cars. Business travel is reported using data from travel agencies and internal accounting. Hotel stays are not included in business travel data. For air travel, a high altitude effect is included to provide a more comprehensive view of climate impact. Activity based emissions have been calculated using emission factors from Defra and NTM. Where a spend based method was applied, Exiobase was used to estimate emissions.

Category 7: Emissions have been calculated using assumptions about distance to the workplace and number of working days in the office based on conducted survey. Calculations have been carried out based on the assumption that all commuting is done by gasoline-powered car, which means that the total emissions are expected to be slightly higher than the actual emissions. The emissions have been calculated based on emission factors from Defra.

Category 9: Covers transport from company sites to customers and distributors for shipments paid by the customer or distributor. Reporting is based on direct carrier data and estimates. When specific emissions data are unavailable, the DHL Carbon Calculator is used as a complementary tool. Emissions from distributor managed transport have been estimated by applying



HMS's share of total sales going to distributors and then estimating transport emissions. All emissions are reported on a well to wheel basis.

Category 11: Emissions from the use of sold products are calculated based on the energy consumed over each product's expected lifetime. Total energy use per product type is determined by considering power demand, average daily use, and expected lifetime. Emissions have been calculated with IEA emission factors using a global average, as the final place of use is unknown. Non physical products are excluded from the calculation. Cloud services used to deliver HMS's services are reported under Category 1 as purchased services.

Category 12: Calculated based on HMS's sales of products including packaging. For landfill, emission factors include collection, transport and landfill emissions ("from gate to grave"). Emissions have been calculated using Defra factors. For incineration and recycling, only transport to energy recovery or recycling facilities is considered. This follows GHG Protocol guidance, whereby subsequent emissions are attributed to electricity production or recycled material production. Assumptions about packaging volumes are based on an life cycle assessment screening. Additional assumptions regarding treatment methods by region have been made, with landfill considered more common in parts of Asia, Africa and Latin America, and recycling/incineration with energy recovery more common in Europe and North America. To determine the geographic regions in which HMS products end up, assumptions have been based on sales information.

In 2025, a correction related to treatment methods and volumes was made, resulting in updated emissions values, including historical figures.

Category 15: Reported emissions have been calculated using a spend based method with emission factors from Exiobase, considering the equity share. Investments in associates are presented in Note 33, page 170.

E1-7 GHG removals and GHG mitigation projects financed through carbon credits

During the reporting year, 10 metric tons of CO₂e were removed through carbon offsetting via carbon credits purchased from one of our transport suppliers. Instead of continuing to compensate for transport related emissions through credits, we have chosen to invest in more direct emission reducing measures by supporting the use of sustainable fuels in transport. This approach is expected to deliver more measurable and long term climate benefits within our logistics operations.

In 2025, through investments in Sustainable Aviation Fuel (SAF), we were able to avoid 73 metric tons of CO₂e, corresponding to approximately 5 percent of emissions from our upstream air transport activities for which HMS pays the freight cost.

The use of carbon credits may still be considered for other areas where direct emission reductions are currently less feasible. The need and appropriateness of such measures will be evaluated on an ongoing basis.

E5 Resource use and circular economy

E5-1 Policies related to resource use and circular economy

Our policies cover key areas related to resource use and the circular economy, including material selection, the use of recycled and recyclable content, waste management, resource efficient product design, packaging, product quality and product lifetime. The policy framework also includes requirements for responsible sourcing and material provenance through the HMS Responsible Sourcing Framework, as well as guidelines to minimize hazardous substances and ensure sustainable material flows.

Through these requirements, circularity principles are integrated into product development, including reduced material use, increased reparability and improved recyclability, while considering risks related to resource scarcity, price volatility, regulatory requirements, waste streams and supplier dependencies. Monitoring is carried out through indicators related to resource and material use, waste, recycling rates and product design parameters, with regular reporting to management and the Board of Directors.

An overview of HMS’s policies, including their scope in relation to relevant ESRS requirements as well as responsibilities and decision making structures, is presented in our policy matrix in Appendix 1.

MATERIAL IMPACT, RISKS AND POSSIBILITIES	POSITION IN VALUE CHAIN
Negative actual impact: High raw material use, especially virgin materials calls for more circular practices in division and supply chains.	Upstream & Downstream
Negative actual impact: Electronics manufacturing, by definition, entails negative environmental impacts due to the use of metals, plastics and components that require energy-intensive extraction and processing. A lack of circularity in certain product lines means that materials are lost at end-of-life, increasing resource outflows and reducing the potential for value retention throughout the life cycle.	Upstream & Downstream
Financial risk: Most production waste is recycled, but electronic waste remains a complex challenge with high regulatory and financial risks.	Own operations



E5-2 Actions and resources related to resource use and circular economy

We have identified the material composition of our products as a key area, particularly in relation to resource inflows and outflows and the potential to increase the share of recycled content. In addition to material selection, we recognize that product quality and responsible waste management are essential to promoting circularity. We focus on maintaining and repairing products to extend their useful life while actively reducing scrap and waste within our operations. Stakeholders include material suppliers, waste management partners and customers.

Our ambition is to integrate circular principles into product development. This means that new hardware products are designed to reduce environmental impact throughout their entire lifecycle, with a focus on sustainable material choices, resource efficient use, and extended product lifespan. The work includes, among other things:

- Material selection: increased use of recycled and recyclable materials and the minimisation of hazardous substances.
- Resource efficient design: reduced weight, optimised material utilisation and fewer components.
- Circularity: designing for long life as well as opportunities for repair, upgrades and recycling.
- Energy efficiency: lower energy consumption during the use phase through technical and design choices.

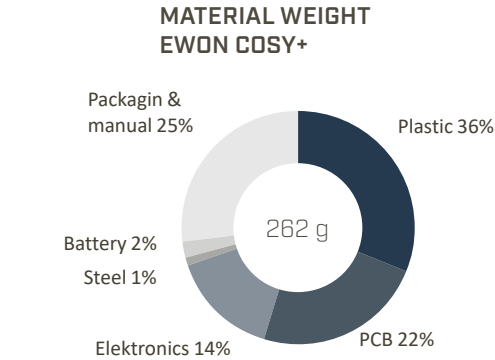
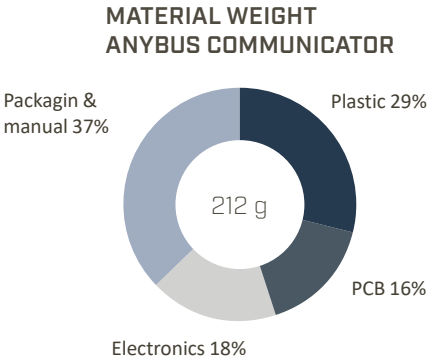
The integration of circular principles is still in an early phase and represents a relatively new

area of development for HMS. Processes and ways of working are still being established, and the current focus is therefore on building the structures, guidelines and methods that can be gradually implemented in product development. As these practices mature, circularity will be integrated more systematically across the organisation and in collaboration with suppliers and other partners throughout the value chain.

Our Responsible Sourcing Framework plays a central role in supporting these efforts. It ensures that material choices and supplier practices align with circular principles, enabling traceability, ethical sourcing and compliance throughout the value chain. Read more in section S2-4.

In 2023, we conducted life cycle assessment screenings on representative product lines. The analysis provided key insights into material content and product sustainability, confirmed the long lifetime of our products and identified opportunities for improved circular design. The results also highlighted upstream impacts linked to raw material extraction, such as the minerals and metals used in electronics.

Based on these insights, we are exploring strategies to increase the share of recycled materials in our products. One key initiative is a dedicated packaging project aimed at increasing the recycled content in packaging materials. This initiative aligns with our broader sustainability objectives and represents a concrete step toward more circular product design.



Breakdown of content in electronics	Example of components
Chips & Smart Electronics Devices that process, control, or store information	Processor, microcontroller, memory, logic IC, DC-DC converter, transceiver, diode
Basic Components Parts that store, resist, or control electricity	Resistor, capacitor, inductor, varistor, crystal oscillator
Connections & Controls Parts that connect, switch, or carry electricity	Switches, connectors, cables
Power Devices Parts that manage or transform electrical power	Transformers
Light & Display Components Parts that emit or respond to light	LED lightning

E5-3 Targets related to resource use and circular economy

Our ambition is to integrate sustainable principles into more than 80 percent of our active product portfolio by 2030, covering all newly developed hardware products. The target has been adopted by HMS Group Management and forms a central part of the Group's strategy towards 2030.

Since the target was recently established, no framework or action plan is yet in place, and no data is currently being monitored. The next step is to implement sustainable design guidelines in hardware development as the first milestone, with a focus on sustainability, reparability and recyclability to reduce raw material needs and support increased use of circular materials. These guidelines will form the basis for assessing sustainability aspects, enabling follow up of progress toward the defined target.

The target applies to all phases of the product life cycle, from the production phase, where design and material choices are determined, to the use phase and ultimately the end of life phase, by promoting sustainability, recyclability and reduced content of hazardous substances. Our targets support the company's environmental policy by promoting responsible use of natural resources and preventing waste generation. The target also represents a proactive measure to prepare for future requirements under the upcoming Ecodesign for Sustainable Products Regulation (ESPR). By integrating these principles early in product development, we aim to minimize environmental impacts and strengthen circularity. It also reinforces the waste hierarchy and cascade principles by prioritizing reduction and reuse before recycling or disposal.

Our certified quality and environmental management systems, ISO 9001 and ISO 14001, provide a supportive framework for achieving these ambitions through structured processes and continuous improvement. In 2025, 100 percent of our manufacturing sites were certified under ISO 9001 and 75 percent under ISO 14001, with the aim of reaching 100 percent by 2030.

Targets related to the organization's resource inflows and outflows have been established and are presented below. These targets aim to provide clear direction for more efficient and sustainable use of materials, energy and other resources in our operations. Targets relating to waste reduction will be defined and communicated at a later stage, as this work is still ongoing.

The development of the targets has involved dialogue and collaboration with relevant functions across the organization, including production managers and division leaders, to ensure that the targets are relevant, realistic and well anchored in the business and support both operational and strategic needs.

RESOURCE INFLOWS

To increase the share of recycled content in our products, we have established a clear target for packaging materials using 2025 as the base year. By 2030, all purchased packaging shall consist of at least 90 percent recycled content or originate from certified sources (e.g., FSC, PEFC, SFI); see sections E5-4 and E5-5 for further details.

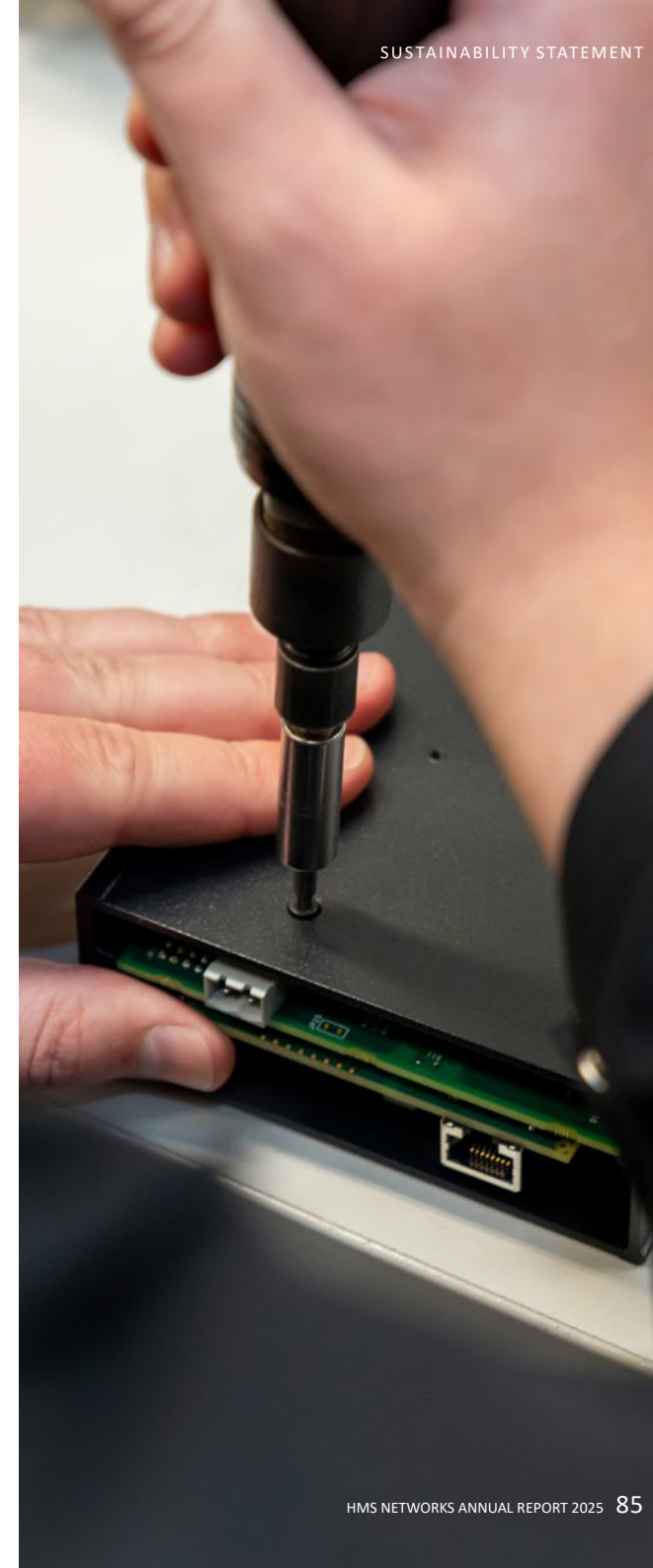
The target primarily applies to the production phase, where recycled content is incorporated through material selection and manufacturing. However, it is also relevant for the use phase and end of life phase, as packaging follows products to the customer and enters waste streams. The target was developed by key stakeholders within Supply in close collaboration with the Sustainability function and serves as a supporting target to our overarching strategic commitment to integrate sustainability principles into more than 80 percent of our active product portfolio by 2030, which has also been adopted by Group Management.

The packaging target is based on existing EU packaging regulations (EU 2025/40) but goes beyond legal requirements by setting a higher level of ambition. While legislation defines minimum standards, our target reflects a proactive commitment to sustainability and increased circularity. It also reinforces the waste hierarchy by prioritizing recycling and reducing the need for virgin resources.

We are actively working toward this target through closer collaboration with suppliers and by implementing internal packaging guidelines. The target applies to all types of packaging, primary, secondary and tertiary, across our global operations.

Achieving these goals requires collaboration across several functions, including divisions, the sustainability department and the procurement organization.

As of 2025, 34 percent of our packaging materials meet the defined standard of >90 percent recycled content or from certified sources, marking significant progress toward our 2030 ambition.



RESOURCE OUTFLOWS

Repairing products is essential for building a more sustainable and responsible society. By extending product lifetimes instead of discarding them, we reduce waste, conserve valuable resources and lower our overall environmental impact.

We monitor the share of returned products that are repaired and have set a target that 60 percent of all returned products shall be repaired rather than discarded or recycled by 2030. The target was developed by key stakeholders within Supply in close collaboration with the Sustainability function and serves as a supporting target to our overarching strategic commitment to integrate sustainability principles into more than 80 percent of our active product portfolio by 2030, which has also been adopted by Group Management. The target reflects our commitment to extending product life cycles, reducing waste and supporting a more circular value chain.

The target primarily applies to the use phase of the product life cycle, as repairs occur after products have been delivered to and used by customers. It also affects the end of life phase, since repaired products are reintegrated into the value chain rather than being discarded or recycled.

Our commitment reinforces the waste hierarchy by prioritizing reuse over recycling and disposal. By repairing instead of replacing products, we reduce resource extraction and lower environmental impacts. This target is also aligned with the EU Taxonomy's technical screening criteria, which promote circular principles such as extended product lifetime and improved reparability.

Data on returned products is collected through internal return systems and service centers, where customers initiate claims via the web portal. Returns handled via distributors are excluded from the target and related metrics.

A repaired product refers to any item with delivery deviations, such as missing components, functional issues or other defects, handled through the product returns process. Faulty products are repaired, inspected and functionally tested before being reintegrated into the value chain.

In 2025, which serves as our base year, 64 percent of the returned products were repaired and could be reintegrated into the value chain. This demonstrates our continued commitment to extending product lifetimes and minimizing waste through effective and responsible repair practices. Targeted improvement

initiatives within local product returns departments were implemented during the year and are expected to further increase the repair rate in the coming years.

WASTE

Reducing production waste is an important and ongoing activity to improve operational efficiency and strengthen circularity within our operations. Lowering the scrap rate in manufacturing is a key area, as it directly supports more efficient use of materials and resources. Although the scrap rate is partially monitored, no comprehensive system for tracking or defined target is yet in place. This is an area for further development to enable more complete data collection, performance evaluation and future disclosure.

The future target will apply to the production phase of the product life cycle, where scrap occurs during manufacturing. Managing waste at this stage helps prevent unnecessary resource consumption and aligns with the waste hierarchy, where reduction is the most effective strategy for minimizing waste. Reducing the scrap rate is not a legal requirement; rather, it reflects an ambitious commitment and proactive measures that go beyond regulatory obligations to drive continuous improvement and support our circularity goals.

E5-4 Resource inflows

HMS systematically monitors material inflows to understand resource use across the entire organization and the upstream value chain. Purchased materials are categorized into twelve groups, including metals, plastics, components, paper and packaging, printed circuit boards, connectors and batteries.

Several smaller groups are then consolidated into a broader electronics group, which includes antennas, cables, components, semi finished electronic products, connectors, circuit boards and SIM cards.

The primary material categories in our operations are metals, plastics, electronics and paper/packaging, which together account for the majority of total material inflows. Information is collected through procurement data and reported by weight, providing a quantitative overview of resource consumption. To harmonize with our climate reporting, emission factors from Defra are applied to each material category, enabling the conversion of material inflows into corresponding greenhouse gas

emissions in line with ESRS requirements for transparency and traceability.

To avoid double counting, material inflows are grouped into overarching categories. Components consisting of multiple materials, such as cables or electronic components, are reported under electronics rather than being broken down into their individual material components. This ensures that inflows are reported only once, thereby meeting the ESRS E5 requirements for consistency and transparency.

We follow circular economy principles and apply the cascade principle when sourcing biobased materials. This means prioritizing materials from higher value or longer lived applications and ensuring that reuse and recycling occur before energy recovery or disposal. By adhering to this hierarchy, we maximize material value over time, reduce dependence on primary resources, and support our long term circularity objectives. This approach is also aligned with our established targets, ensuring that material choices contribute to reduced demand for virgin raw materials and enable higher recycling and reuse rates throughout the value chain.

Packaging is classified as recycled if it contains more than 90 percent recycled material or is FSC- or PEFC-certified, ensuring the fiber comes from sustainably managed forests. Recycled and certified content data has not yet been externally validated. For all other materials, recycled content is not currently tracked and is assumed to be zero in the absence of verified data. Continuous improvements to supplier data and verification processes are planned for upcoming reporting years to enhance accuracy and transparency.



The table below summarizes HMS's resource inflows for the 2025 calendar year. The information includes both direct materials used in finished products and the packaging materials required to enable delivery to customers.

Resource inflows (metric tons)*	2025
Total weight of products and materials	1,496
Material distribution of products and materials	
– Metals	523
– Electrical items	560
– Plastics	145
– Batteries	0.1
– Paper & packaging	268
Total weight of secondary materials	20
Percentage of secondary materials [%]	1.3%
Total weight of secondary reused or recycled components	0
Percentage of secondary reused or recycled components [%]	0
Total weight of secondary intermediary products	0
Percentage of secondary intermediary products [%]	0
Percentage of biological materials sustainably sourced [%]	0.1%
Total weight of sustainably sourced biological materials [tons]	2

*Includes direct materials used in the production process for the manufacturing of HMS products. This includes both raw materials and components incorporated into finished products, as well as packaging materials required to enable delivery to customers. .

§ ACCOUNTING PRINCIPLES

Detailed data on material inflows for purchased materials is monitored for the two largest production sites, which together account for 88 percent of total purchased materials. For other sites, material inflows are estimated through proportional extrapolation based on purchasing costs and production volumes.

E5-5 Resource outflows

Our products and services are specialized in industrial communication solutions that connect devices, machines and systems in industrial and building automation environments. Our product portfolio consists of electronic modules that integrate hardware and software to enable secure and efficient data transmission across different networks and protocols.

Circular economic principles are increasingly embedded in our design and production processes. Key actions include extending product life through repair and refurbishment, as well as reducing waste throughout our operations. We plan to introduce formal sustainability guidelines to increase the use of recycled materials. Going forward, we will focus on strengthening the monitoring and follow up of recycled content in both packaging and products, ensuring transparency and supporting continuous improvement.

Our products are designed for long-term use in industrial environments, typically with a target lifetime of 10 years. This is achieved through robust hardware design, upgradable software, and long-term support commitments. There is currently no established industry benchmark for durability in industrial communication making direct comparison impossible.

We apply a structured product returns process to support repair, reuse and responsible end of life management. Customers can return defective or end of life units for evaluation, which helps reduce waste and the need for virgin materials. Returned units are categorized into:

- Failed during use
- Defective on arrival.

Both categories are systematically analyzed to determine root causes and prevent recurrence, ensuring that lessons learned are integrated into our quality and improvement processes.

In addition to customer returns, HMS operates an internal non-conformances process that identifies and corrects product deviations detected during production and testing before shipment. This reduces material waste, as defective circuit boards can be repaired immediately rather than being discarded. The manufacturing order remains intact throughout the process, ensuring efficient use of materials and minimizing the need for rework or disposal.

Currently, we report only recycled content in paper packaging, based on supplier-provided estimates. The proportion of recycled

materials within products is not yet measured, and there is no defined timeline for implementing such tracking. Due to the absence of verified data, the recycled content within products is assumed to be zero.

The tables below present the share of recycled content in HMS products and packaging for the 2025 calendar year. The information includes both the total product weight and the total weight of packaging, as well as the proportion consisting of recycled material. The disclosure covers recycled content in finished products as well as in associated packaging solutions.

Packaging type	Total weight of recyclable content [metric ton]	Total weight of packaging [metric tons]	Share of recyclable content [%]
Paper/ cardboard	22	61	36
Plastic	0	3	0
Total	22	64	34

Total weight of recyclable content in products [metric tons]	Total weight of products [metric tons]	Share of recyclable content in products [%]
0	180	0

§ ACCOUNTING PRINCIPLES

The packaging content of products was estimated based on the conducted life-cycle assessment screenings, in which a certain percentage of the total product weight consists of packaging. Within this packaging share, we further assumed that a defined proportion originates from recycled sources, using supplier data for purchased materials as the basis for the estimation. For Owasys and PEAK, supplier data has not yet been obtained. Due to the absence of verified information, the recycled content in their packaging is therefore assumed to be zero.



WASTE

Waste streams relevant to our operations have been identified and are monitored regularly to ensure compliance with environmental legislation and to support a circular economy. The main waste categories are:

- Electronic waste: Defective or end of life industrial communication devices, printed circuit boards and other electronic components.
- Hazardous waste: Production chemicals, batteries, and other hazardous by-products. electronic and electrical equipment containing lead, mercury, cadmium, brominated flame retardants, or lithium.
- Metal waste: Scrap, and defective metal components used in housing, enclosures, and connectors.
- Plastic waste: Protective casings, and packaging associated with incoming raw materials or components.
- Paper/cardboard waste: Cardboard, and other packaging materials associated with incoming raw materials or components.
- Wood waste: Pallets associated with incoming raw materials or components.

In addition to managing waste from our production facilities, we have implemented a global IT equipment take back program in collaboration with Atea.

The initiative promotes reuse and recycling and ensures that all devices are securely wiped off data before being reused. Equipment in good condition is donated to charity or used in schools, supporting education and social responsibility. If devices cannot be reused, they are recycled to recover valuable materials and minimize environmental impact.

In 2025, the program contributed to avoiding approximately 6.3 metric tons of CO₂e emissions, underscoring our commitment to circularity. The program demonstrates how strategic partnerships and robust processes can deliver measurable sustainability benefits while supporting broader societal goals.

§ ACCOUNTING PRINCIPLES

We have mapped the key waste streams generated at our production sites. The assessment covers waste from production facilities and is based on data from waste management partners. Waste from sales offices is excluded.

The calculations of emission reductions from Atea's take back program follow the GHG Protocol guidelines for Scope 3

Waste generated in the company's own operations (metric tons)	2025	2024
Total amount of hazardous waste	2	8
Total amount of non-hazardous waste	149	181
Total amount of waste	150	188
Total amount of recycled waste	89	121
Total amount of non-recycled waste*	61	67
Share of non-recycled waste of total waste	41%	36%

*Including waste treated through incineration with energy recovery.

Hazardous waste (metric tons)	2025	2024
Waste treated by combustion	0	0
Waste treated by landfill	0	0
Waste directed to disposal	0	0
Recycling	2	8
Preparation for reuse	0	0
Total waste diverted from disposal	2	8
Total hazardous waste*	2	8

*The total amount of radioactive waste, as defined in Article 3.7 of Council Directive 2011/70/Euratom, is 0 metric tons.

Non-hazardous waste (metric tons)	2025	2024
Waste treated by combustion	61	67
Waste treated by landfill	0	0
Waste directed to disposal	61	67
Recycling	87	111
Preparation for reuse	1	3
Total waste diverted from disposal	87	114
Total non-hazardous waste	149	181

and are based on EPA emission factors. The methodology, developed in collaboration with IVL Swedish Environmental Research Institute and updated annually, ensures credible and standardized reporting of avoided emissions from reuse and recycling.

EU Taxonomy

The EU Taxonomy Regulation establishes a common classification system for environmentally sustainable economic activities. It serves as a key instrument in supporting the European Union's goal of achieving climate neutrality by 2050.

At Group level, HMS has carried out a comprehensive mapping of its operations in relation to the Taxonomy's disclosure requirements and environmental objectives. This assessment identified both eligible and non-eligible activities under the Taxonomy framework.

Up to and including 2022, the evaluation covered alignment with Taxonomy's first two environmental objectives. Starting in 2023, the scope of assessment expanded to include activities related to objectives 3–6.

The taxonomy includes the following environmental objectives:

1. Climate change mitigation (CCM)
2. Climate change adaptation (CCA)
3. Sustainable use and protection of water and marine resources (WTR)
4. Transition to a circular economy (CE)
5. Pollution prevention and control (PPC)
6. Protection and restoration of biodiversity and ecosystems (BIO)

Economic activity covered by the EU Taxonomy is classified as eligible and is determined by activity mapping under the EU Taxonomy. HMS is coordinating this process globally by functions within Sustainability and Finance. For eligible activities, alignment is assessed through the Technical Screening Criteria (TSC), compliance with Do No Significant Harm (DNSH) criteria, and adherence to Minimum Safeguards (MS). For an economic activity to be aligned, it must make a substantial contribution to at least one environmental objective as defined by the TSC, do no significant harm to any other environmental objective, and meet the MS set out in Article 18 of the Taxonomy Regulation.

Eligibility of core activities

The following activities were identified as eligible during the reporting year:

- HMS's physical products are classified under activity 1.2 – Manufacture of electrical and electronic equipment

within the environmental objective Transition to a Circular Economy (CE), which covers the production of components, modules, and devices that enable electrification, digitalization, and energy efficiency in industrial systems.

- Intesis products for building automation, AC and AW heat pump Gateways, have been classified under activity 3.6 – Manufacture of other low carbon technologies within the environmental objective Climate Change Mitigation (CCM), as energy efficiency is a direct and core objective of these solutions.
- Digital and cloud-based services (e.g. Ewon Cloud, Ewon Talk2M, Intesis AC Cloud) are mapped under activity 8.1 – Data processing, hosting, and related activities within the environmental objective Climate Change Mitigation (CCM). These products contribute to climate change mitigation by enabling remote access, control, and data-driven optimization, which in turn reduces travel, energy consumption, and on-site maintenance needs.

Eligibility of non-core activities

The following activities were identified as eligible during the reporting year:

- 6.5 Transport by motorbikes, passenger cars, and light commercial vehicles. Only electric vehicles are considered eligible, covering 71 percent of our car fleet, with the goal of achieving 100 percent electrical vehicles by 2030.
- 7.3 Installation, maintenance, and repair of energy-efficient equipment, including initiatives such as heat pumps, solar panels, and insulation materials. Activities include minor action such as installation smart meters, upgraded electrical systems and lighting, added motion sensors with LEDs, and cleaning and serviced our solar panels.
- 7.5 Installation, maintenance, and repair of electric vehicle charging infrastructure. Activities include minor action as installation of EV charging stations to support the transition to electric vehicles and promote sustainable transportation.
- 7.7 Acquisition and ownership of buildings contribute to climate mitigation.

NUCLEAR AND FOSSIL GAS RELATED ACTIVITIES

NUCLEAR ENERGY RELATED ACTIVITIES

The company carries out, funds, or has exposures to research, development, demonstration, and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
The undertaking carries out, funds, or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
The undertaking carries out, funds, or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO

FOSSIL GAS RELATED ACTIVITIES

The undertaking carries out, funds, or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
The undertaking carries out, funds, or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
The undertaking carries out, funds, or has exposures to construction, refurbishment, and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Technical screening criteria

The activities reported as eligible under Activity 1.2 have been assessed and are not considered to meet the applicable Technical Screening Criteria. Specifically, the technical documentation did not provide sufficient information regarding disassembly, and the claimed superior reusability of the products could not be substantiated. Consequently, this activity is not classified as aligned.

Similarly, the activities reported under Activity 3.6 were found not to meet the applicable Technical Screening Criteria due to the absence of Life Cycle Assessments (LCAs), which are required for alignment.

For Activity 8.1, the assessment was based on information from companies delivering data center services, such as reports and publicly accessible sources. The available data did not fulfill all requirement defined in the Technical Screening Criteria. Certain information necessary for a complete assessment is currently missing and will be reviewed further in the coming year. As a result, these activities could not be assessed as aligned at this stage.

For the activities reported as eligible under activities 7.3, 7.4, 7.5, and 7.7, none of these activities were found to meet the applicable Technical Screening Criteria. Consequently, they are not classified as aligned.

The activity reported as eligible under activity 6.5 has been assessed and is considered to meet the technical screening criteria.

Do no significant harm

Activity 6.5 has been assessed against the criteria defined under the Do No Significant Harm principle, based on information available from automotive companies, including annual reports and environmental disclosures. Only company vehicles operated within the European Union are considered to meet the criteria of the Do No Significant Harm principle, since the recycling rate is assessed as high and in line with the requirements for alignment.

Minimum safeguards

We are committed to responsible business conduct in line with the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, and the ILO Core Conventions. Our Code of Conduct and Supplier Code of Conduct set clear expectations for human rights, labor standards, and ethical business practices for all employees and business partners.

HUMAN RIGHTS:

We uphold freedom of association, collective bargaining, and strictly prohibit forced labor, child labor, and discrimination. Employees and suppliers have access to confidential grievance mechanisms, including an anonymous whistleblowing channel. No material breaches of these principles were identified during the reporting period.

Regular risk assessments and supplier audits are conducted to identify and mitigate potential human rights risks. All suppliers are required to comply with our Supplier Code of Conduct, which is aligned with international standards.

ANTI-CORRUPTION:

We maintain a zero-tolerance policy toward bribery and corruption, supported by robust due diligence process for third parties and regular employee training, particularly for those in high-risk roles. Compliance with all relevant anti-corruption laws is ensured, and our non-retaliation policy protects anyone who reports concerns in good faith.

TAXATION:

We are committed to responsible tax practices, transparency, and compliance with applicable tax laws. We do not engage in aggressive tax planning and pay taxes where value is created.

FAIR COMPETITION:

We adhere to competition laws and promote fair business practices. Employees receive regular training on competition law, and compliance is continuously monitored.

In addition, we report annually on our progress toward the ten principles of the UN Global Compact through public Communication on Progress (CoP).

Based on the above measures and controls, and the absence of material breaches during the reporting period, we assess that our operations meet the requirements of the EU Taxonomy minimum safeguards.

§ ACCOUNTING PRINCIPLES

Performance indicators in accordance with Article 8 of the EU Taxonomy Regulation.

TURNOVER

The proportion of Taxonomy-eligible economic activities in HMS' total sales has been calculated as the part of net sales derived from products and services associated with eligible economic activities (numerator) divided by net sales (denominator). The denominator is based on HMS' consolidated net sales in accordance with IAS 1.82(a), which corresponds to the consolidated income statement on page 133.

CAPEX

The proportion of Taxonomy-eligible capital expenditure is defined as Taxonomy-eligible investments (numerator) divided by HMS' total investments (denominator). The numerator refers to total capital expenditure on new property, plant, and equipment and intangible assets during the financial year, before depreciation/amortization and any remeasurements, including those resulting from remeasurements and impairment, excluding changes in fair value. The investments include new property, plant, and equipment (IAS 16), intangible assets (IAS 38), and right-of-use assets (IFRS 16), which are presented in Notes 17–18 as investments and increases through company acquisitions. Goodwill is not included.

OPEX

The proportion of Taxonomy-eligible operating expenses is defined as Taxonomy-eligible operating expenses (numerator) divided by HMS' total operating expenses (denominator). Total operating expenses consist of direct costs attributable to R&D, building renovations, short-term leases, maintenance and repairs, and all other direct costs associated with the day-to-day servicing of property and fixed assets. R&D expenditure can be found in the HMS Networks Group's income statement and non-capitalized leases in accordance with IFRS 16 can be found in Note 19 Leases. Maintenance and repairs have been determined based on the costs allocated to internal cost centers. The related cost items can be found in various items in the HMS Networks Group's consolidated income statement.

Proportion of taxonomy-eligible or aligned economic activities

Proportion of turnover from products or services associated with taxonomy-aligned economic activities - disclosure covering year 2025

Economic activities	2025			SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA [“DO NO SIGNIFICANT HARM”]										Proportion of Taxonomy-aligned (A.1.) or - eligible (A.2.) turnover year 2024	Category (enabling activity)	Category (transitional activity)
	Code(s)	Turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards						
																	[MSEK]	%	Y;N;N/EL			
A. TAXONOMY ELIGIBLE ACTIVITIES																						
A.1. Environmentally sustainable activities (Taxonomy-aligned)																						
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	0	0%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	-	-	-			
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%	0%	N/EL	N/EL	N/EL	N/EL	N/EL													
of which enabling		0	0%															E				
of which transitional		0	0%																	T		
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																						
Manufacture of other low carbon technologies	CCM 3.6	223	7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								6%					
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%					
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.5	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%					
Acquisition and ownership of buildings	CCM 7.7	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%					
Data processing, hosting and related activities	CCM 8.1	135	4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3%					
Manufacture of electrical and electronic equipment	CE 1.2	2,830	79%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								79%					
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3,198	89%	10%				79%									88%					
A. (A.1+A.2) Turnover of Taxonomy-eligible activities		3,198	89.4%	10%				79%									88%					
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																						
Turnover of Taxonomy-non-eligible activities (B)		379	10.6%																			
TOTALT (A+B)		3,577	100%																			

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.

N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.

N/EL – Not eligible for the environmental objective.

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.
 N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
 N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.
 EL – Taxonomy-eligible activity for the relevant objective.

*A revision has been made to the information reported for 2024, thereby replacing previously published values. The adjustment was carried out following a renewed review of the underlying data used for last year's reporting.

Proportion of CapEx from products or services associated with taxonomy-aligned economic activities - disclosure covering year 2025

Economic activities

A. TAXONOMY ELIGIBLE ACTIVITIES

A.1. Environmentally sustainable activities (Taxonomy-aligned)

Transport by motorbikes, passenger cars and light commercial vehicles

	2025			SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA ["DO NO SIGNIFICANT HARM"]									
	Code(s)	CapEx	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or - eligible (A.2.) CapEx year 2024	Category (enabling activity)	Category (transitional activity)
	[MSEK]	%	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	%	E	T
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	13	8%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1%		T
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		13	8%	8%	N/EL	N/EL	N/EL	N/EL	N/EL										
of which enabling		0	0%															E	
of which transitional		13	8%	8%															T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	CE 1.2	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.1	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.5	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisition and ownership of buildings	CCM 7.7	4	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1%		
Data processing, hosting and related activities	CCM 8.1	0	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Manufacture of electrical and electronic equipment	CE 1.2	126	79%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								79%		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		130	82%	3%				79%									80%		
A. (A.1+A.2) CapEx of Taxonomy-eligible activities		143	90%	11%				79%									81%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
CapEx of Taxonomy-non-eligible activities (B)		16	10%																
TOTAL (A+B)		159	100%																

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.
EL – Taxonomy-eligible activity for the relevant objective.

*A revision has been made to the information reported for 2024, thereby replacing previously published values.
The adjustment was carried out following a renewed review of the underlying data used for last year's reporting.

Proportion of OpEx from products or services associated with taxonomy-aligned economic activities - disclosure covering year 2025

Economic activities	2025			SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA ["DO NO SIGNIFICANT HARM"]									
	Code(s)	OpEx	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water	Pollution	Circular Economy	Biodiversity	Minimum safeguards	Proportion of Taxonomy-aligned (A.1.) or - eligible (A.2.) OpEx year 2024	Category (enabling activity)	Category (transitional activity)
		[MSEK]	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	Y;N	%	E	T
A. TAXONOMY ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	16	5%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	6%		T
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		16	5%	5%															
of which enabling		0	0%															E	
of which transitional		16	5%	5%															T
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Manufacture of other low carbon technologies	CCM 3.6	17	5%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3%		
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3	0.1	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	CCM 7.5	0.3	0%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								0%		
Acquisition and ownership of buildings	CCM 7.7	10	3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								3%		
Data processing, hosting and related activities	CCM 8.1	13	4%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								5%		
Manufacture of electrical and electronic equipment	CE 1.2	273	79%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								79%		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		313	91%	12%				79%									90%		
A. (A.1+A.2) OpEx of Taxonomy-eligible activities		328	95%	16%				79%									96%		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
OpEx of Taxonomy-non-eligible activities (B)		16	5%																
TOTAL (A+B)		345	100%																

Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective.
N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective.
N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.
EL – Taxonomy-eligible activity for the relevant objective.

*A revision has been made to the information reported for 2024, thereby replacing previously published values. The adjustment was carried out following a renewed review of the underlying data used for last year's reporting.



Social information

We strive to create an inclusive, safe and development oriented working environment by promoting diversity, engagement and continuous learning as an integral part of our culture. Our responsibility extends across the entire value chain, from our own operations to our suppliers and partners, where we ensure fair working conditions, respect human rights and uphold high ethical standards.

CONTENT S1 OWN WORKFORCE

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CONTENT S2 WORKERS IN THE VALUE CHAIN

S2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	59
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S2-2	Processes for engaging with value chain workers about impacts	101
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S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	102
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	104

S1 Own workforce

S1-1 Policies related to own workforce

Our Code of Conduct and Health & Safety Policy set expectations for ethical conduct, respect for human rights, non discrimination, and safe working conditions across all operations. These policies are aligned with international standards such as the UN Global Compact, the Universal Declaration of Human Rights, and ILO conventions.

Our global Health & Safety Policy emphasizes a zero-incident vision, fostering a proactive safety culture where risks are actively prevented. We encourage everyone to take responsibility to act (“See it, stop it”), supported by clear roles and responsibilities, robust emergency procedures, and continuous learning from incidents. The policy applies to all employees and is anchored in our values; Heart, Mind & Soul. For further details, see our policy matrix, Appendix 1.

HMS has been part of UN Global Compact since 2021. The initiative plays an important role in promoting and protecting human rights globally by establishing universal principles and encouraging companies to act responsibly and ethically. All employees and non-employees are expected to comply with these commitments, which are communicated through regular training, onboarding, and internal communications. Our policies explicitly prohibit discrimination, forced labor, child labor, and any form of harassment, and are publicly available to ensure transparency and accountability.

S1-2 Processes for engaging with own workforce and workers’ representatives about impacts

At HMS, we recognize that meaningful engagement with our employees is essential for understanding the impacts of our operations and for driving continuous improvement within our strategy. Our engagement processes are designed to ensure that all employees including those who may be at greater risk of negative impacts, such as women, migrants, and persons with disabilities have the opportunity to influence the design of our working environment.

MATERIAL IMPACT, RISKS AND POSSIBILITIES	POSITION IN VALUE CHAIN
Negative potential impact / Financial risk: We strengthen our competitiveness by providing continuous learning that makes the workforce flexible and prepared for technological change. This drives innovation, increases productivity, and supports long-term sustainability. Insufficient investment in these areas risks reducing efficiency and diminishing our attractiveness as an employer.	Own operations
Negative actual impact: Gender balance in leadership roles is essential for engagement and stability. An inclusive culture enhances satisfaction and retention, strengthening the brand and reducing the risk of losing key competencies. Shortcomings in this area may negatively affect recruitment and investor relations.	Own operations
Negative potential impact: A safe and healthy work environment is essential for protecting employees and maintaining productivity. Low incident rates, particularly in manufacturing, reflect our strong safety culture. Protecting employees supports growth, reduces costs, and strengthens our reputation.	Own operations

SYSTEMATIC DIALOGUES AND SURVEYS

All employees are invited to participate in the HMS employee survey, Heartbeat, which is conducted twice per year. The survey, led by the Chief Human Resources Officer (CHRO), covers areas such as well being, leadership, workplace culture, and professional development. Managers play a central role in encouraging participation, analyzing results together with their teams and developing action plans based on insights. Results are shared with Group Management and form the basis for prioritized actions. Outcomes are communicated in company wide meetings and guide improvement initiatives at both local and Group level.

DIALOGUE WITH TRADE UNION REPRESENTATIVES

In addition to surveys, HMS maintains regular meetings and open dialogue with trade union representatives at both local and board levels. Trade union perspectives are integrated into decision-making and performance tracking, and local coordination networks ensure consultation across geographies.

LEADERSHIP DEVELOPMENT AND SKILLS DEVELOPMENT

To strengthen organizational engagement and leadership capabilities, HMS operates the development program Growth Academy, which is coordinated globally by HR. The program aims to promote cross functional collaboration, personal development, and strategic understanding of HMS’s business and sustainability objectives. Participants are nominated by managers and selected by Group Management based on leadership potential and expertise. The program runs over ten months and includes workshops, digital sessions, and project work.

TRANSPARENCY AND ACCOUNTABILITY

To strengthen trust and transparency, we operate an externally managed whistleblower system accessible to employees and external parties. All reports are treated confidentially, and retaliation against reporters is strictly prohibited. Read more about our whistleblower system in section G1.

S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

Employees can raise concerns or report potential adverse impacts through several confidential channels, including direct contact with their manager, HR or Legal, as well as via the anonymous whistleblowing service. All reports are handled with strict confidentiality, and there is zero tolerance for retaliation.

Each incoming case is reviewed and investigated by a dedicated team. When adverse impacts are identified, a remediation framework is applied that is grounded in the perspective of the affected individual and includes:

- Protection of individuals concerned
- A thorough investigation of the incident
- Implementation of corrective actions

Remediation is developed in dialogue and consultation with those affected and may also involve trade union representatives. The effectiveness of these mechanisms is regularly evaluated through feedback, survey results (e.g. Heartbeat), and ongoing follow up, ensuring continuous improvement and maintaining trust in the process. Read more about our whistleblower system in section G1.

S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

The following summarizes our key actions to address material impacts, risks, and opportunities related to our own workforce. These actions directly support our strategic ambitions for leadership development, performance management, and talent development; foster a culture of continuous learning; and strengthen our corporate values: Heart, Mind & Soul. To support these ambitions, we have implemented integrated policies and processes that enhance workforce resilience and enable sustainable growth. These actions ensure a safe, competent, and inclusive working environment in line with our sustainability objectives.

In 2025, we reintroduced our values Heart, Mind & Soul to strengthen alignment and awareness across the organization.

The values are now integrated into our new global performance management and talent development process as well as our onboarding program, ensuring they guide our ways of working and shared development.

As part of our strategy for 2030, we introduced the employee survey, Heartbeat, in 2025, inviting all employees to participate twice a year. The survey measures leadership, engagement and work environment through dedicated metrics, where managers play a key role by encouraging participation, reviewing results with their teams, and developing action plans based on feedback. Read more about the outcome in section S1-5.

In 2025, we implemented a Human Resources Information System (HRIS) to harmonize HR processes and strengthen workforce management. HRIS integrates core functions such as master data management, reporting, onboarding and offboarding, performance and talent management, and job profiles. The system enables data driven analysis and early identification of potential risks such as employee turnover, stress indicators, and absenteeism. Going forward, the system will also include a learning management system to support continuous competence development. All managers have been onboarded to the platform and trained in the new processes.

SAFETY AND WELL-BEING

At HMS, safety and well-being are the foundation of our culture. We are committed to providing a safe and supportive workplace and believe that healthy, engaged employees drive high performance. Our approach to occupational health and safety is systematic and proactive, covering investigation, prevention, implementation, and continuous follow up, with full compliance with national legislation and regulations. Guided by the principle “See it, stop it”, we work based on four pillars: competence, communication, risk management, and a strong safety culture. Dedicated safety committees and regular inspections support our zero vision for occupational injuries, while psychosocial initiatives help prevent burnout, reduce absenteeism, and increase engagement and performance.

In 2025, we strengthened collaboration between our production sites and, as part of Strategy 2030, set the ambition to establish a fully developed behavior-based safety culture. Our occupational health and safety tool (IA) provides actionable insights into risks and trends, enabling continuous improvements

and proactive safety measures to protect our workforce.

We continue to prioritize employee health by expanding local well being initiatives. In Sweden, this commitment was strengthened in 2025 through the introduction of a proactive digital health platform covering all aspects of well being, including sleep, stress management, physical activity, and recovery.

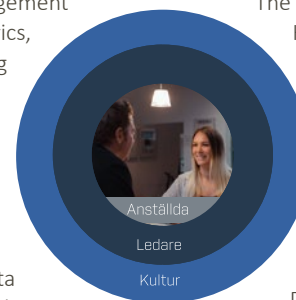
The service supports individual health while enabling HMS to develop a data driven health strategy focused on prevention and long term performance across the organization. Our latest employee survey confirms this positive development. The score for work-life balance increased to 75 percent, up from 71 percent previously, clearly demonstrating the impact of these initiatives.

DIVERSITY

Diversity and inclusion are deeply embedded in HMS's culture and shape how we work and lead. We strive to create an environment built on trust, collaboration, and innovation by integrating our core values globally and promoting diversity to stimulate creativity. Our initiatives include fostering an inclusive culture, implementing flexible working arrangements, and conducting regular management reviews to support work-life balance and continuous development of occupational health and safety practices. We encourage cross-functional collaboration to remove barriers, strengthen knowledge sharing, and drive innovation, ensuring that teams with diverse perspectives work together to develop smarter solutions and strengthen our corporate culture.

We remain committed to strengthening gender equality in leadership over time. This ambition is driven by principles that promote equal opportunities and inclusive talent development. Progress towards our target for the share of female managers is monitored at Group level, and we continuously develop our processes to ensure leadership roles are open to qualified candidates regardless of gender or background. Read more in section S1-5.

Uneven representation in leadership roles can affect employee engagement, employer branding, and the ability to attract and retain talent. As part of our work to strengthen inclusion and social sustainability, HMS continued in 2025 to support initiatives promoting participation and integration in society. Through our collaboration with the WOW Foundation and its OneGoal program, employees have been given the opportunity



to use working hours for volunteer activities supporting migrant women in their transition from unemployment to employment. This initiative contributes both to social integration and to a more inclusive corporate culture that encourages engagement and social responsibility.

TRAINING AND COMPETENCE DEVELOPMENT

Training and competence development are essential for building a future-ready workforce. We are committed to expanding access to learning opportunities, with a clear ambition to implement a global Learning Management System by 2030, focusing on digital learning platforms and upskilling initiatives.

Key initiatives in 2025 included:

- Implementation of a global onboarding process providing new employees with a safe and engaging start. The process includes engagement channels such as surveys and dialogue forums to collect feedback and address workplace issues, strengthening role clarity, engagement, productivity, and sense of belonging.
- Introduction of a global talent and performance management process ensuring consistency and fairness in evaluations regardless of geography. This reduces bias risk, improves data quality, and creates transparent career paths and internal job portals, enhancing motivation and retention. Leaders are equipped with tools to inspire, guide, and maintain high performing teams, with performance management as a continuous cycle of goal setting, feedback, and development.
- Completion of a comprehensive global job mapping exercise where all functions were mapped and standardized job profiles created. This strengthens governance and compliance with requirements such as pay transparency and sustainability reporting, while ensuring alignment with global market salary benchmarks. All employees will be linked to a job category in HRIS, and managers have been trained in job architecture and system configuration. Full HRIS integration is planned for Q1 2026.

Through these initiatives, HMS promotes an inclusive, value-driven culture while equipping employees with the skills and opportunities needed to succeed in a rapidly changing environment. The implementation of the action plan does not require significant operating (OpEx) or capital expenditure (CapEx); related costs have been assessed and integrated into the regular budgeting process.

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Our development towards a sustainable and inclusive workforce is monitored through clear KPIs, in line with HMS Strategy for 2030:

- Employee Engagement Index: Anonymous digital survey conducted by an external provider measuring engagement and motivation. The survey is conducted twice per year with a target of 80 index points out of 100.
- Leadership Index: Anonymous digital survey using the same methodology as the engagement index, focusing on leadership quality and trust. Conducted twice per year with a target of 85 index points out of 100.
- Share of Female Managers: Share of women in managerial roles, with a target of >35 percent female managers. Data is based on HRIS, verified locally and consolidated annually. Ensures equal opportunities and alignment with the UN Sustainable Development Goals (SDG 5) and EU gender equality objectives.
- Annual Development Talks: Completion rate of annual development talks for all employees, tracked through HRIS. Target of 100 percent participation.
- Zero-Accident Vision: Number of occupational injuries reported via internal safety systems, with a zero vision target. Read more in section S1-14.

These KPIs are monitored centrally and reported transparently to ensure accountability and comparability over time. All KPIs have been developed through structured dialogue with employees and management. They reinforce our commitment to employee engagement, leadership development, diversity, health and safety, and continuous learning, pillars that drive performance, innovation and sustainable growth.

During 2025, we confirmed that these focus areas are deeply embedded in our culture, as evidenced by the fact that we exceeded our target for the share of female managers. Building on this success, we continue to drive development and strive to become even better.

Key Metrics*	Target 2030	Baseline year 2025
Employee Engagement Index	80	75
Leadership Index	85	81
Share of Female Managers, %	>35	25
Annual performance reviews, %	100	96
Recordable work-related accidents (LTI/LTA)	0	0

*Targets are based on the workforce within own operations.

S1-6 - Characteristics of the company's employees

Country	Number of employees (HC)
Australia	5
Belgium	72
Canada	3
China	24
United Arab Emirates	10
France	16
Germany	212
India	48
Italy	8
Japan	24
The Netherlands	32
Romania	12
Singapore	7
Spain	111
Sweden	245
United Kingdom	18
United States of America	287

Employees by contract type, broken down by gender

2025 (HC)	Female	Male	Others	Not disclosed	Total
Number of employees	360	773	1	0	1,134
Number of permanent employees	348	749	1	0	1,098
Number of temporary employees	11	23	0	0	34
Number of non-guaranteed hours employees	1	1	0	0	2
Number of full-time employees	320	728	1	0	1,049
Number of part-time employees	40	45	0	0	85

Employees by contract type, broken down by region

2025 (HC)	Europe	Asia	North America	Oceania
Number of employees	726	113	290	5
Permanent employees	698	113	282	5
Temporary employees	26	0	8	0
Employees with non-guaranteed hours	2	0	0	0

Employee turnover

Metric	2025
Employee turnover rate [%]	11
Employees who left the company during the reporting period	122

§ ACCOUNTING PRINCIPLES

Data is managed in HRIS for all sites, without the need for assumptions. The total number of employees is reported as headcount, including both permanent and temporary employees. Figures refer to status at the end of the year (31 December 2025).

Employee turnover is calculated as all terminated employment divided by the average workforce during the reporting period.

Definitions of contract types:

- Permanent employees: Employment without an end date (open-ended).
- Temporary employees: Employment with an end date (fixed-term).
- Non-guaranteed hours: Employees without guaranteed minimum working hours

S1-8 Collective bargaining coverage and social dialogue

All HMS employees have the right to join trade unions. Each employee, regardless of location or type of employment, may choose to be represented by a trade union for the purpose of collective bargaining. No employee shall be subject to discrimination for exercising this right. These principles are also integrated into our Supplier Code of Conduct, meaning that we expect all suppliers to respect and uphold these rights. In accordance with ESRS transitional provisions, we do not report on collective bargaining and social dialogue in countries outside the EEA.

The tables below show the coverage of collective bargaining agreements and social dialogue in the EEA countries where HMS has more than 50 employees and where these employees represent more than 10 percent of the total workforce. The information is based on reporting from the HR functions in each country and is consolidated at the Group level.

Collective bargaining agreements – Employees (EEA)

Country	0-19%	20-39%	45-59%	60-79%	80-100%
Belgium					100
France					100
Italy					100
Netherlands	0				
Romania	0				
Spain					100
Sweden					100
Germany		32			

Social dialogue – Employees (EEA)

Country	0-19%	20-39%	45-59%	60-79%	80-100%
Belgium	0				
France	0				
Italy	0				
Netherlands	0				
Romania	0				
Spain	0				
Sweden					100
Germany	3				

§ ACCOUNTING PRINCIPLES

Information on collective agreements and worker representation has been collected through structured input from all HR managers in EEA countries and consolidated centrally

for Group-level reporting. Reported values include EEA countries with more than 50 employees and where these employees represent over 10 percent of the total workforce.

S1-9 Diversity metrics

Top management is defined as the Group Executive Leadership Team. To get an overview of the members read more in the governance report on pages 44-45.

Diversity by gender in top management	2025		2024	
	Number	Percentage	Number	Percentage
Women	1	17	1	17
Men	5	83	5	83
Other	0	0	0	0
Gender not disclosed	0	0	0	0

Diversity by leadership positions (managers)	2025		2024	
	Number	Percentage	Number	Percentage
Women	43	25	46	27
Men	130	75	123	73

Diversity by age	2025		2024	
	Number	Percentage	Number	Percentage
<30 years	166	15	165	14
30–50 years	628	55	647	57
>50 years	340	30	327	29

§ ACCOUNTING PRINCIPLES

Data is managed in HRIS for all sites, without the need for assumptions. The total number of employees is reported as headcount,

including both permanent and temporary employees. Figures refer to status at the end of the year (31 December 2025).

S1-11 Social protection

In the regions where we operate, we offer a variety of benefits that complement national systems or programs, aiming to ensure that employees have access to social protection in case of income loss resulting from illness, unemployment, work-related injury, acquired disability, parental leave, or retirement. These benefits include, among others, health insu-

rance, paid parental leave, and bereavement leave. To maintain oversight and ensure consistency across all operations, information on local social protection measures is overseen by HR managers at each site and consolidated centrally, providing a comprehensive view of our global practices.

S1-13 Training and skills development metrics

Regular dialogue with employees is a key component of employee engagement and development. We work systematically with skills development based on our business plans and in cooperation with our leaders and employees. Training needs are identified and reviewed annually for each employee. Overall competence initiatives are driven by HR, while individual training is based on performance reviews.

As described in section S1-4, we are preparing the implementation of a global Learning

Management System, with a strong focus on digital learning platforms and skills development initiatives. This phased approach will enable more complete, consistent and reliable training data in future reporting.

The annual regular performance and career development reviews are currently largely based on manual follow up. For future reporting, this process will be integrated into HRIS, increasing consistency, improving efficiency and facilitating enhanced reporting across all regions.

Key Metrics	2025	2024
Total participation in performance reviews [%]	96	83
Percentage of women who participated in performance reviews [%]	91	n.m.
Percentage of men who participated in performance reviews [%]	98	n.m.
Average number of training hours per employee*	n.m.	n.m.

*In accordance with the ESRS transitional provisions, we have not reported average training hours for the reporting year.

n.m. = not measured

§ ACCOUNTING PRINCIPLES

The total number of employees who participated in regular performance and career development reviews during 2025 is based on locally managed processes and systems. During this period, both evaluations and goal

setting were carried out at local level. Local HR teams and managers were responsible for follow up and validation of participation, and the information was subsequently consolidated centrally for Group level reporting.

S1-14 Health and safety metrics

HMS monitors occupational health and safety through structured processes aligned with ISO 45001 and applicable national legislation. This approach is based on systematic methods ensuring consistent follow up and improvement across all operations.

An important coverage indicator is that 55 percent of HMS employees are covered by a structured occupational health and safety

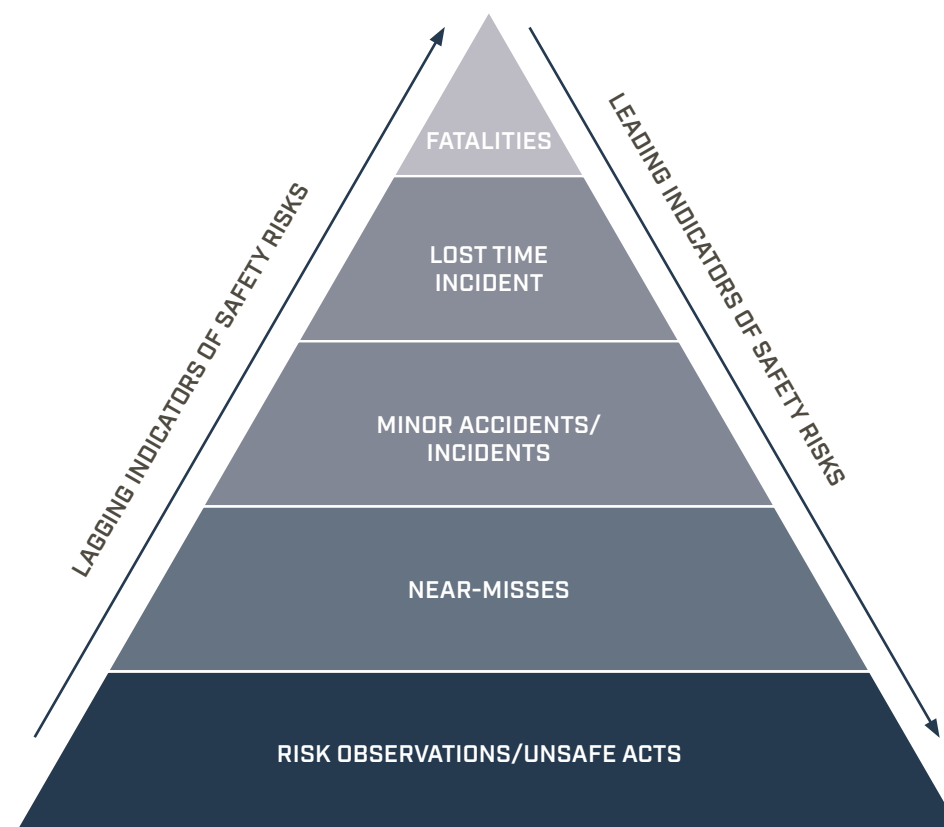
management system (OH&S), with 100 percent coverage of all production sites. Office-based roles are generally considered to pose a low occupational health and safety risk. Each production site conducts safety inspections and chemical assessments, which are reviewed as needed to maintain compliance and identify areas for improvement.

Key Metrics	Unit	2025	2024
Workforce who are covered by the company's health and safety management system based on legal requirements and/or recognized standards or guidelines	Percentage	55	78
Risk observations	Number	207	520
Near-misses	Number	19	37
Fatalities as a result of work-related injuries	Number	0	0
Fatalities as a result of work-related ill health	Number	0	0
Recordable work-related accidents (LTI/LTA)	Number	0	0
Rate of recordable work-related accidents	Accidents per million hours worked	0	0
Cases of recordable work-related ill health	Number	0	0
Days lost to work-related injuries and fatalities from work-related accidents and work-related ill health and fatalities from ill health	Number	0	0

§ ACCOUNTING PRINCIPLES

Occupational health and safety incidents are recorded either via HMS's incident management system or reported directly to designated managers. Each case is followed up with corrective actions to ensure resolution and prevent recurrence. The reporting of occupational injuries, incidents, work related injuries and risk observations is governed by local definitions and procedures in each country.

Monitoring of sickness absence is limited due to employee privacy regulations and is handled by HR and line managers. There is currently no centralized monitoring of individuals working on assignment for HMS but employed by external partners, and related data is not reported.



S2 Workers in the value chain

S2-1 Policies related to value chain workers

HMS is committed to respecting and promoting human rights and fundamental labor principles throughout the value chain. This commitment is governed by group-wide policies approved by Group Management, ensuring a consistent approach across the entire organization. The guiding policies in this area are aligned with established international frameworks, including the UN Guiding Principles on Business and Human Rights, the ILO Core Conventions, and the OECD Guidelines for Multinational Enterprises.

As part of our 2030 strategy, we emphasize responsible business practices that are fully integrated into the HMS Supplier Code of Conduct. The Code sets clear expectations for suppliers to respect human rights, ensure fair working conditions, and engage constructively with their stakeholders, including employees, trade unions, and local communities, to identify and address potential impacts. These requirements reflect our policy commitment to responsible and transparent supply chains. The Supplier Code of Conduct applies to all suppliers and business partners. Any irregularities or violations are managed through a formal non conformance process that includes corrective actions, follow-up, and, where necessary, remediation or termination of the business relationship.

HMS also applies a Conflict Minerals Policy, supported by a due diligence process in accordance with the OECD Due Diligence Guidance for responsible supply chains of minerals from conflict-affected and high-risk areas.

Together, these policies form the foundation of our Responsible Sourcing Framework, read more about this in Section S2-4.

Policies are communicated through supplier onboarding and training material, and they are also published on the HMS website to ensure they are easily accessible and well known throughout the value chain. An overview of HMS’s policies, including their scope in relation to relevant ESRS requirements as well as related responsibilities and decision-making structures, is presented collectively in our policy matrix in Appendix 1.

MATERIAL IMPACT, RISKS AND POSSIBILITIES	POSITION IN VALUE CHAIN
Negative actual impact: We affect people in our value chain through how our suppliers manage labour rights, working conditions and fair treatment. A responsible value chain is built on consistent respect for human rights and diversity. Shortcomings in these areas can lead to serious social consequences and simultaneously undermine trust in our brand.	Upstream
Negative potential impact: Inappropriate treatment of workers in the value chain, including the risk of forced labour and modern forms of exploitation, is a critical issue. This can lead to legal risks, delivery disruptions, and loss of trust among customers and investors.	Upstream
Negative actual impact: Advocate fair working hours, secure employment and living wages that reflect regional cost-of-living conditions. Our ambition is to ensure that workers can meet basic needs, live with dignity and benefit from stable, long-term employment.	Upstream
Negative actual impact: Workers in the value chain risk injuries and illness when working conditions fall short of required standards. This can lead to production interruptions, increased costs, and a negative impact on our reputation.	Upstream

S2-2 Processes for engaging with value chain workers about impacts

HMS engages with value chain workers primarily through structured supplier management processes, including self-assessments, supplier evaluations and audits. These processes are conducted within the scope of HMS Responsible Sourcing Framework, which is further described in section S2-4.

Engagement with suppliers and value chain workers occurs at various stages. During the qualification phase, strategic suppliers complete a supplier self-assessment questionnaire every three years. The questionnaire covers key areas such as policies, environmental performance, workforce and leadership insights, health and safety, working conditions, compliance, business ethics and human rights due diligence.

Responses are scored and translated into a risk classification, which determines the level of follow-up required.

When elevated risks are identified, on site audits are conducted, which may include direct engagement with workers. These audits are carried out by HMS’s own personnel and not by third parties.

The audit results are reviewed together with the suppliers, and corrective action plans are established and followed up until all measures have been implemented.

To ensure that every supplier is reviewed even in the absence of voluntary disclosure, a secondary evaluation process is implemented. Suppliers that do not complete the supplier selfassessment are either evaluated through alternative, externally verified information or, where such information is lacking, classified as high risk and subject to enhanced follow-up, including audits and corrective actions.

To establish a structured and consistent approach to supplier follow-up, we have established a dedicated supplier evaluation team. This cross-functional team includes representatives from Strategic Purchasing, Supplier Quality, Sustainability, and Operational Purchasing among others, reflecting our integrated approach to supplier management. The team is led by Supplier Quality, ensuring that audit findings, corrective actions, and

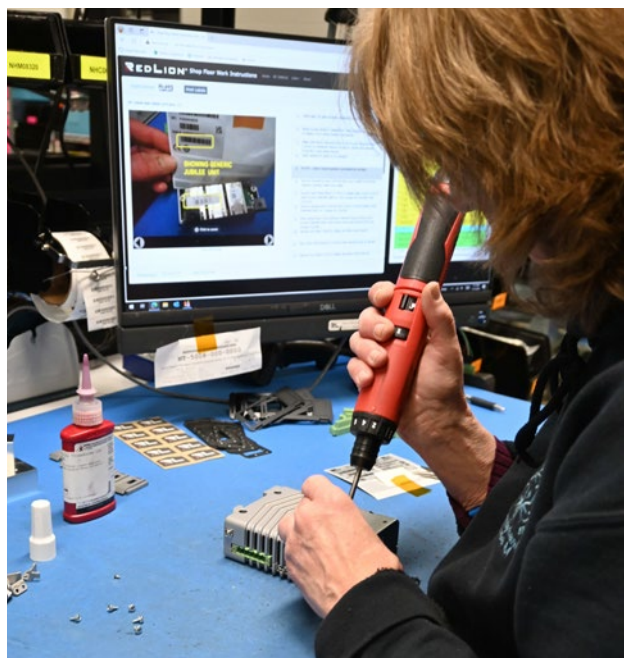
overall supplier performance are assessed with a strong emphasis on quality assurance.

The supplier evaluation team meets bi-monthly to review results from supplier assessments, audits, and evaluations. It provides recommendations on risk classification, prioritization of suppliers for audits, and follow-up of corrective actions.

This continuous cycle enables us to identify risks proactively and demonstrate measurable improvements in supplier practices.

To ensure the required competence, procurement functions complete mandatory training in our Responsible Sourcing Framework, supported by practical tools and resources available through our external supplier assessment platform.

Through this structured approach, we ensure that the perspectives of value chain workers, whether collected directly through audits or indirectly through supplier assessments inform decisions and lead to tangible improvements in human rights, labor conditions, and sustainability practices across the supply chain.



S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

When risks or negative impacts are identified in the supply chain, suppliers are required to take immediate corrective action. In severe cases, such as indicators of forced or child labor, HMS expects suppliers to follow a structured remediation process that prioritizes the protection and support of affected workers. HMS monitors the implementation of corrective measures and provides guidance, while the responsibility for delivering effective remediation rests with the supplier.

To ensure that supplier value chain workers can raise concerns safely, HMS maintains a confidential whistleblower function operated by an independent third party, available to employees, stakeholders, and value chain workers. Reports can be made confidentially and anonymously, with strict prohibitions against retaliation. Read more in section G1.

Through the Supplier Code of Conduct, HMS also requires suppliers to establish their own grievance mechanisms for workers, aligned with international standards such as the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. These mechanisms must enable reporting without fear of retaliation and ensure issues such as freedom of association, prevention of harassment, anonymous reporting, and timely corrective action are upheld. HMS verifies the existence of such mechanism through the supplier self-assessment questionnaire and, where relevant, through audit.

Together, these measures ensure both access to grievance channels and robust remediation practices, strengthening HMS' ability to prevent, mitigate, and remediate negative impacts while safeguarding workers' rights across the value chain.

S2-4 Measures related to material impacts on workers in the value chain, and strategies to manage the material risks and leverage the material opportunities concerning workers in the value chain, as well as the effectiveness of these measures

As described in SBM-3, HMS had identified material impacts, risks and opportunities related to workers in the value chain through its double materiality assessment. The actions described below form part of HMS's approach to managing these impacts and risks and leveraging opportunities for positive change.

No severe human rights issues or incidents in the upstream or downstream value chain were reported during the reporting period. HMS has established channels for managing supplier non conformities, along with a defined process to ensure remediation for workers in the value chain. Read more about our whistleblowing channel in section G1.

HMS identifies material impacts, risks, and opportunities for workers in the value chain through our established due diligence process and Responsible Sourcing Framework. The framework is aligned with international standards and structured around four pillars: expectations, supplier qualification, monitoring, and corrective actions. The framework covers more than 90 percent of our procurement activities for materials used in the production of goods, including prioritized manufacturers* and suppliers

of drawing based materials.

This work includes direct suppliers with elevated risks of forced or child labor, as well as groups particularly vulnerable to exploitation, such as migrant workers, young workers, and women in low wage sectors. These groups are systematically considered in the materiality assessment and in supplier audits. In 2025, the process was strengthened through the introduction of the Human Rights Due Diligence (HRDD) form, which systematizes the work with conducting due diligence on human rights.

Identified risks, such as deficiencies in working conditions, insufficient compensation, limited dialogue, and risks of forced or child labor, are addressed through annual assessments, audits, and structured non conformance management, including requirements for improvement measures and, where necessary, remediation. In severe cases, a concluding "exit process" may be initiated. Access to secure reporting channels reduces the risk of retaliation and supports the ability to identify potential violations.

*Prioritized manufacturers are designated based on the results of our evaluations, in which quality, delivery precision, cost development, and sustainability are assessed in the same way as for suppliers. Support levels and technical expertise are also important criteria for long term partnerships. Manufacturers may be entities with whom we do not have a direct business relationship, but who produce components that are critical to our products. In some cases, the same entity acts as both a supplier and a manufacturer.

This work also contributes to positive outcomes, such as improved working conditions, increased transparency through sustainability assessments, supplier capacity building, and strengthened long term supplier relationships. As an ethical and stable supply chain is essential for HMS, proactive risk management reduces the risk of supply disruptions, quality issues, and regulatory consequences, while strengthening both our resilience and our sustainability performance.

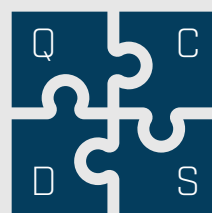
1. EXPECTATION

In addition to General Purchasing Conditions, all suppliers in scope, must sign and adhere to our Supplier Code of Conduct, or present an equivalent. The code explicitly prohibits child labor, forced labor, human trafficking, and other human rights violations and is contractually binding. These requirements form the basis of supplier qualification and monitoring.

2. SUPPLIER QUALIFICATION

During the qualification stage, all new and strategic suppliers are required to complete the supplier self-assessment questionnaire via the external assessment platform. Responses are risk-scored and combined with procurement data to identify high-risk suppliers, who are then prioritized for monitoring and follow-up. In

HMS Supplier evaluation process



QUALITY PERFORMANCE - 25%

COST DEVELOPMENT - 25%

DELIVERY PERFORMANCE - 25%

SUSTAINABILITY - 25%

parallel, annual conflict minerals due diligence are conducted which is further described in step four, requiring suppliers to source tin, tungsten, tantalum, and gold (3TG) exclusively from conflict-free smelters.

3. FOLLOW UP

In the follow-up stage, suppliers are continuously evaluated through the supplier evaluation process, which integrates sustainability alongside quality performance, cost development and delivery performance. This holistic approach ensures that sustainability is embedded into ongoing supplier assessments and decision-making.



Suppliers identified as higher risk may be subject to targeted audits. Audit selection is carried out by a cross-functional team, including Global Sustainability, VP Supply Chain, Global Sourcing Director and Supplier Quality.

4. CORRECTIVE ACTIONS

For higher-risk suppliers, desktop or onsite audits are conducted. Findings trigger corrective action plans that are tracked by Global Sourcing, Supplier Quality and Sustainability. In severe cases, a Remediation Plan is activated, setting requirements for suppliers to provide victim protection, engage with NGOs or authorities, and implement corrective measures. Where remediation is unsuccessful or if non-conformances are not resolved, disengagement from the supplier may be considered.

To strengthen supplier capacity and engagement, HMS offers access to micro-learning courses through the Supplier Assessment platform. This supports suppliers in closing identified gaps and promotes long-term improvement and awareness.

In 2025, HMS further strengthened its responsible sourcing program by introducing Human Rights Due Diligence (HRDD) questionnaires into the supplier evaluation process. These measures are designed to improve supplier compliance, reduce the risk of forced or child labor, ensure conflict-free sourcing, and enable effective remediation when severe violations are identified. The questionnaire also includes questions on diversity and non-discrimination, enabling HMS to monitor these aspects within the supply chain and reinforce expectations set out in the Supplier Code of Conduct.

As part of our due diligence program, we conduct an annual conflict minerals assessment covering all manufacturers above a defined spend threshold. In-scope suppliers are required to submit a Conflict Minerals Reporting Template (CMRT), which is reviewed to assess smelter conformity, country of origin risks, and data completeness.

In 2025, information was received from 82 percent of the defined scope. Based on established risk criteria, 17 percent of the assessed scope was classified as high risk. These suppliers were subject to targeted follow-up, including requests for clarification and corrective actions, to address identified risks and support progress toward conflict-free sourcing.

During the year, HMS also joined the Responsible Minerals Initiative (RMI) reinforcing the company's commitment to internationally recognized best practices on responsible mineral sourcing. Membership provides access to shared audit tools and collaborative platforms, enhancing HMS' ability to manage risks deeper in the supply chain.

To support these commitments, HMS invested in an external supplier assessment tool that improves data collection, transparency, and collaboration with suppliers. Newly acquired entities, including Red Lion Controls Inc. and PEAK-System Technik GmbH, were integrated into the Responsible Sourcing Program 2025, ensuring consistent standards across the Group.

Looking ahead, HMS will expand the use of desktop audits in 2026-2027 and participate in the UN Global Compact Business & Human Rights Accelerator to further align processes with international best practices.

Through this comprehensive approach, actions are proportionate to risk and impacts, leverage is applied effectively through contractual and collaborative means, and worker's rights and safety in the supply chain are protected and strengthened. In addition to these measures, HMS's actions within circularity and resource efficiency are described in Section E5.

The implementation of the action plan does not require any significant operating expenditure (OpEx) or capital expenditure (CapEx). The associated costs have been assessed and integrated into the regular budgeting process.

S2-5 Targets related to value chain workers

HMS has established time-bound and outcome-oriented targets to strengthen sustainability performance across the supply chain. The targets are anchored in the Responsible Sourcing Framework and reflect HMS' ambition to drive continuous improvements, safeguard workers' rights and reduce sustainability risks in the value chain.

These targets are directly linked to the material impacts, risks and opportunities identified in SBM-3, ensuring that actions address the most significant issues in the value chain. They also directly support HMS' overarching sustainability commitments: achieving EcoVadis Gold and reaching our target of net zero greenhouse gas emissions across the entire value chain by 2050.

GOAL FORMULATION METHOD

Targets are developed based on insights from supplier engagement processes, including Self-Assessment Questionnaires and audits, which capture information on working conditions, human rights and sustainability performance. HMS does not consult workers directly but relies on supplier-provided data and compliance mechanisms to inform target setting.

Targets are anchored in HMS's Supplier Code of Conduct and Responsible Sourcing Framework, ensuring alignment with HMS's policy commitments. They apply globally across HMS's upstream

supply chain, covering all strategic suppliers and preferred manufacturers involved in direct material sourcing. The targets have been developed by key personnel within Supply in close consultation with the sustainability function, and serve as a supporting objective for environmental, social, and governance areas.

The sustainability criteria cover the following areas: company information, policies, environment, workforce and leadership, health and safety, working conditions, business ethics and due diligence, supply chain conditions, regulatory compliance, and adherence to our Supplier Code of Conduct.

PLANNED MILESTONES AND FOCUS AREAS

To support achievements of the 2030 targets, we have identified a set of key actions and focus areas that combine already implemented activities and forward-looking priorities.

- Strengthened coverage and integration: Newly acquired entities have been fully integrated into the Responsible Sourcing Program during 2025, ensuring alignment with group-wide expectations from the outset.
- Audits and verification activities: In 2025, seven on site supplier audits were carried out to verify compliance with sustainability criteria and working conditions. No major sustainability related non conformities were identified, confirming that existing risk mitigation measures remain effective.

Targets related to value chain workers

Key metrics	Target 2030	Baseline 2025
Share of strategic suppliers and manufacturers evaluated on sustainability, %	100	50
Share of strategic suppliers and manufacturers that meet sustainability criteria, %*	100	48
Share of audits conducted for strategic suppliers and manufacturers that do not meet sustainability criteria, %**	100	0

* The strategic suppliers and manufacturers who have not yet responded to the assessment (50 percent) are, for the time being, considered not to meet HMS's sustainability criteria. The work to collect and complete the assessment material will continue during 2026.

** No audits were carried out in 2025 for the suppliers classified as high risk. Audits will be conducted on an ongoing basis during the coming year for the suppliers that do not meet HMS's sustainability criteria.

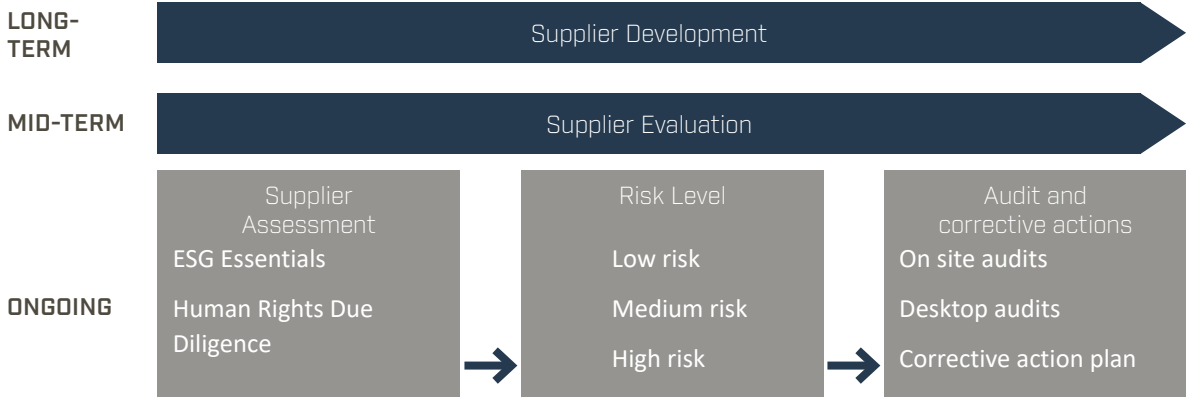
- Shift from coverage to performance: Starting in 2026, the focus transitions from expanding data coverage to evaluating suppliers’ actual performance against defined sustainability criteria. This shift emphasizes measurable outcomes, enabling HMS to better assess progress, identify gaps, and direct support where it has the greatest impact.
- Enhanced risk differentiation: To further strengthen supply chain risk management, the current medium risk supplier category will be refined through the introduction of a “medium high” risk segment. This additional granularity enables more targeted follow up, more proactive engagement with suppliers, and stronger prioritization of resources in areas with elevated risk.

MONITORING AND FOLLOW-UP

The outcomes of supplier assessments are monitored through established governance and follow up processes, including HMS’s external supplier assessment platform and the HMS Responsible Sourcing Forum. Together, these mechanisms ensure systematic tracking, trend analysis, and coordination between Procurement and Sustainability.

Procurement employees received training during the year, delivered both through recorded live sessions and via our established sourcing forum. The forum brings together all relevant functions and serves as a continuous platform for information sharing, capability building, and ongoing discussions related to supplier management and due diligence. Regular participation from all relevant functions ensures that knowledge remains up to date and that the practices and requirements set out in the HMS Responsible Sourcing Framework are applied consistently across the organization.

In 2025, the scope of supplier evaluations expanded due to the integration of companies acquired in 2024, resulting in a larger number of suppliers and manufacturers within scope. By the end of 2025, 73 percent of suppliers had signed the HMS Supplier Code of Conduct and 50 percent had completed the supplier assessment in the new platform. Among the suppliers assessed, 96 percent met HMS’s defined sustainability criteria. Targeted follow up actions are initiated for suppliers that do not meet the requirements, in line with HMS’s supplier management process.



The traffic-light system
We use a traffic-light system to rate key supplier and preferred manufacturers on how they perform in our Supplier Assessment. Suppliers are rated on the following three levels.

- Green - low risk**
71-100%
The supplier is approved, no further action is required at this point. The supplier performance is monitored through standard process for Supplier Evaluation.
- Yellow - medium risk**
41-70%
The supplier is approved but is subject for closer monitoring through our Supplier Evaluation-process. An audit (desktop or onsite) might be applicable.
- Red - high risk**
0-40%
Audit (desktop or onsite) and corrective action plan is required. Supplier is closely monitored and actions are followed-up by a dedicated team. If non-conformances are not resolved, termination of business may be considered.

A total of seven onsite supplier audits were conducted in 2025. Identified non-conformities were documented in audit reports and followed by mandatory corrective action plans. Compliance was monitored systematically and escalated when necessary, until the issues were resolved.

The prioritization of audits and follow-up procedures is further described in section S2-4. In brief, suppliers are selected for

audit based on risk, strategic relevance, or quality concerns, and corrective actions are required where deviations are identified. To strengthen organizational capacity and support efficient scaling, remote documentation reviews will be introduced during 2026–2027. Onsite audits will continue to be conducted but will primarily be reserved for severe non-conformities or cases where corrective actions have not yet been implemented.



Governance information

At HMS, we focus on corporate culture, business ethics, compliance with laws and ethical guidelines to protect human rights, prevent corruption, ensure whistleblower protection, and conduct sustainability due diligence in line with OECD guidelines.

CONTENT G1 BUSINESS CONDUCT

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G1 Business conduct

G1-1 Business conduct policies and corporate culture

COMPANY CULTURE

We foster a corporate culture grounded in our core values; Heart, Mind and Soul. This culture is formally embedded in the HMS Group Code of Conduct and further reinforced by our Anti-Corruption Policy, which establishes a zero-tolerance approach to bribery and corruption. The policy is aligned with international guidelines and frameworks, including the OECD Guidelines, the UN Declaration of Human Rights and the ILO Conventions.

In 2025, we relaunched our core values and invited employees to contribute insights on how the corporate culture can be strengthened for the future. These contributions were gathered and presented during the 2025 Leadership Summit, where all managers were introduced to the updated value framework through a dedicated workshop. The process resulted in clarified descriptions of our value statements to ensure a shared understanding across the organization.

The integration of our core values in day to day operations continues to advance. For example, the new global talent and performance development process has been given a stronger emphasis on our values, supporting our ambition to further develop the organization as an attractive and sustainable workplace.

SPEAK UP

To ensure responsible conduct, clear and impartial procedures have been established for investigating suspected irregularities, including bribery and corruption. Employees are encouraged to report any concerns either directly to their immediate manager or confidentially through the HMS Whistleblowing Service, which is provided via an external and independent platform: <https://www.hms-networks.com/whistleblowing>. This service supports both anonymous and named reporting and guarantees independent investigation of financial improprieties, bribery and corruption, as well as harassment, discrimination, and serious safety violations.

The independent external whistleblower service is separate from our IT systems, for reporting serious misconduct or violations of our Code of Conduct or Group policies. Employees,

MATERIAL IMPACT, RISKS AND POSSIBILITIES	POSITION IN VALUE CHAIN
<p>Possibility: We promote a values-driven corporate culture that strengthens ethical behaviour, increases engagement and reduces cultural risks. This creates a sustainable organization that contributes to long-term success by strengthening the brand, attracting talent and investors, increasing loyalty and reducing employee turnover. A strong culture fosters productivity and innovation..</p>	Own operations
<p>Negative potential impact: We work actively to prevent corruption and bribery through clear guidelines, training and control mechanisms. The purpose is to ensure fair business conduct, legal compliance and to protect our brand. By placing high expectations on our suppliers and partners, we reduce the risk of misconduct across the value chain and strengthen trust among customers, investors and society.</p>	Upstreams & Downstreams

customers, and suppliers can report concerns openly or anonymously, with confidentiality and protection against retaliation. Reports may cover risks to individuals, HMS, society, or the environment, including accounting, auditing, bribery, financial crime, environmental violations, safety issues, or human rights such as discrimination or harassment. False or malicious reports are prohibited. Suspicions can be reported in good faith, and all cases are handled confidentially and in line with data protection rules. Read more in section G1-3.

POLICIES

Our policies are actively communicated to employees through targeted training and are readily available on our intranet and external page. We also extend our ethical standards to business partners via the Supplier Code of Conduct.

To embed integrity into daily operations, HMS provides structured Business Conduct training for all employees, including the Executive Team. This training ensures a clear understanding of the ethical expectations outlined in the HMS Code of Conduct and is mandatory from the start of employment.

Certain positions are assessed to carry an elevated exposure to corruption risk, for example roles involving strategic decision making, financial responsibility, responsibility for sales channels, or regular interaction with external stakeholders. These roles are classified as high, medium, or low risk based on the potential impact and the likelihood of encountering irregularities. Employees in high risk roles are required to complete more

extensive and frequent training in business ethics and anti corruption, while employees in lower risk roles undergo foundational training at defined intervals.

In 2025, we further strengthened our commitment by developing an Anti-Corruption Policy, approved by the Board of Directors and applicable to all employees. An overview of HMS policies, including their scope in relation to relevant ESRS requirements as well as responsibilities and decision making structures, is presented in our policy matrix, Appendix 1.

G1-3 Prevention and detection of corruption and bribery

Corruption can take various forms, including bribery, fraud, conflicts of interest, and other abuses of authority for personal gain. Items of value can vary, and in some cases, it may not be immediately clear whether certain actions are appropriate. To guide us through such situations, we rely on our Code of Conduct and Anti-Corruption Policy. These policies provide a thorough overview of anti-bribery laws, outline prohibitions against corrupt practices, detail requirements for accurate record-keeping, and explain how to report potential misconduct through our Whistleblowing Service.

We maintain a zero tolerance approach to corruption and bribery. HMS regularly evaluates its exposure to these risks across the organization and promotes a corporate culture in which employees, suppliers and business partners act in accordance with our ethical standards and legal obligations. Information on



how policies are communicated is outlined in section G1-1, and the outcomes of completed training activities are reported in section G1-4.

ANTI-CORRUPTION TRAINING

All employees receive ongoing training in business ethics and anti-corruption. As part of the onboarding, every employee and member of the management team must complete an e-learning course on the Code of Conduct, which is repeated every two years. This course covers a wide range of topics, including our policies on ethical business conduct and anti-corruption.

Starting in 2025, employees in high-risk roles will receive annual live training. The training covers key topics such as anti-bribery and corruption, fair competition, export controls and trade compliance, handling confidential information and data protection, as well as contracting and due diligence standards.

Live sessions have already been conducted during Q4 2025. The training scope includes all employees in at-risk functions. The percentage of these functions covered is reported in section G1-4.

ANTI-CORRUPTION RISK PREVENTION AND DETECTION

HMS conducts continuous risk assessments and due diligence to identify and address risks across the value chain. Our suppliers and business partners are expected to comply with our Supplier Code of Conduct, which clearly sets out expectations for ethical business behavior. Any violations are managed in accordance with established procedures.

To strengthen compliance with the Group's Anti-Corruption Policy and ensure a systematic approach to business partner risk management, the global Business Partner Risk Management (BPRM) program was established at the end of 2025. The program constitutes a central component of the Group's compliance framework and aims to identify, assess and monitor corruption and integrity risks related to third parties. Risk analyses and ongoing monitoring are conducted through an independent third party tool provided by Navex Global. Full operational implementation of the BPRM program is carried out under the leadership of Group Legal, which is responsible for governance, quality assurance and compliance with the program's processes and requirements.

The program is being implemented in three phases:

- Phase 1: Distributors and resellers (downstream risk)
Risk assessments of these third parties were carried out in close collaboration with the division's sales teams. Reviews

were initiated on 1 November 2025 and completed on 31 December 2025.

- Phase 2: Service providers (operational risk)
This phase covers consultants, logistics providers and selected IT suppliers. Reviews were initiated on 1 December 2025 in coordination with relevant functions and completed on 31 December 2025.
- Phase 3: Financial controls and monitoring
The Finance function is responsible for establishing, strengthening and coordinating internal controls related to pricing, discounts and approval processes under the Group's Delegation of Authority framework. This work continues throughout 2026 to ensure full operational integration.

All third parties falling within the scope of the program undergo risk screening and continuous monitoring through the established compliance tool. Monitoring takes place in real time and includes checks against international sanctions lists and assessments of external risk indicators such as legal proceedings, negative media reports or regulatory actions.

With the introduction of this tool, all future third parties within the scope of the program will be subject to the established screening and monitoring process before any cooperation is initiated. Relevant employees have been introduced to the framework through the Group wide anti corruption training, ensuring correct and consistent application of the program's requirements.

During 2026, the objective is to conduct a full risk assessment of all existing third party suppliers so that they, too, are integrated into the program's risk management processes and fulfil the integrity and compliance criteria required under the Business Partner Risk Management program.

REPORTING CONCERNS

We actively promote the use of our whistleblowing service to report suspected misconduct. Reports can be made anonymously, and retaliation is strictly prohibited. The service is accessible via the intranet and our website and is open to both employees and external stakeholders.

Reports are managed through a tiered reporting system:

- Primary channel: Immediate manager or relevant company function
- Secondary channel: Anonymous reporting via HMS's Whistleblowing Service. <https://report.whistleb.com/en/hmsnetworks>

- Investigations: Conducted independently by a dedicated team.

Established procedures ensure that all reports are investigated impartially and promptly. Cases are prioritized by severity and assigned to investigators independent of the affected business

function. Serious misconduct including environmental crimes, workplace security breaches, and human rights violations is escalated to Group Management and/or the Board of Directors, and where appropriate, the Group Legal may disclose findings to relevant authorities.

G1-4 Confirmed incidents of corruption or bribery

HMS has established clear and permanent objectives for ethics and anti corruption that apply globally and encompass all employees. These objectives are designed to ensure that all employees possess the knowledge, understanding and competence needed to identify, prevent and manage corruption risks within their respective roles. As a central part of this commitment, 100 percent of all employees must complete training in

the HMS Code of Conduct, and 100 percent of employees in defined risk categories must complete anti corruption training. By ensuring that all employees act in accordance with our ethical principles and our zero tolerance approach to corruption and bribery, we lay the foundation for a sustainable and responsible organization across the entire Group.

Ethics training and awareness			
	2025	2024	Mål
Employees completing Code of Conduct training, %	88	90	100
Employees completing anti-corruption training, %	91	n.m.	100
– Total number of employees trained in risk related functions	113	n.m.	-
– Of which management and supervisory bodies	17	n.m.	-
Suppliers and manufacturers signed or accepted HMS Supplier Code of Conduct, (%)*	73	86	100

*Suppliers and manufacturers that have signed or otherwise accepted our Supplier Code of Conduct, as further described in section S2. The 2025 figures include the acquired operations Red Lion Controls Inc. and PEAK-System Technik GmbH.

n.m. = Not measured

Incidents, legal proceedings and fines		
	2025	2024
Number of confirmed incidents of corruption or bribery	0	0
Number of convictions of violation of anti-corruption and anti-bribery laws	0	0
Fines for violation of anti-corruption and anti-bribery laws, (SEK)	0	0
Number of confirmed information and security incidents*	3,767	n.m.

*Information security incidents vary in nature, ranging from suspicious data flows through a firewall to unexpected login attempts from other countries or cases where a user has opened an unauthorized file. Two major incidents were documented during the year, neither of which resulted in harm or data loss. Although information security incidents were registered in previous years, the registration process became more detailed in 2025. As a result, data from 2025 cannot be directly compared with prior years, and no incidents are reported for 2024.

n.m. = Not measured

§ ACCOUNTING PRINCIPLES

All figures presented in this section are based on the status as of 31 December 2025.

ETHICS TRAINING AND AWARENESS

Information on conducted training in the HMS Code of Conduct is based on the actual number of employees who have completed the training through our onboarding program, as a part of the HRIS system and the HMS Academy training platform. The data is derived from recorded completions without any assumptions.

For anti corruption training directed at risk exposed functions, the reporting is based on the roles within the organization that have been assessed as having elevated exposure to corruption risks, such as roles involving external interaction or financial influence. High risk categories include, among others, sales, procurement, and roles involving contact with public authorities. The reported number of trained employees refers to these defined risk functions.

The reporting of training activities for members of administrative, management and supervisory bodies is based on participation in digital training sessions conducted by Group Legal, compared against the roles classified as risk functions during the period. Anti corruption training is reported in the same manner and is based on verified participation records from digital sessions organized by Group Legal.

INCIDENTS, LEGAL PROCEEDINGS AND FINES

Data on confirmed cases of corruption or bribery is obtained from HMS whistleblowing system. Incident reporting is managed through an external tool, ensuring independent data collection and limiting internal administrative influence.

Convictions and any associated fines are reported in accordance with decisions issued by the relevant administrative authorities.

Information on confirmed information security incidents is obtained from the Group's central case management system, which consolidates data from automatically generated security alerts, manual reports from users, incidents registered by our Security Operations Centre, and forwarded cases from Teams or Outlook deemed relevant for investigation.

Appendix 1: Policy matrix

Policy	Description	Intention	Owner	Approver	Connected actions/ mitigations/risks	Related ESRS Topic	Stakeholder availability	Link to policy
Code of Conduct	Outlines the ethical principles and behavior expected of all employees. Based on UN Global Compact principles, supports ILO core labor standards.	Ensuring ethical conduct, compliance with laws, and responsible behavior. Whistleblower mechanism for reporting suspected violations.	HR / Global Sustainability	Board of Directors	The risk of non-compliance is managed through Code of Conduct training and the whistleblower process. Part of on-boarding process.	E1, E5, S1, G1	Internal and external	https://www.hms-networks.com/docs/default-source/quality-csr/hms-code-of-conduct.pdf
Supplier Code of Conduct	Defines sustainability and ethical expectations for suppliers. Based on OECD Due Diligence, and ILO standards.	Promote responsible sourcing and circular solutions, compliance, and transparency in the supply chain. Whistleblower mechanism for reporting suspected violations.	Global Sustainability	Board of Directors	The risk of unethical practices or breaches is managed through supplier audits, risk assessments, and the whistleblower process.	E1, E5, S2, G1	Internal and external	https://www.hms-networks.com/docs/default-source/quality-csr/hms-supplier-code-of-conduct.pdf
Anti-corruption Policy	Defines the company's zero-tolerance approach to bribery and corruption.	Prevent corruption and bribery and ensure business integrity. Whistleblower mechanism for reporting suspected violations.	Group Legal	CFO	The risk of legal breaches or reputational damage is managed through anti-corruption training and information about the whistleblower service.	G1	Internal	
Conflict Minerals Policy	States the company's approach to sourcing minerals responsibly, including supplier due diligence.	Avoid financing armed conflicts through responsible mineral sourcing. Whistleblower mechanism for reporting suspected violations.	Global Sustainability	COO	Supplier due diligence, including the CMRT process, is used to identify and manage risks related to conflict minerals.	S2, G1	Internal and external	https://www.hms-networks.com/docs/default-source/quality-csr/hms-conflict-minerals-policy.pdf

Policy	Description	Intention	Owner	Approver	Connected actions/ mitigations/risks	Related ESRS Topic	Stakeholder availability	Link to policy
Environmental Policy	Sets the company's commitment to environmental protection and improvement aligned with ISO 14001 principles. Includes limiting climate impact, which encompasses energy efficiency, transition to renewable energy, promotion of recycled materials, and collaboration with suppliers.	Ensure compliance with applicable environmental requirements and reduce environmental impact, particularly in the areas of climate change and circularity.	Global Sustainability	Group Management Team	Science-based climate targets in line with SBTi and an action plan, integration of sustainable design principles, and implementation of an ISO 14001 environmental management system. Part of on-boarding process.	E1, E5	Internal and external	https://www.hms-networks.com/docs/default-source/quality-csr/hms-group-environmental-policy.pdf
GHG Recalculation Policy	Defines when and how base year greenhouse gas (GHG) emissions data is recalculated to maintain consistency and comparability of emissions reporting over time.	Ensure accurate tracking of climate targets and alignment with GHG Protocol.	Global Sustainability	COO	Science Based Targets and action plan, annual review of base year data.	E1	Internal	
Meeting and Travel Policy	Provides guidelines for business travel and meeting arrangements, with sustainability in mind.	Reduce unnecessary travel, encourage virtual meetings, and lower Scope 1 and 3 emissions.	CHRO	Group Management Team	Promotion of sustainable travel, emissions reduction targets. Transition to electric vehicles.	E1	Internal	
Health and Safety Policy	Provides guidelines for maintaining a safe and healthy work environment.	Protect employee health, prevent workplace accidents and injuries.	COO, CHRO	Group Management Team	Safety training, incident reporting, safety inspections, risk assessments, and regulatory compliance monitoring. Part of on-boarding process.	S1	Internal and external	https://www.hms-networks.com/docs/default-source/quality-csr/hms-health-and-safety-policy.pdf

Appendix 2: Content index of ESRS disclosure requirements

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

Section	Disclosure Requirement	Page number	Additional Information
General information			
ESRS 2- General disclosures	BP-1 General basis for preparation of the sustainability statement	50	
	BP-2 Disclosures in relation to specific circumstances	50-51	
	GOV-1 The role of administrative, management and supervisory bodies	52	
	GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	54	
	GOV-3 Integration of sustainability-related performance in incentive schemes	54	
	GOV-4 Statement on due diligence	55	
	GOV-5 Risk management and internal controls over sustainability reporting	55	
	SBM-1 Strategy, business model and value chain	56-57	
	SBM-2 Interests and views of stakeholders	58	
	SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model	62	
Environmental information	IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities	59-61	
	IRO-2 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement	62-69	
	E1-1 Transition plan for climate change mitigation	70-74	
	E1-2 Policies related to climate change mitigation and adaptation	74	
	E1-3 Actions and resources in relation to climate change policies	75	
	E1-4 Targets related to climate change mitigation and adaptation	76	
	E1-5 Energy consumption and mix	77-78	
	E1-6 Gross Scopes 1, 2, 3 and total GHG emissions	78-82	
	E1-7 GHG removals and GHG mitigation projects financed through carbon credits	82	
	E5-1 Policies related to resource use and circular economy	83	
ESRS E1- Climate Change	E5-2 Actions and resources related to resource use and circular economy	84	
	E5-3 Targets related to resource use and circular economy	85-86	
	E5-4 Resource inflows	86-87	
	E5-5 Resource outflows	87-88	
	E5-6 Anticipated financial effects from material resource use and circular economy-related impacts, risks and opportunities	-	Phase-in
Disclosures pursuant to Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)		89-93	

Section	Disclosure Requirement	Page number	Additional Information
Social Information			
ESRS S1- Own Workforce	S1-1 Policies related to own workforce	95	
	S1-2 Processes for engaging with own workforce and workers' representatives about impacts	95	
	S1-3 Processes to remediate negative impacts and channels for own workforce to raise concerns	96	
	S1-4 Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	96-97	
	S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	97	
	S1-6 Characteristics of the undertaking's employees	97-98	
	S1-8 Collective bargaining coverage and social dialogue	98	Phase-in
	S1-9 Diversity metrics	99	
	S1-11 Social protection	99	
	S1-13 Training and skills development metrics	99	Phase-in
	S1-14 Health and safety metrics	100	
ESRS S2- Workers in the value chain	S2-1 Policies related to value chain workers	101	
	S2-2 Processes for engaging with value chain workers about impacts	101-102	
	S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns	102	
	S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	102-104	
	S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	104-105	
Governance Information			
ESRS G1- Business Conduct	G1-1 Business conduct policies and corporate culture	107	
	G1-3 Prevention and detection of corruption and bribery	107-109	
	G1-4 Incidents of corruption or bribery	109	

Appendix 3: List of datapoints that derive from other EU legislation

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

DISCLOSURE REQUIREMENT AND RELATED DATA POINT	SUSTAINABILITY DISCLOSURE	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL / ADDITIONAL INFORMATION	PAGE
ESRS 2 GOV-1, paragraph 21 (d)	Board's gender diversity	Indicator number 13 of Table 1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816, Annex II		Material	36
ESRS GOV-1, paragraph 21 (e)	Percentage of board members who are independent			Delegated Regulation (EU) 2020/1816, Annex II		Material	42-43
ESRS 2 GOV-4, paragraph 30	Statement on due diligence	Indicator number 10 Table 3 of Annex 1				Material	55
ESRS 2 SBM-1, paragraph 40 (d) i	Involvement in activities related to fossil fuel activities	Indicators number 4 Table 1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Not applicable	N/A
ESRS 2 SBM-1, paragraph 40 (d) ii	Involvement in activities related to chemical production	Indicator number 9 Table 2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not applicable	N/A
ESRS 2 SBM-1, paragraph 40 (d) iii	Involvement in activities related to controversial weapons	Indicator number 14 Table 1 of Annex 1		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not applicable	N/A
ESRS 2 SBM-1, paragraph 40 (d) iv	Involvement in activities related to cultivation and production of tobacco			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not applicable	N/A
ESRS E1-1, paragraph 14	Transition plan to reach climate neutrality by 2050				Regulation (EU) 2021/1119, Article 2(1)	Material	71-74
ESRS E1-1, paragraph 16 (g)	Undertakings excluded from Paris-aligned Benchmarks		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Not applicable	N/A
ESRS E1-4, paragraph 34	GHG emission reduction targets	Indicator number 4 Table 2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Material	76
ESRS E1-5, paragraph 38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	Indicator number 5 Table 1 and Indicator n. 5 Table 2 of Annex 1				Material	77-78
ESRS E1-5, paragraph 37	Energy consumption and mix	Indicator number 5 Table 1 of Annex 1				Material	77-78

DISCLOSURE REQUIREMENT AND RELATED DATA POINT	SUSTAINABILITY DISCLOSURE	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL / ADDITIONAL INFORMATION	PAGE
ESRS E1-5, paragraphs 40 to 43	Energy intensity associated with activities in high climate impact sectors	Indicator number 6 Table 1 of Annex 1				Material	78
ESRS E1-6, paragraph 44	Gross Scope 1, 2, 3 and Total GHG emissions	Indicators number 1 and 2 Table 1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Material	79
ESRS E1-6, paragraphs 53 to 55	Gross GHG emissions intensity	Indicators number 3 Table 1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Material	78
ESRS E1-7, paragraph 56	GHG removals and carbon credits				Regulation (EU) 2021/1119, Article 2(1)	Material	82
ESRS E1-9, paragraph 66	Exposure of the benchmark portfolio to climate-related physical risks			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Not material	N/A
ESRS E1-9, paragraph 66 (a), paragraph 66 (c).	Disaggregation of monetary amounts by acute and chronic physical risk, location of significant assets at material physical risk		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book- Climate change physical risk: Exposures subject to physical risk.			Not material	N/A
ESRS E1-9, paragraph 67 (c).	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book-Climate change transition risk: Loans collateralised by immovable property- Energy efficiency of the collateral			Not material	N/A
ESRS E1-9, paragraph 69	Degree of exposure of the portfolio to climate-related opportunities			Delegated Regulation (EU) 2020/1818, Annex II		Not material	N/A
ESRS E2-4, paragraph 28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	Indicator number 8 Table 1 of Annex 1 Indicator number 2 Table 2 of Annex 1 Indicator number 1 Table 2 of Annex 1 Indicator number 3 Table 2 of Annex 1				Not material	N/A
ESRS E3-1, paragraph 9	Water and marine resources	Indicator number 7 Table 2 of Annex 1				Not material	N/A
ESRS E3-1, paragraph 13	Dedicated policy	Indicator number 8 Table 2 of Annex 1				Not material	N/A
ESRS E3-1, paragraph 14	Sustainable oceans and seas	Indicator number 12 Table 2 of Annex 1				Not material	N/A

DISCLOSURE REQUIREMENT AND RELATED DATA POINT	SUSTAINABILITY DISCLOSURE	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL / ADDITIONAL INFORMATION	PAGE
ESRS E3-4, paragraph 28 (c)	Total water recycled and reused	Indicator number 6.2 Table 2 of Annex 1				Not material	N/A
ESRS E3-4, paragraph 29	Total water consumption in m³ per net revenue on own operations	Indicator number 6.1 Table 2 of Annex 1				Not material	N/A
ESRS 2- SBM-3- E4 paragraph 16 (a) i		Indicator number 7 Table 1 of Annex 1				Not material	N/A
ESRS 2- SBM-3- E4 paragraph 16 (b)		Indicator number 10 Table 2 of Annex 1				Not material	N/A
ESRS 2- SBM-3- E4 paragraph 16 (c)		Indicator number 14 Table 2 of Annex 1				Not material	N/A
ESRS E4-2, paragraph 24 (b)	Sustainable land / agriculture practices or policies	Indicator number 11 Table 2 of Annex 1				Not material	N/A
ESRS E4-2, paragraph 24 (c)	Sustainable oceans / seas practices or policies	Indicator number 12 Table 2 of Annex 1				Not material	N/A
ESRS E4-2, paragraph 24 (d)	Policies to address deforestation	Indicator number 15 Table 2 of Annex 1				Not material	N/A
ESRS E5-5, paragraph 37 (d)	Non-recycled waste	Indicator number 13 Table 2 of Annex 1				Material	N/A
ESRS E5-5, paragraph 39	Hazardous waste and radioactive waste	Indicator number 9 Table 1 of Annex 1				Material	88
ESRS 2- SBM3- S1, paragraph 14 (f)	Risk of incidents of forced labour	Indicator number 13 Table 3 of Annex I				Not applicable	88
ESRS 2- SBM3- S1, paragraph 14 (g)	Risk of incidents of child labour	Indicator number 12 Table 3 of Annex I				Not applicable	N/A
ESRS S1-1, paragraph 20	Human rights policy commitments	Indicator number 9 Table 3 and Indicator number 11 Table 1 of Annex I				Material	N/A
ESRS S1-1, paragraph 21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		Material	95
ESRS S1-1, paragraph 22	Processes and measures for preventing trafficking in human beings	Indicator number 11 Table 3 of Annex I				Material	95
ESRS S1-1, paragraph 23	Workplace accident prevention policy or management system	Indicator number 1 Table 3 of Annex I				Material	95
ESRS S1-3, paragraph 32 (c)	Grievance /complaints handling mechanisms	Indicator number 5 Table 3 of Annex I				Material	95
ESRS S1-14, paragraph 88 (b) and (c)	Number of fatalities and number and rate of work-related accidents	Indicator number 2 Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Material	96
ESRS S1-14, paragraph 88 (e)	Number of days lost to injuries, accidents, fatalities or illness	Indicator number 3 Table 3 of Annex I				Material	100
ESRS S1-16, paragraph 97 (a)	Unadjusted gender pay gap	Indicator number 12 Table 1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material	100
ESRS S1-16, paragraph 97 (b)	Excessive CEO pay ratio	Indicator number 8 Table 3 of Annex I				Not material	N/A

DISCLOSURE REQUIREMENT AND RELATED DATA POINT	SUSTAINABILITY DISCLOSURE	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	MATERIAL / NOT MATERIAL / ADDITIONAL INFORMATION	PAGE
ESRS S1-17, paragraph 103 (a)	Incidents of discrimination	Indicator number 7 Table 3 of Annex I				Not material	N/A
ESRS S1-17, paragraph 104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	Indicator number 10 Table 1 and Indicator n. 14 Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		Not material	N/A
ESRS 2- SBM-3 – S2, paragraph 11 (b)	Significant risk of child labour or forced labour in the value chain	Indicators number 12 and n. 13 Table 3 of Annex I				Material	N/A
ESRS S2-1, paragraph 17	Human rights policy commitments	Indicator number 9 Table 3 and Indicator n. 11 Table 1 of Annex 1				Material	66
ESRS S2-1, paragraph 18	Policies related to value chain workers	Indicator number 11 and n. 4 Table 3 of Annex 1				Material	101
ESRS S2-1, paragraph 19	Nonrespect of UNGPs on Business and Human Rights principles and OECD guidelines	Indicator number 10 Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Material	101
ESRS S2-1, paragraph 19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			Delegated Regulation (EU) 2020/1816, Annex II		Material	101
ESRS S2-4, paragraph 36	Human rights issues and incidents connected to its upstream and downstream value chain	Indicator number 14 Table 3 of Annex 1				Material	101
ESRS S3-1, paragraph 16	Human rights policy commitments	Indicator number 9 Table 3 of Annex 1 and Indicator number 11 Table 1 of Annex 1				Not material	102-104
ESRS S3-1, paragraph 17	Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines	Indicator number 10 Table 1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	N/A
ESRS S3-4, paragraph 36	Human rights issues and incidents	Indicator number 14 Table 3 of Annex 1				Not material	N/A
ESRS S4-1, paragraph 16	Policies related to consumers and end-users	Indicator number 9 Table 3 and Indicator number 11 Table 1 of Annex 1				Not material	N/A
ESRS S4-1, paragraph 17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	Indicator number 10 Table 1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material	N/A
ESRS S4-4, paragraph 35	Human rights issues and incidents	Indicator number 14 Table 3 of Annex 1				Not material	N/A
ESRS G1-1, paragraph 10 (b)	United Nations Convention against Corruption	Indicator number 15 Table 3 of Annex 1				Not material	N/A
ESRS G1-1, paragraph 10 (d)	Protection of whistle-blowers	Indicator number 6 Table 3 of Annex 1				Not material	N/A
ESRS G1-4, paragraph 24 (a)	Fines for violation of anti-corruption and anti-bribery laws	Indicator number 17 Table 3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		Material	N/A
ESRS G1-4, paragraph 24 (b)	Standards of anti-corruption and anti- bribery	Indicator number 16 Table 3 of Annex 1				Material	109

Auditor's limited assurance report of HMS Networks AB (publ)'s statutory sustainability statement

To the general meeting of the shareholders of HMS Networks AB (publ), corporate identity number 556661-8954

Conclusion

We have conducted a limited assurance engagement of the sustainability statement for HMS Networks AB (publ) for the financial year 2025. The sustainability statement is included on page 46-117 in this document.

Based on our limited assurance engagement as described in the section Auditor's responsibility, nothing has come to our attention that causes us to believe that the sustainability statement does not, in all material respects, meet the requirements of the Swedish Annual Accounts Act which includes,

- whether the sustainability statement meets the requirements of ESRS,
- whether the process the company has carried out to identify reported sustainability information has been conducted as described on page 59-61 section IRO-1 Description of the workflow for identifying and assessing material impacts, risks and opportunities and of the sustainability statement and
- compliance with the reporting requirements of the EU's Green Taxonomy Regulation Article 8.

Basis for conclusion

We have conducted the limited assurance engagement in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. Our responsibility according to this recommendation is further described in the section Auditor's responsibility.

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

Other matter

The sustainability statement for the previous financial year has not been subject to a limited assurance engagement and no review of the comparative figures in the sustainability statement for the year 2025 has therefore been performed.

Other information than the sustainability statement

This document also contains other information than the sustainability statement and is found on pages 1-40 through the corporate governance report. Other information is also found on pages 41-45, 120-174 and pages 179-180. The Board of Directors and the Managing Director are responsible for this other information.

Our conclusion on the sustainability statement does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our limited assurance engagement on the sustainability statement, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the sustainability statement. In this procedure we also take into account our knowledge otherwise obtained in the limited assurance engagement and assess whether the information otherwise appears to be materially misstated.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors, and the Managing Director, are responsible for the preparation of sustainability statement in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act, and for such internal control as the Board of Directors and the Managing Director determines necessary to enable the preparation of the sustainability statement that is free from material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on whether the sustainability report has been prepared in accordance with Chapter 6, Sections 12–12f of the Swedish Annual Accounts Act based on our review. The limited assurance engagement has been conducted in accordance with FAR's recommendation RevR 19 Revisorns översiktliga granskning av den lagstadgade hållbarhetsrapporten. This recommendation requires that we plan and perform our procedures to obtain limited assurance that the sustainability statement is prepared in accordance with these requirements.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. This means that it is not possible for us to obtain such assurance that we become aware of all significant matters that could have been identified if a reasonable assurance engagement had been performed.

Our firm applies ISQM 1 (International Standard on Quality Management), which requires the firm to design, implement and operate a system of quality management, including policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We are independent of HMS Networks AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

A limited assurance engagement involves performing procedures to obtain evidence about the sustainability statement. The auditor selects the procedures to be performed, including assessing the risks of material misstatements in the sustainability statement, whether due to fraud or error. In this risk assessment, the auditor considers the parts of the internal control that are relevant to how the Board of Directors and the Managing Director prepares the sustainability statement, in order to design procedures that are appropriate under the circumstances, but not for the purpose of providing a conclusion on the effectiveness of the company's internal control. The review consists of making inquiries, primarily of persons responsible for the preparation of the sustainability statement, performing analytical review, and conducting other limited review procedures.

The review procedures primarily include:

Our procedures regarding the process that the company has implemented to identify sustainability information to be reported included, but were not limited to, the following:

- Obtaining an understanding of the process by:
 - Making inquiries to understand the sources of information used by management (e.g., stakeholder dialogues, business plans, and strategy documents); and
 - Reviewing the company's internal documentation of its process; and
- Evaluating whether the information obtained from our actions regarding the process implemented by the company is consistent with the description of the process on pages 59-61 section IRO-1 Description of the workflow for identifying and assessing material impacts, risks and opportunities of the sustainability statement.

Our procedures regarding the sustainability report included, but were not limited to, the following:

- Through inquiries, obtain a general understanding of the internal control environment, reporting processes, and information systems relevant to the preparation of the information in the sustainability statement.
- Evaluate whether the information identified by the Process is included in the sustainability statement;
- Evaluate whether the structure and the presentation of the sustainability statement is in accordance with the ESRS;
- Perform inquiries of relevant personnel and analytical procedures on selected information in the sustainability statement;
- Perform substantive assurance procedures on selected information in the sustainability statement;
- Through inquiries and analytical procedures, evaluate supporting evidence to the methods for developing significant estimates and forward-looking information;
- Obtain an understanding of the process to identify taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the sustainability statement.
- The review of taxonomy disclosures included, but was not limited to, the following review procedures:
 - Conduct inquiries to management and other people in the company to obtain an understanding of the process and sources of the information used in the taxonomy disclosures.
 - Perform analytical review procedures on selected taxonomy information
 - Evaluate whether the presentation of taxonomy information is consistent with the requirements of the EU Taxonomy Regulation.

Inherent limitations in preparing the sustainability statement

In reporting forward-looking information in accordance with ESRS, the Board of Directors and the Managing Director of HMS Networks AB (publ) are required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by HMS Networks AB (publ). Actual outcomes are likely to be different since anticipated events frequently do not occur as expected.

Gothenburg March 24, 2026
Öhrlings PricewaterhouseCoopers AB

Johan Palmgren
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.



FINANCIAL STATEMENTS



Joakim Nideborn
Chief Financial Officer

The CFO explains

2025 WAS A STRONG YEAR FOR HMS. HOW DO YOU SUMMARIZE THE YEAR FROM A FINANCIAL PERSPECTIVE?

2025 was a year in which HMS delivered both growth and significantly improved profitability. Net sales increased by 17 percent to SEK 3,577 million and adjusted EBIT amounted to SEK 911 million, corresponding to an adjusted operating margin of 25.5 percent – slightly better than our financial targets. Cash flow from operating activities increased significantly and amounted to SEK 877 million. Overall, this shows that our business model is scalable and robust even in a market that has been difficult to assess.

ORDERS WERE GOOD ON A FULL-YEAR BASIS BUT QUITE VOLATILE DURING THE YEAR. HOW DO YOU SEE THE MARKET SITUATION?

Order intake increased by 23 percent during the year, of which 10 percent was organic. North America and China performed strongly throughout the year, with a slight weakening at the end of the year. Europe improved gradually during the year, albeit at a slightly slower pace than expected. Our assessment is that underlying demand is developing positively, but that customers are in some cases more cautious in their investment decisions. This means that we continue to have a cautiously positive view of market developments.

PROFITABILITY IMPROVED IN 2025. WHAT ARE THE MOST IMPORTANT DRIVERS BEHIND THE MARGIN DEVELOPMENT?

There are several factors. First, we have had high delivery volumes, especially in the fourth quarter, which has provided good operational leverage. Second,

we are seeing effects from the new organizational structure that was introduced at the turn of the year 2024/2025, with clearer business responsibility and better focus in our divisions. Product mix, pricing and improved efficiency in our global manufacturing and supply chain have also contributed positively.

CASH FLOW IS STRONG AND THE BOARD OF DIRECTORS NOW PROPOSES A DIVIDEND AGAIN. HOW DO YOU SEE THE CAPITAL ALLOCATION IN THE FUTURE?

After the major acquisitions in 2024, the focus in 2025 was to strengthen the balance sheet, improve cash flow and reduce debt. We have succeeded well in this, which enables the board to now propose a dividend of SEK 4.80 per share. Our ambition going forward is to combine continued growth – both organically and through acquisitions – with a capital structure that provides scope for dividends in line with our policy of 30–50 percent of earnings per share over time.

HMS COMPLETED THE ACQUISITION OF THE MOLEX INDUSTRIAL COMMUNICATIONS BUSINESS JUST AFTER THE END OF THE YEAR. TELL US ABOUT THIS ACQUISITION.

The acquisition of Molex's industrial communications business is a smaller so-called Bolt-on acquisition to the Industrial Network Technology division and includes around 30 talented engineers. It strengthens our position in industrial communications, further broadens our offering and gives us access to complementary technology, customers and applications. The acquisition fits well with our strategy to grow within industrial ICT and is expected to contribute to both growth and profitability over time.

HOW DO YOU SEE HMS' FINANCIAL AND STRATEGIC OUTLOOK FOR THE COMING YEAR?

We enter 2026 with good momentum, good profitability and a strengthened financial position. The new organization is working well and we have also launched a new 2030 strategy. This gives us a clear direction for what we will do going forward. The market remains somewhat uncertain in the short term, but the long-term drivers – digitalization, increased connectivity and the need for secure and reliable industrial communication – are strong. With our broad portfolio and global presence, we believe HMS is well positioned to continue creating value for customers and shareholders well into the future.

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BUSINESS DESCRIPTION

THE GROUP

OPERATIONS*

HMS is a market-leading supplier of solutions for Industrial ICT (Information and Communication Technology) sold under the Anybus®, Ixxat®, Ewon®, Intesis®, Red Lion®, and N-Tron® brands. HMS also offers products for wireless communication in mobile industrial applications through Owasys. Furthermore, HMS offers communication solutions for developers of advanced development and testing equipment in the automotive, medical, and transport segments through PEAK-System. HMS products and solutions make it possible for industrial equipment to communicate and share information with software and systems.

Product development takes place at the head office in Halmstad, as well as in Ravensburg, Wetzlar, Darmstadt, and Buchen (Germany), Nivelles (Belgium), Igualada and Bilbao (Spain), Delft (the Netherlands), York and Mobile (the USA), and Sibiu (Romania). Local sales and support are managed by our sales offices in Germany, the United States, Japan, China, Singapore, Italy, France, Spain, the Netherlands, India, the United Kingdom, Sweden, South Korea, Australia, the United Arab Emirates (UAE), and Vietnam, as well as via a worldwide network of distributors and partners. HMS has more than 1,100 employees, and sales in 2025 were SEK 3,577 million. HMS is listed on NASDAQ OMX Stockholm in the Large Cap segment and Telecommunications sector.

SEASONALITY

HMS does not have any significant seasonal variations in its operations, except for normally higher costs in Q4, primarily associated with the high number of large marketing events in that period.

SIGNIFICANT EVENTS

The fluctuations in the semiconductor market in recent years, which led to a sharp build-up in our customers' inventories, have largely normalized in 2025, and HMS estimates that order intake

is now back in line with real market demand. Organically, order intake has increased by 10 percent. HMS' sales amounted to SEK 3,577 million, a growth of 1 percent compared with the previous year. Restructuring, transaction, and integration costs, as well as amortization of excess values, resulted in an adjusted operating profit of SEK 911 million. In connection with the Group's acquisition of Red Lion in 2024, the Group elected to apply Section 338(h)(10) of the U.S. federal tax legislation. The election results in the transaction being treated as an asset acquisition for tax purposes, which means that identifiable assets and goodwill will be depreciated for tax purposes over 15 years. The application of Section 338(h)(10) has resulted in a non-recurring tax effect of SEK 104 million, which has been reported as part of the tax expense for the period. The future tax benefits are expected to exceed this non-recurring expense by a wide margin. Excluding this tax effect, adjusted profit after tax amounted to SEK 689 million, and adjusted earnings per share to SEK 13.73.

HMS changed its organizational structure from January 1, 2025, to prepare for continued growth. The Group is now organized in three divisions: Industrial Data Solutions (IDS), Industrial Network Technology (INT), and New Industries (NI), which constitute HMS' segments as of January 1, 2025.

At the end of December 2024, the 2021 Share Savings Plan was closed. During the first quarter of 2025, 9,046 performance shares were distributed free of charge to the remaining participants. Shares held in treasury were used for the distribution. The total holding of own shares at the end of the year was 134,370.

HMS held its AGM on April 24, 2025. All the proposals by the Board of Directors and the Nomination Committee were adopted by the AGM, and Charlotte Brogren, Anders Mörrck, Cecilia Wachtmeister, Niklas Edling, Anne Kleine and Johan Stakeberg were re-elected as Directors. At the first Board meeting following election, Staffan Dahlström was appointed President and CEO of HMS Networks AB.

On September 9, a capital markets day was held in Stockholm, where the company presented its established strategic goals for 2030. In terms of growth and profitability targets, the net sales target for 2030 has been set at SEK 7.5 billion, with organic growth and acquisitions estimated to account for equal shares, and an EBITA margin target of 25% for the period 2026–2030.

The dividend target will be within 30 to 50 percent of adjusted earnings per share for the period 2026–2030, and the debt guideline, expressed as net debt in relation to operating profit before interest expenses, tax, depreciation, and amortization (EBITDA), remains below 2.5x over time. In order to secure the financial conditions necessary to implement the strategic agenda set for 2030, a new long-term financing agreement was signed with two Swedish banks at the end of 2025. HMS is also aiming to increase annual recurring revenue (ARR) to 10% of net sales by 2030, which will contribute to achieving the new, higher target level of a gross margin above 65 percent. Targets for employee satisfaction, customer loyalty and sustainability were also presented.

On November 17, 2025, a binding agreement was signed with Molex regarding the acquisition of parts of Molex's Industrial Solutions division within the field of industrial communications, including several strategic assets. The acquisition strengthens the INT division's strategy by broadening its offering in software and hardware with complementary IP blocks. It also means an expansion of HMS' customer base in North America, a strategic market and an important initiative in the INT division's 2030 strategy.

SIGNIFICANT EVENTS SUBSEQUENT TO YEAR-END

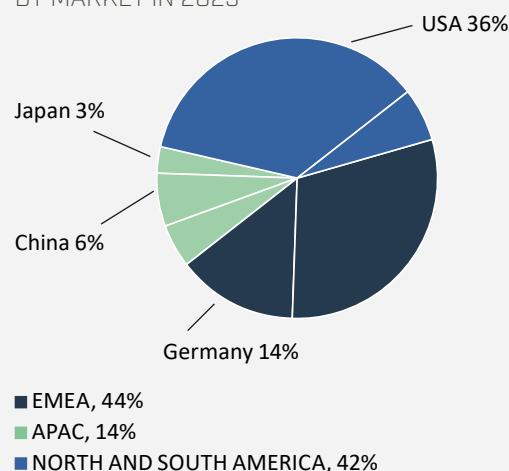
The acquisition of parts of Molex's Industrial Solutions business unit was completed on January 2, 2026, and consolidation will take place from that date.

No other significant events have occurred since the end of the period up until the signing of this annual report.

NET SALES

Net sales increased by 17 percent to SEK 3,577 million (3,059), of which currency translation effects amounted to SEK -136 million (-11). Invoiced sales by region were as follows: EMEA 44 percent (46), North and South America 42 percent (38), and APAC 14 percent (16). The Group's largest individual markets are the USA, Germany, China and Japan.

*This section forms part of the company's sustainability report prepared in accordance with the ESRS and relates to the disclosure requirement ESRS 2 SBM-1, paragraph 40 (a, ii).

HMS GROUP'S NET SALES
BY MARKET IN 2025

PROFIT

Gross profit amounted to SEK 2,253 million (1,916) with a gross margin of 63.0 percent (62.6). Operating expenses amounted to SEK 1,503 million (1,423). Operating expenses include transaction, integration and restructuring costs of SEK 33 million (75), and depreciation/amortization of excess values of SEK 116 (87) million. Organically, operating expenses have increased by 1 percent, which corresponds to SEK 11 million compared to the previous year.

Adjusted EBITDA amounted to SEK 1,064 million (796), corresponding to a margin of 29.7 percent (26.0). Depreciation and amortization amounted to SEK 268 million (218). Adjusted EBIT amounted to SEK 911 million (665), corresponding to a margin of 25.5 percent (21.8). EBITDA amounted to SEK 1,030 million (721), corresponding to a margin of 28.8 percent (23.6). EBIT amounted to SEK 762 million (503), corresponding to a margin of 21.3 percent (16.4). Currency translation impacted operating profit by SEK -11 million (1).

Net financial items amounted to SEK -112 million (-138), burdened by interest expenses of SEK 124 million for loans and lease liabilities, which resulted in a profit before tax of SEK 650 million (364).

The recognized tax expense was SEK -215 million (-55). Tax expense for the period has been increased by a non-recurring tax expense of SEK -104 million; see further details under "Significant events." After this tax effect, adjusted profit after tax amounted to SEK 689 million (472) and adjusted earnings per share to 13.73 (9.65). Profit after tax amounted to SEK 435 million (310). Earnings per share were SEK 8.66 (6.35).

INVESTING ACTIVITIES

The year's investments in property, plant, and equipment, along with intangible assets, excluding acquisitions, amounted to SEK 133 million (121). Investments in intangible fixed assets consist largely of expenditure relating to development work. Amortization and impairment of capitalized development costs amounted to SEK 48 million (35).

FINANCIAL POSITION

As of December 31, 2025, the Group had cash and cash equivalents of SEK 89 million (74), excluding unutilized credit facilities of SEK 794 million (490). The Group's net debt amounted to SEK 2,354 million (3,275), while net debt in relation to EBITDA was 2.21 (3.41) including pro forma from acquisitions. The net debt

ratio was 68 percent (93) and the equity ratio was 53 percent (47). Bank loans taken out amount to SEK 2,011 million (2,876), including utilized overdraft facilities. Net debt also includes the present value of future cash outflows for options related to the remaining shares in Owasys S.L. totaling SEK 110 million (114). Furthermore, the net debt consists of leasing liabilities of SEK 245 million (276) and liabilities related to acquisitions of SEK 78 million (83).

During the last quarter of 2025, refinancing took place and a new long-term banking agreement was signed with the existing bank SEB, together with Nordea. The agreement covers a revolving credit facility totaling EUR 250 million. The agreement was signed on December 11, 2025, and will run for three years until December 2028, with the option of a 1+1-year extension. The new banking agreement also includes an accordion (extension option) totaling EUR 200 million. In connection with the new banking agreement, all outstanding loans were repaid and new loans were taken out. The new financing agreement secures HMS' financial conditions for implementing the strategic agenda set for 2030.

In total, the Group's external loans changed by a net amount of SEK -644 million (2,880) and amortization of lease liability was SEK -67 million (-62). No other significant payments are charged to financing activities.

The cash flow from operating activities amounted to SEK 877 million (592). Cash flow is charged with a non-recurring tax expense of SEK -104 million, which increases the tax expense for the period. See more details in the "Significant events" section. After investments in fixed assets of SEK -135 million, changes in bank loans of SEK -644 million, and amortization of lease agreements of SEK -67 million, cash flow for the year amounted to SEK 27 million (-30).

GROUP STRUCTURE

HMS Networks AB (CIN 556661-8954) is the parent company of the wholly-owned subsidiary HMS Industrial Networks AB, which in turn is the parent company of most of the subsidiaries, see Note 35.

No acquisitions or divestments of subsidiaries took place during the year.

FINANCIAL PERFORMANCE IN SUMMARY

	2025	2024
Net sales, MSEK	3,577	3,059
Adjusted EBITDA, MSEK	1,064	796
Adjusted EBITDA, %	30	26
Adjusted EBIT, MSEK	911	665
Adjusted EBIT, %	25	22
EBIT, MSEK	762	503
EBIT, %	21	16
Adjusted profit after tax, MSEK	689	472
Profit after tax, MSEK	435	310
Adjusted earnings per share, SEK	13.73	9.65
Earnings per share, SEK	8.66	6.35

HMS Industrial Networks AB, HMS Technology Center GmbH, HMS Industrial Networks SA, HMS Industrial Networks SLU, HMS Technology Center B.V., Owasys Advanced Wireless Devices S.L, Red Lion Inc. and PEAK-System Technik GmbH, constitute development centers within the HMS Group. The other subsidiaries are responsible for sales, marketing, and support in their respective geographic markets.

SUSTAINABILITY REPORT

In accordance with the Annual Accounts Act HMS Networks AB (publ.) prepares a statutory sustainability report; see pages 46-117. The Sustainability Report describes the Group's work based on economic, environmental, and social aspects, and has been prepared in accordance with the European Sustainability Reporting Standards (ESRS), which constitute the binding disclosure requirements applicable to the 2025 reporting year. The reporting covers both the impact from a dual materiality perspective and the financial effects that sustainability-related risks and opportunities may entail. The Sustainability Report covers the parent company HMS Networks AB (company registration number 556661-8954) and all entities consolidated in the consolidated financial statements for HMS Networks AB 2025, as specified in Note 35.

RESEARCH AND DEVELOPMENT

The Group expensed SEK 393 million (341) for research and development during the year. SEK 68 million (79) in development costs have been capitalized. Total costs for research and development accounted for 11 percent (11) of sales. The Group's policy is to only capitalize major projects for developing new products, product generations, or technology platforms. Development of secondary products or applications based on these are not capitalized. Customer-specific projects are capitalized whenever it is considered likely that the development costs will be covered by future revenue.

EMPLOYEES

At year-end, the number of employees within the Group was 1,134 (1,139).

GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

Whom the guidelines apply to and their applicability

These guidelines apply to members of the HMS Group management team during the period to which the guidelines apply. New guidelines were adopted at the AGM held on April 24, 2025. The guidelines must be applied to contractual remuneration and to any changes made to already agreed remuneration after the guidelines were adopted at the 2025 AGM. The guidelines do not apply to remuneration that is decided by the AGM.

Alignment of the guidelines with the HMS business strategy, long-term interests, and sustainability

HMS Networks is a market-leading supplier of solutions for Industrial ICT (Information and Communication Technology). HMS' industrial communication products enable millions of machines, such as robots, frequency converters, and air-conditioning equipment, to be connected to different types of systems – something which is necessary for meeting future requirements for energy efficiency and sustainability. In short, the HMS business strategy consists of pursuing profitable growth in strategic markets, focusing on sustainable product development, being a global player with a local presence, and having a sustainable value chain. Successful implementation of the HMS business strategy and safeguarding of the company's interests, including its sustainability, depends on HMS being able to recruit and retain qualified employees. The goal for the HMS remuneration policy for senior executives is thus to offer competitive and market-based remuneration so that it is possible to attract, motivate, and retain talented and skilled employees. These guidelines make it possible to offer senior executives a competitive total remuneration package. Further information about the HMS business strategy is available at www.hms-networks.com.

HMS has ongoing long-term share-based incentive schemes that have been adopted by the AGM and therefore are not covered by these guidelines. These incentive schemes apply to all employees of HMS, with the aim of increasing their interest in the business and its performance, as well as boosting their motivation and fostering a sense of solidarity with the company by establishing long-term ownership interests. The incentive

schemes also enable HMS to offer competitive total remuneration packages and in doing so create the prerequisites for recruitment and retention of talented employees. Performance requirements are currently linked to earnings per share. The incentive schemes also require personal investment over a certain holding period. For more information about these schemes, see the HMS website www.hms-networks.com.

Types of remuneration etc.

Remuneration to senior executives will be market-based and may consist of fixed cash salary, variable cash compensation, pension benefits, and other benefits, as well as additional variable cash compensation in certain extraordinary circumstances. The AGM may also – and independently of these guidelines – decide on share-based and share-price-based payment.

Fixed cash salary will be set on the basis that, in combination with short- and long-term incentives, it will be competitive. The absolute level will be set based on the person's position and their expertise, experience, and performance. The fixed cash salary amount will be reviewed annually.

Variable cash compensation will be based on predetermined and measurable financial and non-financial targets for the Group. The measurement period for the targets for annual variable cash compensation is one year and annual variable cash compensation may not amount to more than 80 percent of the fixed cash salary. In addition to annual variable cash compensation, senior executives will be able to receive a long-term incentive bonus (LTI bonus) amounting to no more than 40 percent of the fixed cash salary per year in the measurement period. The LTI bonus will be based on achieved financial and operational goals, linked to, e.g., growth and operating profit, after a multi-year measurement period of three to five years. Payment of the LTI bonus will be made after the measurement period has ended, and only one LTI program may be ongoing at a time.

The split between fixed and variable cash compensation must be proportionate to the executive's responsibilities and authority. The goals should primarily relate to growth and profitability, with the relationship between these KPIs being used to determine the outcome of variable cash compensation. Individual goals may also be set in addition to these. The goals will be

structured so that they promote HMS' business strategy and long-term interests, including sustainability. For example, there should be a clear link to the Group's strategic focus areas and/or promoting the executive's long-term development at HMS.

For the CEO, pension benefits, including health insurance benefits, will be defined contribution benefits. The pension premium will amount to a maximum of 35 percent of the pensionable income up to 28.5 times the price base amount and a maximum of 25 percent on the excess portion of pensionable income.

For other senior executives, pension benefits, including health insurance benefits, will be defined contribution benefits. For Swedish senior executives, excluding the CEO, the ITP1 plan must be followed. This means that the pension contribution shall amount to a maximum of 30 percent of pensionable income, with an upper limit of 30 income base amounts.

Variable remuneration (STI and LTI) must not be pensionable as long as it is not required by mandatory collective bargaining rules.

Other benefits may include health insurance, occupational health care, a company car, etc. In total, such benefits may not amount to more than 10 percent of the fixed cash salary.

Additional variable cash compensation may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are only made for, e.g. the purpose of recruiting or retaining senior executives. Such compensation may not exceed an amount corresponding to 50 percent of the fixed cash salary and may not be paid out more than once per year per individual. Decisions on such compensation will be made by the Board of Directors based on recommendations by the remuneration committee.

With regard to employment governed by non-Swedish rules, adjustments may be made to pension benefits and other benefits to comply with such rules or established local practice, taking into account, to the extent possible, the overriding goals of these guidelines.

Determining the outcome of variable cash compensation etc.

The remuneration committee is tasked with preparing, monitoring, and evaluating matters relating to variable cash compensation on behalf of the Board. When the measurement period for

fulfilling criteria for payment of variable cash remuneration has ended, an assessment will be made of the extent to which the criteria have been fulfilled. Assessments of whether financial targets have been met will be based on adopted financial statements and documentation for the period in question. Remuneration to the CEO is decided by the Board based on the recommendations of the remuneration committee. Remuneration to other senior executives is decided by the CEO after consultation with the remuneration committee.

Variable cash compensation may be paid after the measurement period has ended or be deferred for later payment. The Board of Directors is entitled, by law or agreement, to demand full or partial repayment of variable compensation that has been paid out erroneously.

Termination of employment

Senior executives will be employed on a permanent basis. In the case of notice of termination, the mutual notice period for the CEO is six months. In respect of notice of termination on the company's side, severance pay corresponding to a maximum of twelve months' fixed cash salary may also be paid. Other earnings will not be deducted from the severance pay. In respect of notice termination from the CEO's side, no severance pay will be paid. A mutual notice period of six months applies between the company and the other senior executives, without any right to severance pay.

It will be possible for senior executives to obtain compensation for a non-compete clause after termination of employment, but only to the extent that severance pay is not paid for the corresponding period of time. The purpose of such compensation is to compensate the senior executive for the difference between the fixed cash salary at the date of termination and the (lower) income that is received via a new employment contract, assignment, or own business. This compensation may be paid during the period of time that the non-compete clause is in effect, although for no more than twelve months after termination of the employment. For more information on remuneration to senior executives, please see Note 10.

Salary and terms of employment for employees

The Board of Directors' proposal for these remuneration guidelines has given due consideration to the salary and terms of employment for employees of HMS, by means of information on their total remuneration package, the components of that package, any increase, and rate of increase over time being factored into the remuneration committee's and the Board of Directors' decision when evaluating whether the guidelines and the subsequent limitations are reasonable.

Decision-making process for establishing, monitoring, and implementing the guidelines

The Board of Directors has set up a remuneration committee. The committee's tasks include preparing the material upon which the Board will base its decisions on proposed guidelines for remuneration to senior executives. The Board must prepare proposals for new guidelines at least every four years and present these proposals to the AGM for a decision. The guidelines will apply until new guidelines have been adopted by the AGM. The remuneration committee is also required to monitor and evaluate variable remuneration schemes for senior executives, the application of the guidelines for remuneration to senior executives, and the current remuneration structures and levels at HMS. The members of the remuneration committee are independent in relation to the company and its management team. When the Board considers and makes decisions on remuneration issues affecting them, the CEO and other members of the management team are not present and do not participate.

Deviating from the guidelines

The Board of Directors may decide to make temporary deviations from the guidelines, either in full or in part, if there are special reasons for doing so in individual cases and it has been deemed necessary in order to meet the long-term interests, including sustainability, of HMS, or to ensure HMS' financial viability. As stated above, the remuneration committee's tasks include preparing the material on which the Board's decisions are based, which includes decisions on deviating from the guidelines.

OUTLOOK

HMS is fundamentally cautiously positive about the development potential in the short to medium term, but acknowledging continued uncertainty regarding how the macroeconomic situation will develop. Particularly the global trade policy situation may affect overall demand and postpone customers' willingness to invest.

In the longer term, the company believes that incentives and trends toward regionalized industrial production (North America, Europe, China, and Southeast Asia) will drive greater demand for automation, digitalization, and communication for industrial applications—and that will benefit HMS. The company is optimistic about the opportunities to continue winning new customers and expanding business with its current customers through continued investments in product development, innovation, and sales resources. Achieving profitable growth—both organically and through acquisitions—will remain a strategic priority for HMS in the coming years.

HMS STOCK

HMS Networks AB (publ) is listed on the Nasdaq OMX Stockholm Stock Exchange in the Large Cap segment and Telecommunications sector. On average, 39,474 (41,932) shares were traded each trading day. The volume-weighted average share price in 2025 was SEK 449.17 (429.54). The total number of shares at the time this annual report was submitted was 50,318,868, of which 124,852 are held in treasury after allotment for the 2022 Share Savings Plan. All shares have the same voting rights.

PARENT COMPANY

INFORMATION ABOUT THE BUSINESS

The parent company's operations focus on Group-wide administration and financing. Apart from the CEO, the parent company has no employees.

PROPOSED DISTRIBUTION OF PROFIT IN THE PARENT COMPANY

The following profits are at the disposal of the AGM:

Retained earnings and other non-restricted reserves	2,656,436
Profit for the year	1,043,473
SEK 000s	3,699,908

The Board of Directors proposes the following distribution of profits:

A dividend of SEK 4.80 per share will be paid to the shareholders ¹	240,931
Carried forward	3,458,977
SEK 000s	3,699,908

¹ The dividend is calculated on the total number of shares outstanding as of 03/24/2026.

The Board of Directors is of the opinion that the proposed dividend does not prevent the company, and other companies within the group, from fulfilling their short- and long-term obligations, nor from making necessary investments. The Board of Directors' assessment is that the company's and the Group's equity will remain sufficiently strong. The proposed dividend is thus justifiable with regard to what is stated in Chapter 17, Section 3(2–3) of the Swedish Companies Act ("the precautionary principle").

Risks and risk management*

A prerequisite for creating long-term value is the ability to understand and manage relevant and significant risks. HMS is impacted by the general economic climate, changes in the currency market, and events relating to and impacting sustainability, as well as the geopolitical situation, in addition to exposure to industry- and company-specific factors. This section describes HMS' risk management process and the most significant risk areas that impact HMS' ability to achieve its set goals, along with its management and control of each risk area.

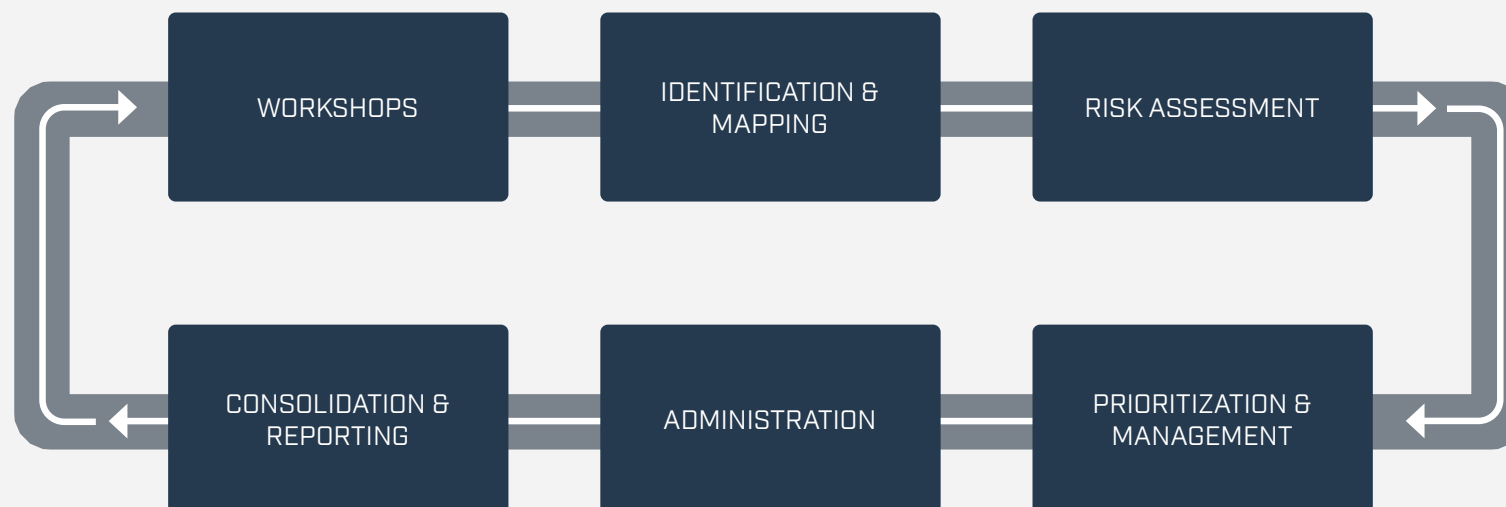
Work with materiality analyses, identification, measurement, prioritization and risk management is an integral and key component of HMS' corporate governance. Risk assessments are continuously carried out within the Group to identify and assess significant risks. HMS' risk management consists of identifying, measuring, and taking active positions on identified

risks, with the aim of accepting, minimizing, or eliminating a potential risk based on an adopted strategy. Identified risks are assessed from two perspectives: probability (how likely an event is to occur) and impact (what the effects will be if the event occurs). The parameters are evaluated on a five-point scale, and existing controls for each identified risk are assessed, along with the need for additional risk-mitigating measures, taking into account assessments of opportunities and risk appetite. The company applies a defined risk appetite, which forms the basis for prioritization and means that only risks above a set level require mitigation and follow-up. The Group's risk management program encompasses all parts of the business with the aim of working in a structured way to prevent various risks and support continuous improvements. Feedback with a review of significant risks is provided to the Board of Directors annually.

During 2025, work continued to further develop the risk management process. External risk factors and the complexity of the risk environment have increased in recent years, which, together with HMS making several major acquisitions in 2024, has made it even more important to confirm that there are processes in place to identify, analyze, evaluate and manage risks to which HMS may be exposed. The focus on risk work is to ensure that the right decisions are made in every part of the Group in order to give HMS the prerequisites to create long-term value and achieve set goals. In the improvement work that has taken place, processes and ownership have been further clarified, while work has also been done to increase proactivity in risk management, including through greater dialogue between divisions and the involvement of more people within the Group.

HMS risk management process

HMS works continuously and in a structured way with risk management, the process for which is illustrated below. This work is not strictly limited to the order of the cycle. Identification, evaluation, prioritization, and administration take place on an ongoing basis throughout the year based on external monitoring and the needs of each division and area.



*This section forms part of the company's sustainability report prepared in accordance with the ESRS and relates to the disclosure requirement ESRS 2 GOV-1, paragraph 22 (d), and ESRS 2 GOV-5, paragraph 36 (b), (c).

DESCRIPTION OF RISK AND IMPACT

MANAGEMENT AND CONTROL

CYBERSECURITY AND IT INFRASTRUCTURE

INTERRUPTION RISKS AND INFORMATION AND/OR DATA LEAKAGE

Risk that disruptions, deviations, or interruptions, generated by intrusion or destruction, in critical systems impact the infrastructure of business processes such as production, logistics, and sales, and that IT infrastructure is partially, or completely, destroyed. This area also includes the risk of information in the IT environment being disseminated to external parties due to hacker attacks or intrusions that are not stopped. Should business-critical and sensitive information be disclosed, it could be used against HMS.

HMS has a global IT security policy and strives to identify and monitor vulnerabilities and take appropriate action to avoid, prevent, or mitigate their effects. Security at HMS is continuously evaluated, both through internal controls and tests carried out by external partners. Effort is put into continuity planning, a globally secure network equipment and server environment, as well as clear monitoring and segmentation of all assets and IT users. A continuous risk assessment is carried out to focus on maintaining a secure IT infrastructure at all times. Awareness of the risks and more resources deployed within cybersecurity increase the readiness to respond quickly to any attacks that occur, as well as the application of cybersecurity frameworks that have been implemented. In 2025, extensive work was carried out to introduce a complete ISMS (Global Information Security Management System), which has further strengthened the company's cyber security processes. Work on the ISMS project is scheduled to be completed in 2026. When acquisitions are made, a great deal of effort goes into ensuring that new devices introduced into the environment comply with the Group's policy.

PRODUCT SECURITY

A good level of product security is crucial for customers to mitigate threats to cyber and data security and meet regulatory requirements in the various markets. Hardware and software providers need to ensure that the user data in the products is secure in order to meet customers' increased needs due to increased regulatory requirements, especially within the EU. For HMS, the issue is considered to be a risk but above all an opportunity and a competitive advantage to deliver secure products to customers and stay ahead of competitors in order to increase market share in new areas.

The Group CISO, who works with overall processes to ensure compliance, clear roles, and delegated responsibilities in the organization linked to product security, clear business strategies integrated into the business plans, and analysis of regulatory requirements and customer needs. In 2025, extensive work was done to ensure NIS2 compliance through the certification of the entire HMS Group according to ISO 27001.

LEGAL COMPLIANCE

REGULATORY CHANGES

HMS operates in geographically dispersed regions with different legal requirements. This entails an inherent risk linked to changes in legislation, regulatory requirements, and industry-specific rules. Legal risks may arise from new or revised laws, deficiencies in agreements, or changes in reporting requirements that affect operations. Since regulations differ between countries and are constantly being updated, there is a risk that the organization will not fully identify or implement requirements quickly enough, which could have negative legal or financial consequences.

Legal risks are managed through structured work, where responsibilities and roles are clearly defined within the organization. A systematic approach is applied to identify, assess, and implement legal requirements, including integrated processes for corporate governance, compliance, and reporting. Guidelines in the HSE Code of Conduct, supplemented by relevant policies, set out the principles that govern the conduct of the organization.

DESCRIPTION OF RISK AND IMPACT

MANAGEMENT AND CONTROL

EMPLOYEES

BUSINESS ETHICS

HMS operates in a large number of markets with different business cultures and regulations, which entails a risk of improper conduct such as corruption or deviations from the company's ethical guidelines. Failure to comply with applicable legislation, international principles, or HSE values may result in legal consequences, financial losses, and damage to the brand and trust.

Business ethical risks are managed through structured work based on the HMS Code of Conduct and supplementary policies. These documents set out clear principles for how employees and representatives should act in business relationships and in external interactions. All employees and board members undergo regular training in the Code of Conduct, and risk management functions also receive extended training in anti-corruption. An externally managed whistleblower system facilitates anonymous reporting of irregularities.

WORK ENVIRONMENT

Work environment risks include both physical and psychosocial factors, such as ergonomics, strain, leadership, workload, and social relationships. An inadequate work environment can affect employees' health, well-being, and performance, and lead to increased costs related to sick leave, staff turnover, and recruitment. This, in turn, can reduce the organization's attractiveness as an employer and, in certain cases, lead to legal consequences.

HMS works in a structured manner to ensure a safe and healthy work environment. These efforts are governed by the Code of Conduct, a global occupational health and safety policy, and local guidelines, which are supplemented by clear roles and responsibilities and follow-up procedures. Regular employee surveys, safety inspections, and risk analyses are used to identify areas for improvement and monitor well-being and safety. Occupational health services, preventive health initiatives, and early support measures are offered, with the aim of promoting long-term health. These processes help to create sustainable workplaces and reduce the risk of negative consequences for both employees and operations.

DIVERSITY AND EQUALITY

Inadequate efforts to promote diversity and gender equality can result in certain groups not being given equal opportunities to develop and pursue careers. This affects the ability to attract and retain skilled employees, which in the long run can lead to higher staff turnover, skills shortages, and a less attractive workplace.

The HMS Code of Conduct sets out clear guidelines for equal opportunities and an inclusive work environment. Group-wide targets have been set to increase the proportion of female managers. During the year, the organization continued efforts to establish a clearer group-wide structure that ensures the right skills, competitive remuneration, and clear roles and expectations. An externally managed whistleblower system that facilitates anonymous reporting of irregularities.

SKILLS AND REMUNERATION

Fierce competition for skilled labor poses a risk that HMS will lose its appeal as an employer, which could make it more difficult to strengthen the organization with the right skills. This could lead to increased recruitment and onboarding costs, as well as the risk of a skills shortage that affects the business's ability to develop.

Investment in personal development and workplace training to ensure that the organization possesses the knowledge and skills required for the future. Work to establish a clearer Group-wide structure to ensure the right skills, remuneration for employees, and clarity in roles and expectations. Regular employee surveys and performance reviews are conducted to monitor the work environment and employee satisfaction. Moreover, proactive efforts are made to promote health, development, and an inclusive corporate culture.

ENVIRONMENTAL IMPACT

GREENHOUSE GAS EMISSIONS

Greenhouse gas emissions from production, energy, and transportation in both our own operations and the value chain have a negative impact on the climate. Increased expectations from customers, investors, and regulatory authorities mean that insufficient emissions reductions or an inability to deliver reliable climate data could negatively impact HMS' competitiveness, costs, and brand image.

The work is governed by an environmental policy, code of conduct, and supplier code that clarify the Group's responsibility to reduce emissions from both its operations and the value chain. Climate work is supported by Group-wide targets, including SBTi-validated emissions targets, supplier assessments, and systematic environmental management.

CONT. NEXT PAGE

DESCRIPTION OF RISK AND IMPACT	MANAGEMENT AND CONTROL
VALUE CHAIN	
<p>ECONOMIC SITUATION AND GEOPOLITICAL CHANGE</p> <p>As a global player, HMS is affected by changes in political, legal, and macroeconomic conditions. In 2025, uncertainty in the geopolitical environment increased, particularly as a result of trade restrictions, changes in customs structures, and regional tensions, for example in the Taiwan–China region, as well as political instability and uncertainty originating in North America. In the short term, such changes may affect the availability of critical components and lead to higher purchasing costs, longer lead times and changes in customer behavior.</p>	<p>HMS continuously monitors and analyzes economic and geopolitical factors that may affect its operations. This includes monitoring changes in trade policy and risks associated with supplier markets, which are an integral part of the strategy work. The Group works proactively to ensure that there are processes in place that can be adapted to developments in the global market.</p>
<p>HUMAN RIGHTS</p> <p>Risk of poor working conditions and lack of respect for fundamental principles in, e.g., the ILO's core conventions in the HMS value chain. Supplier transparency or the discovery of human rights abuses can lead to impacts on workers' health and well-being and on legal situations, as well as damage to reputation and brand image.</p>	<p>HMS applies a supplier code based on international standards, including the UN Guiding Principles and the ILO Core Conventions. The Group's due diligence processes ensure that risks in the value chain are systematically identified, assessed, and managed. Suppliers are monitored through self-assessments and audits, where deviations are addressed and collaborations are terminated in the event of serious deficiencies. An annual risk assessment of conflict minerals is conducted, with follow-up of identified high-risk suppliers.</p>
<p>RESILIENCE IN THE VALUE CHAIN</p> <p>Climate-related events, trade restrictions, market barriers, and disruptions in global logistics may cause delays in production and delivery. Long lead times can, in turn, affect customer experience and customer satisfaction.</p>	<p>Proactive work to ensure delivery capacity through diversification of suppliers, establishment of alternative purchasing channels, and securing stock levels of critical components. This is combined with strategic forecasting and close dialogue with partners to identify risks and changes in demand at an early stage.</p>
<p>SHORTAGE OF RESOURCES AND MATERIALS</p> <p>Shortages in access to critical materials and components may arise as a result of geopolitical events, market disruptions, and global supply challenges. In addition to availability, the transition to more sustainable and recyclable materials adds further complexity, as alternative materials can be difficult to procure, technically limiting, or more expensive. This creates a risk that product development will be delayed, that requirements for sustainable use of materials will not be met, or that delivery capacity will be affected.</p>	<p>Risk-reducing processes with alternative material and component choices, diversified supply chains, and enhanced monitoring of component dependencies and critical inventory levels.</p>

For information on financial risks and sensitivity analysis, please see Note 21.

Consolidated income statement

SEK 000s	Note	2025	2024
Net sales	4, 5	3,577,348	3,059,178
Cost of goods and services sold		-1,324,569	-1,143,242
GROSS PROFIT		2,252,779	1,915,936
Selling expenses		-583,575	-680,042
Administrative expenses		-434,450	-291,705
Research and development expenses		-332,248	-286,656
Other operating income	6	12,115	9,838
Other operating expenses	6	-152,638	-164,470
OPERATING PROFIT	4, 6, 7, 8, 9, 10	761,982	502,901
Financial income	12	36,566	15,198
Financial expenses	13	-148,980	-153,677
Net financial items		-112,414	-138,479
Share of profit after tax from associates	33	250	73
PROFIT BEFORE TAX		649,818	364,496
Income tax	14	-214,607	-54,906
PROFIT FOR THE YEAR		435,211	309,589
Profit attributable to:			
HMS Networks AB's shareholders		434,746	309,681
Non-controlling interests		465	-92
Total		435,211	309,589
Earnings per share attributable to HMS Networks AB shareholders			
Before dilution, SEK ¹	15	8.66	6.35
After dilution, SEK ¹	15	8.65	6.34
Average number of shares, basic, thousands	15	50,181	48,772
Average number of shares, diluted, thousands	15	50,273	48,868
Dividend paid per share, SEK	16	-	4.40

¹ Attributable to parent company's shareholders

Consolidated statement of comprehensive income

SEK 000s	Note	2025	2024
Profit for the year		435,211	309,589
Other comprehensive income:			
Items that may be reclassified to profit or loss			
Cash flow hedges		45,230	-39,301
Hedging of net investments	24	222,409	2,716
Exchange rate differences when translating foreign operations		-744,886	130,644
Income tax attributable to the items above	14	5,419	1,680
Other comprehensive income for the year, after tax		-471,828	95,739
Total comprehensive income for the year		-36,617	405,328
Total comprehensive income for the year attributable to:			
HMS Networks AB's shareholders		-36,977	405,405
Non-controlling interests		360	-77
Total		-36,617	405,328

Consolidated balance sheet

SEK 000s	Note	2025-12-31	2024-12-31
ASSETS			
Non-current assets			
Intangible assets	17		
Capitalized development work		241,897	237,108
Goodwill		3,869,593	4,394,217
Customer relations and technology platforms		481,445	678,418
Brands		95,909	103,340
Other intangible assets		23,156	21,944
Total intangible assets		4,712,000	5,435,026
Property, plant, and equipment	18		
Buildings and land		73,069	77,693
Plant and machinery		19,008	18,707
Equipment, installations, and facilities		67,555	70,454
Construction in progress		16,338	9,721
Right-of-use assets	18, 19	250,874	279,568
Total property, plant, and equipment		426,844	456,143
Financial assets			
Interest in associates	33	13,807	14,136
Deferred tax assets	14	63,429	53,704
Derivatives	24	3,203	288
Other non-current assets	21	12,081	20,161
Total financial assets		92,519	88,289
Total non-current assets		5,231,364	5,979,458

SEK 000s	Note	2025-12-31	2024-12-31
Current assets	21		
Inventories	22	651,718	858,703
Trade receivables	23	462,154	426,595
Current tax assets		82,660	69,501
Derivatives	24	28,489	4,853
Other receivables		13,701	34,103
Prepaid expenses and accrued income	25	40,584	50,931
Cash and cash equivalents	26	89,393	73,929
Total current assets		1,368,700	1,518,615
TOTAL ASSETS		6,600,064	7,498,073

Cont. Consolidated balance sheet

SEK 000s	Note	2025-12-31	2024-12-31
EQUITY AND LIABILITIES			
Equity			
Share capital	27	1,258	1,258
Other contributed capital	27	1,607,731	1,607,731
Reserves	27	-182,165	289,663
Retained earnings including profit for the year		2,049,048	1,605,574
Equity attributable to HMS Networks AB's shareholders		3,475,872	3,504,225
Non-controlling interests		1,596	1,236
Total equity		3,477,468	3,505,461
Non-current liabilities			
Interest-bearing liabilities	28	1,776,525	2,607,718
Non-interest-bearing liabilities	29	114,407	199,699
Lease liabilities	19	176,207	206,051
Derivatives	24	-	2,438
Deferred tax liability	14	172,418	165,044
Other provisions	31	3,569	24,205
Total non-current liabilities		2,243,125	3,205,156
Current liabilities			
Interest-bearing liabilities	28	234,232	268,698
Non-interest-bearing liabilities	29	73,510	71
Lease liabilities	19	68,437	69,473
Trade payables		153,295	143,133
Current tax liabilities		64,107	30,316
Derivatives	24	-	16,241
Other liabilities		47,276	45,723
Accrued expenses and deferred income	30	232,746	198,032
Other provisions	31	5,869	15,769
Total current liabilities		879,471	787,456
TOTAL EQUITY AND LIABILITIES		6,600,064	7,498,073

Consolidated statement of cash flows

SEK 000s	Note	2025	2024
Cash flow from operating activities			
Profit after financial items		649,818	364,496
Adjustment for items not included in cash flow:			
Depreciation/amortization and impairment		268,346	218,632
Share Savings Plan	9	8,857	-656
Unrealized exchange differences		-14,579	9,731
Other provisions		-11,082	6,400
Profit from divestment of subsidiaries		-	2,139
Impairment of inventories	22	31,749	42,073
Accrued interest		-4,981	8,304
Other non-cash items on the income statement		-6,449	10,789
Income tax paid		-213,035	-134,017
Cash flow from operating activities before changes in working capital		708,644	527,891
Change in working capital			
Change in inventories		119,990	107,570
Change in trade receivables		-85,716	123,283
Change in other current receivables		56,431	53,812
Change in trade payables		27,287	-183,048
Change in other current liabilities		50,641	-37,487
Cash flow from operating activities		877,277	592,021

SEK 000s	Note	2025	2024
Investing activities			
Investments in intangible assets	17	-70,404	-81,686
Investments in property, plant, and equipment	18	-62,711	-39,377
Investments in subsidiaries		-	-4,374,942
Divestment of subsidiaries		-	41,220
Change in financial assets		-2,025	5,925
Sale of property, plant, and equipment		-	243
Cash flow from investing activities		-135,140	-4,448,617
Financing activities			
	34		
Bank loans		2,032,949	4,613,712
Bank loan amortization		-2,676,531	-1,733,626
Amortization of lease liability	19	-67,094	-61,796
Repurchase of own shares		-	-11,237
Dividend paid	16	-4,462	-224,691
New share issue		-	1,389,500
Payment of liabilities related to acquisitions		-	-145,215
Other non-interest-bearing liabilities		-69	-
Cash flow from financing activities		-715,207	3,826,647
CHANGE IN CASH AND CASH EQUIVALENTS			
		26,930	-29,949
Cash and cash equivalents at beginning of year	26	73,929	124,032
Exchange differences in cash and cash equivalents		-11,466	-20,154
Cash and cash equivalents at year-end	26	89,393	73,929
Interest paid and received			
Interest paid	13	-124,501	-120,024
Interest received	12	4,159	2,697

Consolidated Statement of Changes in Equity

SEK 000s	Note	Attributable to HMS Networks AB's shareholders				Total	Non-controlling interests	Total equity
		Share capital	Other contribu- ted capital	Reserves	Retained ear- nings including profit for the year			
Opening balance as of January 1, 2024		1,170	218,318	193,924	1,519,142	1,932,555	-	1,932,555
Total comprehensive income		-	-	95,739	309,666	405,405	-77	405,328
Costs of share-based remuneration		-	-	-	-656	-656	-	-656
Repurchase of own shares		-	-	-	-11,237	-11,237	-	-11,237
New issue ¹		88	1,389,413	-	-	1,389,500	-	1,389,500
Option		-	-	-	13,333	13,333	-	13,333
Non-controlling interests arising from when acquiring subsidiaries		-	-	-	-	-	1,313	1,313
Dividend	16	-	-	-	-224,676	-224,676	-	-224,676
Closing balance as of December 31, 2024		1,258	1,607,731	289,663	1,605,574	3,504,225	1,236	3,505,461
Total comprehensive income		-	-	-471,828	434,851	-36,977	360	-36,617
Costs of share-based remuneration		-	-	-	8,857	8,857	-	8,857
Option		-	-	-	4,214	4,214	-	4,214
Dividends ²	16	-	-	-	-4,447	-4,447	-	-4,447
Closing balance as of December 31, 2025		1,258	1,607,731	-182,165	2,049,048	3,475,872	1,596	3,477,468

¹ In 2024, HMS carried out a targeted new share issue. The number of shares has increased by 3,500,000 through the issue.

² During the year, Owasys paid dividends to minority shareholders of SEK 4,447 thousand. HMS Networks did not pay any dividends to shareholders during the year.

Parent company's income statement

SEK 000s	Note	2025	2024
Net sales	5	28,584	26,754
GROSS PROFIT		28,584	26,754
Administrative expenses	8, 9, 10, 11	-28,584	-26,754
OPERATING PROFIT		0	0
Profit from interest in Group companies – dividend	35	1,024,918	537,411
Financial income		23,753	22,916
Financial expenses		-65	-16
Net financial items		1,048,605	560,310
PROFIT BEFORE TAX		1,048,605	560,310
Income tax	14	-5,133	-4,962
PROFIT FOR THE YEAR		1,043,473	555,348

Parent company's balance sheet

SEK 000s	Note	2025-12-31	2024-12-31
ASSETS			
Non-current assets			
Financial assets			
Interest in subsidiaries	35	1,726,846	1,726,846
Total financial assets		1,726,846	1,726,846
Total non-current assets		1,726,846	1,726,846
Current assets			
Current receivables			
Receivables from Group companies		2,010,662	965,878
Other receivables		1	11
Prepaid expenses and accrued income	25	2,216	47
Total current receivables		2,012,880	965,936
Cash and bank balances		3,962	2,517
Total current assets		2,016,842	968,453
TOTAL ASSETS		3,743,688	2,695,300

SEK 000s	Note	2025-12-31	2024-12-31
EQUITY AND LIABILITIES			
Equity			
Restricted equity			
Share capital	27	1,258	1,258
Statutory reserve		19,446	19,446
Total restricted equity		20,704	20,704
Non-restricted equity	16		
Retained earnings		1,169,474	613,869
Share premium reserve		1,486,962	1,486,962
Profit for the year		1,043,473	555,348
Total non-restricted equity		3,699,908	2,656,178
Total equity		3,720,612	2,676,882
Current liabilities			
Trade payables		2,156	213
Current tax liability		4,254	3,925
Other liabilities		2,831	3,184
Accrued expenses and deferred income	30	13,836	11,095
Total current liabilities		23,076	18,418
TOTAL EQUITY AND LIABILITIES		3,743,688	2,695,300

Parent company's cash flow statement

SEK 000s	Note	2025	2024
Operating activities			
Profit after financial items		1,043,473	555,348
Adjustments for items not included in cash flow:			
Dividend received		-1,024,918	-537,411
Share Savings Plan		258	-48
Income tax paid		329	2,157
Cash flow from operating activities before changes in working capital		19,141	20,046
Change in working capital			
Change in other current receivables		22,026	211,532
Change in trade payables		1,943	-1,180
Change in other current liabilities		2,386	2,004
Cash flow from operating activities		1,445	232,402
Financing activities			
Repurchase of own shares		-	-11,237
Dividend paid		-	-220,772
Cash flow from financing activities		-	-232,009
CHANGE IN CASH AND CASH EQUIVALENTS		1,445	394
Cash and cash equivalents at beginning of year		2,517	2,123
Cash and cash equivalents at year-end		3,962	2,517
Interest paid and received			
Interest paid		65	16
Interest received		23,753	22,916

Parent company statement of changes in equity

SEK 000s	Note	Restricted equity		Non-restricted equity			Total
		Share capital	Statutory reserve	Retained earnings	Share premium reserve	Profit for the year	
Opening balance as of January 1, 2024		1,170	19,446	380,457	97,549	465,468	964,091
Transfer of 2023 results		-	-	465,468	-	-465,468	-
Repurchase of own shares		-	-	-11,237	-	-	-11,237
Costs of share-based remuneration		-	-	-48	-	-	-48
Dividend (SEK 4.40 per share)	16	-	-	-220,772	-	-	-220,772
New share issue		88	-	-	1,389,413	-	1,389,500
Profit for the year		-	-	-	-	555,348	555,348
Closing balance as of December 31, 2024		1,258	19,446	613,869	1,486,962	555,348	2,676,882
Transfer of 2024 results		-	-	555,348	-	-555,348	-
Costs of share-based remuneration		-	-	258	-	-	258
Profit for the year		-	-	-	-	1,043,473	1,043,473
Closing balance as of December 31, 2025		1,258	19,446	1,169,474	1,486,962	1,043,473	3,720,612

Notes

All amounts in SEK thousands unless otherwise stated.

NOTE 1 General information

HMS Networks AB (publ), CIN 556661-8954, is a Swedish limited liability company whose shares are traded on the Nasdaq OMX Nordic Exchange in Stockholm in the Large Cap segment and Telecommunications sector. HMS Networks AB (publ) is the parent company of the HMS Group and has its head office in Halmstad, Sweden. The head office address is Stationsgatan 37, Halmstad, Sweden. HMS Networks AB (publ) is the ultimate parent company of the Group.

The HMS Group is a market-leading supplier of solutions for Industrial Information and Communication Technology (Industrial ICT). HMS develops and manufactures products sold under the Anybus®, Ixxat®, Ewon®, Intesis®, Red Lion®, and N-Tron® brands. Product development takes place at the head office in Halmstad, as well as in Ravensburg, Wetzlar, Darmstadt, and Buchen (Germany), Nivelles (Belgium), Igualada and Bilbao (Spain), Delft (the Netherlands), York and Mobile (the USA), and Sibiu (Romania). Local sales and support are managed by our sales offices in Germany, the United States, Japan, China, Singapore, Italy, France, Spain, the Netherlands, India, the United Kingdom, Sweden, South Korea, Australia, the United Arab Emirates (UAE), and Vietnam, as well as via a worldwide network of distributors and partners.

This annual report and the consolidated financial statements were approved for publication by the Board of Directors on March 24, 2026.

NOTE 2 Summary of significant Accounting policies

This note describes the important accounting policies that were applied in the preparation of these consolidated financial statements, to the extent that they are not described in the notes that follow. However, most of the accounting policies applied are detailed in each of the notes. All of the accounting policies presented in this annual report have been applied consistently to all the years presented, unless otherwise stated. The consolidated financial statements cover HMS Networks AB and its subsidiaries.

BASIS FOR PREPARATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements for the HMS Group have been prepared in accordance with the Swedish Annual Accounts Act and RFR 1 Supplementary Accounting Rules for Groups, as well as the IFRS financial reporting standards adopted by the EU and interpretations from the IFRS Interpretations Committee (IFRS IC) as adopted by the EU.

The consolidated financial statements have been prepared in accordance with the cost method, except for certain financial assets and liabilities measured at fair value.

Parent company accounting policies

The parent company's financial statements have been prepared in accordance with RFR 2 Accounting for Legal Entities and the Swedish Annual Accounts Act. The application of RFR 2 means that the parent company in its annual report for the legal entity applies all IFRS standards and opinions adopted by the EU as far as possible within the framework of the Annual Accounts Act and the Pension Obligations Vesting Act, and with regard to the relationship between accounting and taxation.

New and amended standards adopted by the Group

No standards or amendments are applied by the Group for the first time for the financial year beginning on January 1, 2025.

New standards and interpretations that have not yet been applied by the Group

IFRS 18 Presentation and Disclosure in Financial Statements is applicable for financial years beginning on or after January 1, 2027 and has not yet been adopted by the EU. IFRS 18 will replace IAS 1 Presentation of Financial Statements and introduce new require-

ments aimed at achieving increased comparability in the reporting of income for similar companies and providing users with more relevant information and transparency. IFRS 18 introduces, among other things, new requirements for structure of the income statement and information on certain performance measures. IFRS 18 will not affect the recognition or measurement of items in the financial statements but is expected to have a limited effect on presentation and disclosures for HMS. HMS has begun work on applying the new standard to its consolidated financial statements.

A number of other new standards, amendments to standards, and interpretations that have been published and enter into force for financial years beginning on or after January 1, 2025 have not been applied in the preparation of these financial statements. These new standards, amendments, and interpretations are not expected to have a material impact on the Group's financial statements for the current or future periods, nor on future transactions.

CONSOLIDATED FINANCIAL STATEMENTS

Subsidiaries

The accounting policies for subsidiaries have been adapted, where appropriate, to ensure consistency with the policies applied by the Group.

Non-controlling interests in subsidiaries' income and equity are reported separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity, and balance sheet.

Associates

Holdings in associates are recognized using the equity method. According to this method, holdings in associates are initially recognized in the consolidated balance sheet at cost.

The accounting policies for associates have been adjusted where appropriate to ensure consistency with the Group's accounting policies.

TRANSLATION OF FOREIGN CURRENCY

Functional currency and reporting currency

Items included in the financial statements of the Group's various entities are measured in their respective functional currency (none of the entities has a high-inflation currency as its functional currency). The consolidated financial statements are presented in

Swedish kronor (SEK), which is the parent company's functional currency and the reporting currency of both the Group and the parent company.

Transactions and balance sheet items

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing on the transaction dates or the date on which the items are remeasured. Exchange rate gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities in foreign currency at the exchange rate on the balance sheet date are recognized in the income statement. An exception to this is transactions constituting hedges that meet the conditions for hedge accounting of cash flows or net investments, in which case gains/losses are recognized in other comprehensive income.

Exchange rate gains and losses attributable to loans and cash and cash equivalents are recognized in the income statement as financial income or expenses. HMS has assessed that parts of the Group's internal loans raised in connection with acquisition of subsidiaries constitute a so-called extended net investment in foreign operations in accordance with the rules in IAS 21. This is given that the settlement of these loans is not planned or probable in the foreseeable future. Therefore, exchange differences on these loans are reported, as long as the conditions in IAS 21 are deemed to be met, against other comprehensive income as part of other translation differences when translating foreign operations.

Exchange rate gains and losses attributable to the sale of products and services are recognized in the income statement as net sales. Exchange rate gains and losses attributable to the purchase of raw materials and products are recognized in the income statement as cost of goods sold. Other exchange rate gains and losses are recognized in the income statement as other operating income and other operating expenses, respectively.

Group companies

In the consolidated financial statements, exchange differences attributable to the translation of a net investment in a foreign operation, along with exchange differences attributable to borrowing or other financial instruments classified as hedging instruments for such investments, are recognized in other comprehensive income.

NOTE 3 Important estimates and assumptions for accounting purposes

The Group makes estimates and assumptions about the future. The resulting estimates for accounting purposes may differ from the actual outcome. Management also makes assumptions when applying the Group's accounting policies.

Estimates and assumptions are evaluated continuously and are based on historical experience and other factors, including expectations of future events that are considered reasonable under the prevailing conditions. The estimates and assumptions that involve a significant risk of material adjustments to the carrying amounts of assets and liabilities are presented in the following notes:

- Impairment testing of goodwill, brands with an indefinite useful life, and capitalized development costs – Note 17 Intangible assets
- Obsolescence in inventories – Note 22 Inventories
- Recognition of leases – Note 19 Leases
- Recognition of liability for options and liabilities attributable to acquisitions – Note 29 Non-interest-bearing liabilities.

NOTE 4 Operating segments

ACCOUNTING POLICIES

The segments are identified based on how the Group's chief operating decision maker (CODM), which for HMS is the CEO, monitors operations in order to evaluate results and allocate resources. The reporting of operating segments is consistent with internal reporting to the CODM.

The Group's internal reporting is designed in such a way that the CODM continuously monitors performance and results in the Group's three divisions. The divisions are organized based on distinct customer groups and correspond to the areas of operation the CODM monitors and on which they base their decision-making. These divisions thus constitute the Group's operating segments.

The following operating segments have been identified as of January 1, 2025:

- **Industrial Data Solutions (IDS):** Solutions to connect, secure, diagnose, and visualize data in industrial applications. The main brands are Red Lion®, Ewon®, and N-tron®, with a focus on machine builders, system integrators, and end users in industrial automation. The division is led by Alexander Hess, SVP Industrial Data Solutions.
- **Industrial Network Technology (INT):** Technology for communication, control, and security in industrial devices. The main brand is Anybus®, which focuses on manufacturers in industrial automation. The division is led by Bartek S. Candell, SVP Industrial Network Technology.
- **New Industries (NI):** Industrial communication for niche applications in growing industries outside the traditional industrial automation markets, including building automation and automotive communication. The main brands are Intesis®, Ixxat®, PEAK-System®, and Owasy®. The managers at New Industries report to the segment manager, CEO Stefan Dahlström.

The segment's accounting policies are consistent with the Group's other accounting policies.

CODM primarily follows the adjusted operating profit performance measure, which forms the basis for evaluating the segments' performance. For a description of the performance measure, see "Financial definitions" on page 174.

As the organizational structure changed on January 1, 2025, it is not possible to prepare fair comparative figures for the segments' performance measures for the period prior to the organizational change.

2025	Note	Industrial Data Solutions	Industrial Network Technology	New Industries	Total
Revenue from external customers	5	1,714,096	1,035,163	828,089	3,577,348
Depreciation/amortization	16, 17	-167,144	-46,649	-54,595	-268,388
Impairment and reversal of impairment	22, 23	-24,881	6,272	-14,241	-32,850

2025	Note	Industrial Data Solutions	Industrial Network Technology	New Industries	Total
Adjusted operating profit	39	415,242	298,733	197,387	911,362
Amortization of excess values from acquisitions	6	-89,992	-	-26,115	-116,107
Restructuring costs	6, 31	-1,463	-6,898	-	-8,361
Acquisition-related transaction costs	6	-1,354	-2,858	-188	-4,400
Integration costs	6	-18,599	-	-1,913	-20,512
Operating profit		303,834	288,977	169,171	761,982
Financial income and expenses	12, 13				-112,414
Income from investments in associates	33				250
Profit before tax					649,818

Revenue from transactions from other operating segments did not occur during the year.

The Group's chief operating decision maker does not monitor assets and liabilities at the segment level in order to make decisions about resource allocation or evaluate performance. Therefore, no information is provided on assets and liabilities per operating segment.

For net sales per country, see Note 5.

For non-current assets by country, see Note 20.

NOTE 5 Revenue

ACCOUNTING POLICIES

REVENUE FROM PRODUCTS

Product sales amount to approximately 95 percent of the Group's total sales. Product sales are made for Industrial ICT (Information and Communication Technology) sold under the Anybus®, Red Lion®, Ewon®, N-Tron®, Ixxat® and Intesis® brands. HMS also offers products for wireless communication in mobile industrial applications through Owasys and offers industrial communications solutions through PEAK-System. Revenue from product sales is recognized at the point in time that control over the product is transferred to the customer. In most cases, this is when delivery has been made to the customer and ownership rights have been transferred. The revenue is measured based on the payment specified in the agreement with the customer.

HMS payment terms are generally 30–60 days.

Provisions are made for estimated warranty costs for goods sold where the warranty is still valid at the end of the year. See Note 31.

REVENUE FROM SERVICES

In those instances where an agreement contains several separate performance obligations, the transaction price is allocated to each performance obligation based on their independent sales prices. Management assesses the independent sale price at the start of the contract based on observable prices for the same type of product to be delivered and services that will be performed under similar conditions for similar customers.

For fixed-price contracts, revenue is recognized based on the percentage of the total agreed service delivered during the financial year. Revenue is recognized according to the percentage-of-completion method. If the services delivered by the Group exceed the payment, a contract asset is recognized. If the payments exceed the services delivered, a contract liability is recognized. Estimates of revenue, costs, or the degree of completion of projects will be revised if the circumstances change. Increases or decreases in assessed income or expenses that are due to a revised estimate are recognized in the income statement in the period in which the Group management team became aware of the circumstances giving rise to the revised estimate.

If the agreement is an open account arrangement based on price per hour or price for materials, revenue is recognized to the extent that the Group is entitled to invoice the customer.

Licenses

In cases where they are not an integral part of the product and are essential to its function, software licenses are considered separate performance obligations. Licenses identified as separate performance obligations are either "right to use" in nature, which means that the revenue for the license is recognized at a given point in time, i.e., the point in time when the customer obtains control of the software, or "right to access" in nature, in which case the revenue is recognized over time. "Right to use" means that the customer has the right to use an intellectual property right as it exists at a certain point in time. "Right to access" means that the customer has the right to access an intangible right as it is constituted throughout the license period. In order to identify a license as a "right to access," the licensor must conduct activities that have a significant impact on the intellectual property right, the right must expose the customer to the effects of these activities, and the activities must not constitute a separate good or service.

Cloud services

Agreements with customers may also include cloud services, which are separated from the products. The service is then reported as a separate performance obligation. Revenue from services rendered is recognized over time in the period in which they are provided. If the service cannot be separated from the product, the entire performance obligation is recognized over time, as the performance is fulfilled.

Development services

Revenue from the development services delivered is recognized in the period in which they are provided in cases where the Group has no alternative use for the work and is entitled to payment for work performed at any given time. If the Group is not entitled to payment for work performed at any given time, revenue is then recognized at a given point in time, i.e., when the customer obtains control of the service. The assessment is made on a contract-by-contract basis. In cases where the Group is entitled to payment for work provided at any given time, revenue is recognized over time. The vast majority of revenue from development services is recognized over time.

Breakdown of revenue from contracts with customers

The Group sells products and services in a number of countries, as shown in the following table. See Note 4 for information on the Group's segments. The breakdown below is based on the country to which the product or service has been delivered.

Net sales per country	The Group		Parent company	
	2025	2024	2025	2024
USA	1,296,967	920,802	-	-
Germany	505,967	482,986	-	-
China	225,913	145,502	-	-
France	179,494	170,160	-	-
Netherlands	133,863	126,082	-	-
Japan	120,228	183,925	-	-
Italy	119,333	115,860	-	-
United Kingdom	115,758	105,326	-	-
Sweden	98,656	84,541	28,584	26,754
Other countries ¹	781,169	723,994	-	-
Total	3,577,348	3,059,178	28,584	26,754

¹ No single country represents more than SEK 100,000 thousand.

The parent company's net sales amounted to SEK 28,584 thousand (26,754), of which 100 percent were sales to Group companies. Purchases from Group companies amounted to SEK 0 thousand (0).

No single customer accounts for more than 10 percent of the Group's total revenue.

The Industrial ICT's products are sold under the Anybus®, Red Lion®, Ewon®, N-Tron®, Ixxat®, and Intesis® brands. The breakdown of net sales by brand is shown in the following table.

Net sales per brand	2025	2024
Anybus	1,036,409	1,113,619
Red Lion	719,412	511,752
Ewon	474,027	459,046
N-Tron	392,878	275,559
Ixxat	244,612	229,369
Intesis	233,254	246,414
Other	476,757	223,420
Total	3,577,383	3,059,178

Net sales per brand and segment, 2025	Industrial Data Solutions	Industrial Network Technology	New Industries	Total
Anybus	113,506	922,903	-	1,036,409
Red Lion	719,412	-	-	719,412
Ewon	474,027	-	-	474,027
N-Tron	392,878	-	-	392,878
Ixxat	-	89,118	155,495	244,612
Intesis	-	-	233,254	233,254
Other	14,274	23,143	439,340	476,757
Total	1,714,096	1,035,163	828,089	3,577,383

As the organizational structure changed on January 1, 2025, it is not possible to prepare fair comparative figures for the segments' performance measures for the period prior to the organizational change.

Contract assets and liabilities

The Group recognizes the following revenue-related contract assets and liabilities:

	December 31, 2025	December 31, 2024
Current contract assets attributable to development services	-	2,525
Total contract assets	-	2,525
Contract liabilities – license and service agreements	4,304	29,998
Total current contract liabilities	4,304	29,998

No allowance for bad debt has been recognized for contract assets.

Remaining development contracts

The table shows performance obligations that are unfulfilled for fixed-price development contracts.

	December 31, 2025	December 31, 2024
The total amount of the transaction price allocated to development contracts that are unfulfilled or partially unfulfilled as of December 31	682	869

Management expects that 100 percent of the transaction price allocated to unfulfilled contracts as of December 31, 2025 will be recognized as revenue in the next financial year.

All other contracts for development services have an initial expected duration of no more than one year or are invoiced based on time spent. In accordance with the rules of IFRS 15, the transaction price for these unfulfilled obligations has not been disclosed.

NOTE 6 Other operating income and expenses

Other operating income	2025	2024
Other operating income	3,506	9,838
Exchange differences ¹	8,609	-
Total	12,115	9,838

Other operating expenses	2025	2024
Amortization of excess values	-116,107	-87,172
Integration costs	-20,512	-12,659
Restructuring costs	-8,361	-43,276
Acquisition costs	-4,400	-19,472
Exchange differences ¹	-3,507	-
Capital gain/loss, subsidiary divestment	-	-1,221
Other operating expenses	-201	-670
Total	-152,638	-164,470

¹ In the previous year, exchange rate differences were reported in sales and cost of goods sold.

NOTE 7 Costs broken down by type

	Note	2025	2024
Cost of purchasing and handling materials		1,149,319	1,016,122
Costs of remuneration to employees	9	1,077,338	990,271
Depreciation/amortization and impairment	17, 18	268,388	218,628
Marketing expenses		139,546	108,370
Freight costs		17,602	27,577
Other external costs		90,819	119,680
Capitalized development costs	17	-68,170	-79,003
Total cost of goods sold, sales, administration, research, and development		2,674,842	2,401,645

NOTE 8 Remuneration to auditors

Remuneration to auditors	The Group		Parent company	
	2025	2024	2025	2024
PwC				
Audit assignment*	2,139	2,402	2,770	2,095
of which PwC Sweden	2,090	2,095	2,770	2,095
Audit activities apart from the audit assignment	680	-	-	-
of which PwC Sweden	680	-	-	-
Tax advice	-	-	-	-
of which PwC Sweden	-	-	-	-
Other services	-	25	-	25
of which PwC Sweden	-	25	-	25
ARK Alliance LLP				
Audit assignment*	99	1	-	-
Audit ACML S.L.P.				
Audit assignment*	291	-	-	-
Bourner Bullock				
Audit assignment*	129	137	-	-
Tax advice	24	15	-	-
Cabrera Auditores				
Audit assignment*	-	174	-	-
IRT Auditores				
Audit assignment*	81	70	-	-
Jhalani & Co				
Audit assignment*	50	50	-	-
Tax advice	60	-	-	-
Other services	27	-	-	-
RSM InterAudit				
Audit assignment*	138	-	-	-
Total cost of remuneration to auditors	3,718	2,874	2,770	2,120

* The audit assignment refers to the fee for conducting the statutory audit, i.e., work necessary for issuing an audit report, as well as so-called audit advice provided in connection with the audit assignment.

NOTE 9 Remuneration to employees

ACCOUNTING POLICIES

Share-based payment

The purpose of the Group's incentive scheme is to promote recruitment and stimulate long-term commitment from employees in relation to the Group's profit and business development.

In 2025, permanent employees within the Group were offered the opportunity to participate in a share savings plan in which payment is made in shares and the Group receives services from employees as consideration for the Group's equity instruments.

The fair value of the work performed entitling employees to allotment of shares is expensed in the income statement under payroll expenses, with the corresponding posting to equity under retained earnings in the balance sheet. The total amount to be expensed is based on the fair value of the allotted shares, which is determined on the date they are allocated. Non-market vesting conditions are included in the assumption of how many shares are expected to vest. The total expense is recognized over the vesting period, which is the period during which all of the specified vesting conditions must be met.

The fair value per share is determined by taking the closing price of the HMS share for the first day of trading during the first year in which a new plan starts and the shares are acquired. At the end of each reporting period, the Group revises its estimates of how many shares are expected to vest based on the non-market vesting conditions. Any deviation from the original estimates due to this reassessment will be recognized in the income statement and corresponding adjustments made in equity.

Social security contributions that arise from the allotment of shares are regarded as an integral part of the allotment, with the cost treated as a cash-adjusted share-based payment, which means that social security contributions are calculated based on the fair value of the shares on each reporting date.

The input data in the model for share rights allotted during the year was as follows:

- allotment date: January 1, 2025
- vesting date: January 1, 2028
- share price on the first day of trading (January 2, 2025): SEK 441.2

Share-based payment

As a way of promoting long-term ownership commitment among employees, it is the Board's intention to present a proposal for a Share Savings Plan to the AGM each year. Since 2012, the AGMs have decided to offer a Share Savings Plan to permanent employees within the Group.

In short, each Share Savings Plan means that employees who participate in the plan must make their own investment in HMS shares through savings during the investment period (January 1 to December 31 in year 1). They also need to retain the shares during the qualification period (years 2–4), and then during the spring of year 5 are allotted a maximum of two additional shares, so-called performance shares, in HMS free of charge for each invested share. Employees participating in the plan must set aside a minimum of 1 percent and can set aside a maximum of 3 percent of their annual gross salary, except for a few key employees who may set aside up to 6 percent of their gross salary for the purpose of saving shares during the investment period.

For all of the plans, in addition to the requirement for employment and retaining the shares, HMS needs to achieve certain financial targets for earnings per share during the qualification period. The financial targets are based on average annual growth of the

Group's earnings per share calculated in accordance with the compound annual growth rate (CAGR) during the qualification period. Performance shares are awarded on a straight-line basis between 0 and 20 percent with maximum allotment occurring if the earnings per share during the qualification period are higher than 20 percent CAGR. Maximum outcome means that two performance shares would be issued as of the 2019 plan. A prerequisite for allotment of performance shares is that average annual growth is positive.

To safeguard the future allotment of shares under the Share Savings Plans, the AGM has resolved to acquire own shares for all plans.

Long-term variable cash compensation

Senior executives and extended group management shall be eligible for a long-term variable cash bonus (LTI bonus). The total cost is reported distributed across the program period and is reported in the income statement under payroll expenses. For 2025, SEK 208 thousand has been reserved for the expanded Group Management. For more information on the LTI bonus and reserved costs for the CEO and Group Management, see Note 10.

	The Group		Parent company	
	2025	2024	2025	2024
Salaries and other remuneration ¹	894,739	787,918	11,514	8,266
Social security contributions	166,738	160,088	4,013	2,977
Pension expenses	26,452	42,264	1,630	1,567
Total	1,087,929	990,271	17,157	12,809

¹ Salaries paid in the parent company refer to the CEO and Board fees. The CEO has met the criteria for one year's variable cash compensation for 2025, which has resulted in higher compensation.

	2025			2024		
	Salaries and other remuneration	Social security expenses (of which pension expenses)		Salaries and other remuneration	Social security expenses (of which pension expenses)	
Board members and CEO	36,701	13,470	(3,774)	29,385	6,482	(2,386)
Other employees	858,038	179,270	(22,678)	758,533	195,871	(39,879)
Total for the Group	894,739	193,190	(26,452)	787,918	202,353	(42,265)

CONT. NOTE 9 Remuneration to employees

Average number of employees	2025			2024		
	Women	Men	Total	Women	Men	Total
USA	123	159	282	102	146	248
Sweden	74	159	233	79	184	263
Germany	38	146	184	42	141	183
Spain	24	82	106	25	83	108
Belgium	17	53	70	21	54	75
India	9	36	45	9	36	45
Netherlands	8	24	32	9	23	32
China	8	16	24	8	16	24
Japan	6	17	23	7	15	22
United Kingdom	3	14	17	3	13	16
Other countries	17	35	52	13	31	43
Total for the Group	327	741	1,068	318	742	1,059

Gender distribution within the Group (including subsidiaries) for board members, President/CEOs, and senior executives	2025			2024		
	Women	Men	Total	Women	Men	Total
Board members	3	3	6	3	3	6
CEO and other senior executives	2	15	17	1	15	16
Total for the Group	5	18	23	4	18	22

Ongoing share savings plan				
Investment year (AGM decision)	Percentage of employees participating	Number of saved shares	Number of earned shares	Share price at time of allotment
2022 (2021)	53%	15,969	9,518	557.00
2023 (2022)	56%	17,969	-	346.00
2024 (2023)	55%	21,720	-	488.60
2025 (2024)	37%	21,004	-	441.20
2026 (2025)	37%	(not yet started)	-	401.80

Shares held in treasury related to share-based payment			
Year	Repurchase	Allocation	Balance
2013	124,000	-	124,000
2017	350,200	-112,468	361,732
2018	70,000	-138,907	292,825
2019	-	-89,826	202,999
2020	40,000	-88,083	154,916
2021	56,841	-47,345	164,412
2022	74,159	-62,251	176,320
2023	33,000	-46,440	162,880
2024	25,000	-44,464	143,416
2025	-	-9,046	134,370
2026 ¹	-	-9,518	124,852

¹ Calculated on the number of shares as of 03/24/2026.

NOTE 10 Remuneration to the Board of Directors and senior executives etc.

Remuneration to the Board and senior executives

The fees paid to the Chair and other board members are as decided by the AGM. Employee representatives do not receive board fees.

Remuneration to the CEO and other senior executives consists of basic salary, variable remuneration, other benefits, pension, and other variable cash compensation in the event of certain extraordinary circumstances. Other senior executives are the five people who, together with the CEO, make up the Group management team. See pages 44-45 for details on the composition of the group management team.

Variable cash compensation will be based on predetermined and measurable financial and non-financial targets for the Group. The measurement period for the targets for annual variable cash compensation is one year and annual variable cash compensation may not amount to more than 80 percent of the fixed cash salary.

In addition to annual variable cash compensation, senior executives will be able to receive a long-term incentive bonus (LTI bonus) amounting to no more than 40 percent of the fixed cash salary per year in the measurement period. The LTI bonus will be based on achieved financial and operational goals, linked to, e.g., growth and operating profit, after a multi-year measurement period of three to five years. Payment of the LTI bonus will be made after the measurement period has ended, and only one LTI program may be ongoing at a time. The split between basic salary and variable remuneration must be proportionate to the executive's responsibilities and authority. The LTI program ended on December 31, 2025, and the LTI bonus will be paid out in 2026. The total cost is reported distributed across the program period and is reported in the income statement under payroll expenses. For 2025, SEK 625 thousand has been reserved for the CEO and SEK 1,646 thousand for other senior executives.

Variable remuneration is based on performance in relation to set targets. Pension benefits and other benefits for the CEO and senior executives are part of the total remuneration package.

Annual variable remuneration for the financial year consists of an expensed bonus, which is paid out in the coming year. For information on how the bonus is calculated, see more details below.

At the HMS AGM held on April 24, 2025, Charlotte Brogren was re-elected as Chair of the Board. At the same time, Anders Mörck, Cecilia Wachtmeister, Niklas Edling, Anna Kleine and Johan Stakeber were re-elected as board members. Since the AGM on April 24, 2025, the Board has held 10 minuted meetings up to the date on which this annual report was adopted and expects to hold one more meeting before the AGM on April 23, 2026.

Variable remuneration

Variable remuneration for the CEO and senior executives is mainly based on growth in combination with profitability goals set by the Board. Personal goals may also be set in addition to these. For 2025, variable remuneration for the CEO corresponded to 50 percent (17) of basic salary, while for other senior executives it was 36 percent (17).

Defined benefit/defined contribution pension plans

The Group has both defined benefit and defined contribution pension plans. See Note 11. Pension expenses refer to the costs that affected profit/loss for the year.

Severance pay

A mutual notice period of six months applies between the company and the CEO. If the company gives notice of termination, severance pay amounting to 12 months' salary in addition to regular salary will be paid. However, if the CEO gives notice, no severance pay will be paid.

A mutual notice period of six months applies between the company and other senior executives.

Preparation and decision-making process

During the year, the remuneration committee prepared a proposal for the Board on principles for remuneration to senior executives. These principles covered the proportions between fixed and variable remuneration, as well as the size of any salary increases. Furthermore, the remuneration committee has proposed criteria for assessing the outcome of variable remuneration, allocation, and size in the form of financial instruments etc., as well as pension conditions and severance pay. The remuneration committee also examines the feasibility of remuneration to other board members for performing consultancy assignments within the Group, where applicable.

The Board discussed the remuneration committee's proposals and made decisions based on the Committee's recommendations. Remuneration to the CEO for the 2025 financial year was decided by the Board based on the recommendation of the remuneration committee. Remuneration to other senior executives was decided by the CEO after consultation with the remuneration committee.

The remuneration committee consists of the Chair of the Board and one other board member appointed by the Board.

CONT. NOTE 10 Remuneration to the Board of Directors and senior executives etc.

Remuneration and other benefits 2025	Salary/ Board fees	Variable remuneration	Pension expenses	Share-based payment	Total	Board attendance
Chair of the Board, Charlotte Brogren	963	-	-	-	963	100%
Board member, Niklas Edling	340	-	-	-	340	100%
Board member, Cecilia Wachtmeister	340	-	-	-	340	100%
Board member, Anders Mörrck	510	-	-	-	510	90%
Board member, Anna Kleine	340	-	-	-	340	100%
Board member, Johan Stakeberg	340	-	-	-	340	90%
Total for the Board	2,833	-	-	-	2,833	
President and CEO, Staffan Dahlström	5,567	3,114	1,630	312	10,623	
Senior executives ² (5 ppl)	13,549	6,372	2,716	704	23,341	
Total	21,949	9,486	4,346	1,016	36,797	

Remuneration and other benefits 2024	Salary/ Board fees	Variable Remuneration ¹	Pension expenses	Share-based payment	Total	Board attendance
Chair of the Board, Charlotte Brogren	875	-	-	-	875	100%
Board member, Niklas Edling	310	-	-	-	310	100%
Board member, Cecilia Wachtmeister	310	-	-	-	310	100%
Board member, Anders Mörrck	465	-	-	-	465	100%
Board member, Anna Kleine	310	-	-	-	310	100%
Board member, Johan Stakeberg	310	-	-	-	310	100%
Total for the Board	2,580	-	-	-	2,580	
President and CEO, Staffan Dahlström	4,852	834	1,567	169	7,421	
Senior executives ² (5 ppl)	13,944	2,379	3,031	413	19,768	
Total	21,377	3,213	4,598	582	29,768	

¹ The item "Variable remuneration for 2024" refers solely to short-term variable remuneration.

² Refers to other members of the group management team.

NOTE 11 Pension obligations

ACCOUNTING POLICIES

The Group companies have different plans for post-employment benefits, defined benefit pensions, and defined contribution pensions. Some of the pension obligations for salaried employees in Sweden are secured through insurance schemes with Alecta and Skandia, which are defined benefit plans covering several employers. For the 2025 financial year, the company has not had access to sufficient information to enable it to recognize these plans as defined benefit plans. The pension obligations are therefore recognized as defined contribution plans. Pension obligations of the foreign entities are largely classified as defined contribution plans. For defined contribution pension plans, the Group pays contributions to privately administered pension insurance plans on a contractual basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as payroll expenses when they fall due for payment.

The Group has a defined contribution pension plan in Belgium, which includes a guarantee whereby the employer is obliged to ensure a guaranteed return in addition to the contributions paid, which gives rise to the recognition of a pension obligation in accordance with IAS 19.

This obligation has been valued by an actuary, and the value of the plan's assets corresponds to the value of the obligation, which means that the plan is fully funded and that no net obligation is reported (SEK 17,619 thousand). The valuation is based on current actuarial assumptions, such as discount rate and future returns.

Any changes in the value of the liability and assets are recognized in the income statement on an ongoing basis.

Pension benefits

The vast majority of Group employees have a defined contribution pension and in Sweden this takes the form of the ITP 1 plan. Other employees in Sweden have an ITP 2 plan, which is a defined benefit pension plan. The premium is individually calculated and is based on factors such as salary, previously earned pension, and how many more years the person is expected to work before retirement. Contributions for the year for ITP 2 insurance policies taken out with Alecta amounted to SEK 3,003 thousand (2,991). The Group's share of the total contributions to the plan is negligible. The year's pension contributions for the Group amounted to SEK 32,839 thousand (42,265).

NOTE 12 Financial income

	2025	2024
Exchange differences	31,992	11,859
Interest income	4,159	2,697
Other items	415	642
Total	36,566	15,198

NOTE 13 Financial expenses

	2025	2024
Interest expenses for bank loans	-115,130	-111,247
Exchange differences	-22,629	-21,273
Interest expenses for leases	-8,554	-8,777
Banking fees	-2,667	-7,220
Other items	-	-5,160
Total	-148,980	-153,677

NOTE 14 Income tax and deferred tax

ACCOUNTING POLICIES

Investment tax credits and other similar tax incentives

Some of the companies within the Group are entitled to special tax relief for investments in certain qualifying assets or attributable to qualifying expenses (e.g., research and development tax incentive plans or other investment tax credits). Such tax deductions are recognized in the Group as a reduction of the current tax liability and current tax expense. A deferred tax asset is recognized for tax relief that has not yet been declared.

	The Group		Parent company	
	2025	2024	2025	2024
Current tax	-213,478	-40,644	-5,133	-4,962
Deferred tax	-1,129	-14,262	-	-
Total tax	-214,607	-54,906	-5,133	-4,962

Income tax on the Group's profit before tax differs from the theoretical amount that would have arisen if the weighted average tax rate had been applied to the profit of the consolidated companies. This is shown below:

	The Group		Parent company	
	2025	2024	2025	2024
Profit before tax	649,818	364,496	1,048,605	560,310
Tax using the Swedish tax rate of 20.6%	-133,863	-75,086	-216,013	-115,424
Tax effect for items that are non-deductible/non-taxable	46,583	17,341	210,880	110,462
Adjustment for previous years ¹	-118,070	7,900	-	-
Difference in foreign tax rates	-20,617	-7,600	-	-
Remeasurement of deferred tax – change in tax rate	3,057	3,005	-	-
Tax effect of loss carryforward where tax asset has not been recognized	-1,131	-733	-	-
Previously unrecognized loss carryforwards that have been used to lower the current tax expense	9,433	267	-	-
Tax expense	-214,607	-54,906	-5,133	-4,962
Weighted average tax rate	33.0%	15.1%		

¹ In 2024, HMS has made a so-called 338(h)(10) election in the United States, which re-characterizes a stock purchase as an asset purchase for federal tax purposes. Reported goodwill allocated to the shares in the US relating to Red Lion is therefore tax deductible. The election of Section 338(h)(10) has resulted in a non-current tax effect of SEK 104 million in 2025, which has been reported as part of the tax expense for the period.

Tax attributable to components in other comprehensive income for the Group amounted to SEK -9,317 thousand (8,096) for cash flow hedges and SEK 14,737 thousand (-6,416) for hedging of net investments.

CONT. NOTE 14 Income tax and deferred tax

Gross changes in deferred tax assets and liabilities are recognized as follows:

Deferred tax assets	Inventories	Currency hedging	Leases	Loss carry-forwards and tax reductions	Pensions	Other	Total
As of January 1, 2024	19,334	1,236	1,580	17,461	3,640	2,953	46,203
Reclassification to/from deferred tax liabilities	-	-	-37	-	-	-	-37
Recognized in income statement	-8,124	-	310	-2,113	7,166	5,823	3,062
Recognized in other comprehensive income	-	1,680	-	-	-	-	1,680
Exchange differences	64	-	288	604	165	-18	1,103
As of December 31, 2024	11,273	2,916	2,141	15,952	10,971	8,758	52,012
Reclassification to/from deferred tax liabilities	-	-	-	-	-201	201	-
Recognized in income statement	2,001	-	346	-2,290	-4,868	1,957	-2,855
Recognized in other comprehensive income	-	5,419	-	-	-	-	5,419
Exchange differences	-742	-	-112	-877	-517	-399	-2,647
As of December 31, 2025	12,532	8,335	2,374	12,785	5,385	10,517	51,929

Deferred tax liabilities	Leases	Tax allocation reserves	Intangible assets and property, plant, and equipment	Other	Total
As of January 1, 2024	2,966	67,609	58,174	207	128,956
Reclassification to/from deferred tax assets	-37	-	-	-	-37
Recognized in income statement	466	2,369	-11,528	26,027	17,334
Change in tax rate	-	-92	-	-	-92
Acquisition/divestment	-	-	42,605	-27,054	15,551
Exchange differences	130	-	429	1,080	1,640
As of December 31, 2024	3,526	69,886	89,679	261	163,352
Recognized in income statement	200	4,274	-21,138	14,939	-1,725
Exchange differences	-209	-	461	-961	-709
As of December 31, 2025	3,518	74,160	69,002	14,239	160,918

NOTE 15 Earnings per share

The figure for earnings per share is calculated by dividing the profit according to the income statement attributable to parent company shareholders by a weighted average number of ordinary shares outstanding during the period.

In 2024, HMS carried out a targeted new share issue. The number of shares and votes increased by 3,500,000 through the issue.

The total number of shares at the end of the period amounted to 50,318,868 shares in HMS Networks, corresponding to 50,318,868 votes.

Basic and diluted earnings per share	2025	2024
Profit attributable to parent company shareholders	434,746	309,681
Weighted average number of ordinary shares outstanding (thousands)	50,181	48,772
Basic earnings per share (SEK per share)	8.66	6.35
Diluted earnings per share (SEK per share)	8.65	6.34
Average number of basic and diluted shares (thousands)	2025	2023
Average number of shares used to calculate basic earnings per share before dilution	50,181	48,772
Adjustment for calculation of diluted earnings per share:		
Shares in Share Savings Plan	93	97
Average number of after dilution	50,273	48,868

NOTE 16 Dividend per share and proposed distribution of profit in parent company

Due to two long-term, value-creating acquisitions made in 2024, no dividends were paid in 2025. The dividend paid in 2024 was SEK 220,772 thousand (SEK 4.40 per share).

At the AGM on April 23, 2026, a proposal will be made to distribute SEK 240,931 thousand¹ as a dividend for the 2025 financial year, which corresponds to SEK 4.80 per share. The proposed dividend has not been recognized as a liability in these financial statements.

Proposed distribution of profit in the parent company:

The following profits are at the disposal of the AGM	
Retained earnings and other non-restricted reserves	2,656,436
Profit for the year	1,043,473
Total profits	3,699,908
The Board of Directors and CEO propose the following distribution of profits:	
A dividend of SEK 4.80 per share ¹	240,931
Carried forward	3,458,977
Total	3,699,908

¹ The dividend is calculated on the total number of shares outstanding as of 03/24/2025.

NOTE 17 Intangible assets

ACCOUNTING POLICIES

Brands, customer relationships, and technology platforms acquired via business combinations are recognized at fair value on the acquisition date. Amortization is on a straight-line basis and based on the useful lives of the assets, starting from when the asset can be used. Useful lives are based on historical experience of the use of similar assets, areas of use, and other specific characteristics of the asset. Goodwill arising from business combinations is included in intangible assets.

The useful life periods are set out below:

- 10 years for brands with a definite useful life
- 3–10 years for customer relationships and technology platforms
- 5–7 years for capitalized development costs
- 3–10 years for other intangible assets
- Indefinite useful life for strategic brands
- Indefinite useful life for goodwill.

Capitalized development work

HMS' technology is based on solutions developed in-house (including but not limited to) for connecting industrial equipment to various networks, distributing information between processes and the IT environment, and providing smart industrial data and information solutions. Expenditure directly attributable to activities focused on developing new and unique platforms, products, software, technology, or patents, and which are controlled by the Group, is recognized as intangible assets when the applicable criteria in IAS 38 are fulfilled. Costs include payroll expenses for internal development work, external expenses, and a reasonable share of the indirect costs.

The development of new product platforms is capitalized on an ongoing basis throughout the development phase. Software maintenance and expansions of existing products and product lines are treated as adjustments to the core product and are not capitalized. Projects in the research phase are not capitalized. Development costs that were previously expensed are not capitalized as assets in later periods. Advances for external development are recognized as intangible assets as long as the company has control over the asset.

Impairment

Assets with a definite useful life are tested for impairment whenever events or changes in circumstances indicate that the

carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less costs to sell or its value in use. When the need for impairment is assessed, assets are grouped at the lowest levels for which there are essentially independent cash flows. For assets that have already been impaired, an assessment is made on each balance sheet date as to whether reversal is appropriate. Capitalized development work is tested annually for impairment before it is ready to be put in use. Goodwill and other assets with an indefinite useful life are recognized in accordance with IAS 36. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to cash-generating units that are expected to benefit from synergies due to the acquisition. Each unit or group of units to which goodwill has been allocated corresponds to the lowest level in the group at which the goodwill in question is monitored as part of internal governance.

IMPORTANT ESTIMATES AND ASSUMPTIONS

Goodwill and brands with an indefinite useful life are tested annually for impairment. The recoverable amount for the cash-generating units has been based on its value in use. This has included assumptions in respect of growth, profit margin, tied-up capital, investment requirements, and risk premium. The principle behind these assumptions is unchanged compared with the previous year. Financial forecasts are based on the company's budget for the coming year as well as its five-year financial plan and historical performance. Estimates of future cash flows have been made based on the asset's existing structure and do not include acquisitions. These estimates are adjusted to present value using an appropriate discount rate. The rate of return before tax in 2025 is 10.7 percent for Industrial Data Solutions (IDS), 11.7 percent for Industrial Network Technology (INT), and 13.3 percent for New Industries (NI). In light of the new organizational structure implemented on January 1, 2025, HMS now consists of three cash-generating units corresponding to the three segments reported by the company. Goodwill has been reallocated per cash-generating unit for the previous year, but since no impairment testing was performed for the previous year for corresponding cash-gene-

rating units based on integrated and non-integrated units, there are no comparative figures for return requirements according to the current structure of cash-generating units. In the previous year, the rate of return before tax amounted to 10.7 percent for Integrated units, 11.7 percent for Red Lion, 16.5 percent for PEAK, and 13.2 percent for Owasys. A weighted average growth rate of 2 percent has been used to extrapolate cash flows beyond the first five years. There is no need for impairment, as the calculated recoverable amounts at year-end exceed the carrying amounts. Based on the sensitivity analyses that have been carried out, the management team believes that no feasible changes to important assumptions used in the impairment assessments would result in recoverable amounts being less than the carrying amounts of goodwill and brands with indefinite useful lives. There was no need for impairment for previous years, as the calculated recoverable amounts at year-end exceeded or corresponded to the reported carrying amounts. The recoverable value for Red Lion and PEAK corresponded to the reported values, as only a short period had passed since the acquisitions, and the business case for the transactions was well-aligned with the actual outcome for the period in question. Negative changes in assumptions could therefore lead to impairment losses. Based on the sensitivity analyses that have been carried out, except for Red Lion and PEAK, the management team believes that no feasible changes to important assumptions used in the impairment assessments would result in recoverable amounts being less than the carrying amounts of goodwill and brands with indefinite useful lives. The company capitalizes expenditure associated with the development of identifiable and unique integrated circuits when the criteria in IAS 38 are fulfilled and the expenditure is deemed to be offset by future revenues that exceed the amount of the expenditure. Four times a year, the Group examines whether products for which a carrying amount has been recorded are being sold or will be sold. The Group records an impairment loss for those products where future economic benefits are estimated to be lower than their carrying amount. During the year, this testing did not result in any impairment (SEK 0).

CONT. NOTE 17 Intangible assets

	Capitalized development work	Goodwill	Customers, technology platforms	Brands	Other	Total
As of December 31, 2023						
Acquisition value, incl. exchange rate effects	436,513	1,116,804	155,930	112,645	22,863	1,711,545
Accumulated amortization and impairment	-299,940	-	-139,338	-11,361	-1,704	-319,134
Carrying amount	136,572	1,116,804	16,592	101,284	21,159	1,392,410
2024 financial year						
Opening carrying amount	136,572	1,116,804	16,592	101,284	21,159	1,392,410
Investments	79,003	-	1,459	-	1,908	82,370
Net investments from acquisitions	57,664	3,212,677	757,536	-	1,160	4,029,037
Divestment of subsidiaries	-	-19,638	-18,144	-	-	-37,782
Reclassification	-6,288	-	-	-	-	-6,288
Exchange differences	4,744	84,374	10,272	3,558	2	102,950
Amortization	-34,587	-	-89,297	-1,502	-2,285	-127,671
Closing carrying amount	237,108	4,394,217	678,418	103,340	21,944	5,435,027
As of December 31, 2024						
Acquisition value, incl. exchange rate effects	571,636	4,394,217	896,393	116,203	25,931	6,004,379
Accumulated amortization and impairment	-334,527	-	-217,974	-12,863	-3,987	-569,351
Carrying amount	237,108	4,394,217	678,418	103,340	21,944	5,435,027
2025 financial year						
Opening carrying amount	237,108	4,394,217	678,418	103,340	21,944	5,435,027
Investments	68,170	-	230	-	2,004	70,404
Reclassification	-6,451	-	11,455	-	1,781	6,785
Exchange differences	-8,655	-524,624	-90,687	-5,982	386	-629,562
Amortization	-48,275	-	-117,971	-1,449	-2,959	-170,654
Closing carrying amount	241,897	3,869,593	481,445	95,909	23,156	4,712,000
As of December 31, 2025						
Acquisition value, incl. exchange rate effects	624,700	3,869,593	817,391	110,221	30,102	5,452,006
Accumulated amortization and impairment	-382,802	-	-335,945	-14,312	-6,946	-740,005
Carrying amount	241,897	3,869,593	481,445	95,909	23,156	4,712,000

The consolidated income statement includes amortization and impairment distributed under the items costs for goods and services sold of SEK 54,504 thousand (40,498) and other operating expenses of SEK 116,107 thousand (87,172); see Note 6. The Group expensed a total of SEK 393,285 thousand (340,815) for research and development during the period. The Group's brands with an indefinite useful life are attributable to the Ixxat brand, which is part of the cash-generating unit New Industries. The carrying amount is SEK 95,556 thousand (101,472). Details of changes in goodwill and other intangible assets as a result of acquisitions can be found in Note 32.

The Group's goodwill is attributable to the following cash-generating units:

	2025	2024
Industrial Data Solutions	2,567,942	3,024,504
Industrial Network Technology	499,159	517,343
New Industries	802,492	852,370
Total consolidated goodwill	3,869,593	4,394,217

In light of the new organizational structure implemented on January 1, 2025, HMS consists of three cash-generating units according to the three segments reported by the company. Goodwill has been reallocated for the previous year, when the cash-generating units consisted of integrated and non-integrated units.

NOTE 18 Property, plant, and equipment

ACCOUNTING POLICIES

The cost of property, plant, and equipment includes expenditure directly attributable to the acquisition of the asset.

Additional costs are added to the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the asset will pass to the Group and the cost of the asset can be measured reliably. The carrying amount of a replaced part is derecognized from the balance sheet. All other forms of repair and maintenance are expensed in the period in which they are incurred.

Depreciation is based on the original cost and the estimated useful life of the assets as follows:

Buildings	10–50 years
Plant and machinery	3–10 years
Equipment, installations, and facilities	3–10 years

The residual value and useful life of the assets are tested at the end of every reporting period and adjusted if necessary. The carrying amount of an asset is immediately written down to its recoverable amount if the carrying amount exceeds the estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds of sale with the carrying amount and then recognized under other operating income or other operating expenses.

The income statement includes depreciation expenses of SEK 25,060 thousand (21,655) in Costs for goods sold, SEK 11,217 thousand (25,029) in Selling expenses, SEK 54,008 thousand (19,373) in Administration expenses, and SEK 7,449 thousand (24,904) in Research and development expenses. In connection with the reorganization into three divisions in 2025, a reclassification of costs was carried out, which is also reflected in the allocation of depreciation between different functions in the income statement.

	Buildings and land	Plant and machinery	Equipment, installations, and facilities	Construction in progress	Right-of-use assets	Total
As of December 31, 2023						
Accumulated cost	10,876	88,658	115,992	-1,687	463,222	677,061
Accumulated depreciation	731	-72,875	-73,512	1,687	-197,337	-341,306
Carrying amount	11,607	15,783	42,480	-	265,885	335,756
2024 financial year						
Opening carrying amount	11,607	15,783	42,480	-	265,885	335,756
Investments	221	2,841	28,206	8,110	80,755	120,133
Increase through business combinations	66,080	6,888	19,534	3,458	-	95,960
Reclassifications	-	-	-2,700	-2,233	-	-4,526
Remeasurement	-	-	-	-	-12,328	-12,328
Sales and disposals	-	-	-162	-	-	-183
Exchange differences	3,446	300	1,471	386	7,072	12,289
Depreciation	-3,661	-7,105	-18,375	-	-61,816	-90,957
Closing carrying amount	77,693	18,707	70,454	9,721	279,568	456,143
As of December 31, 2024						
Accumulated cost	77,177	98,387	160,870	9,721	531,649	876,117
Accumulated depreciation	516	-79,680	-90,416	-	-252,081	-419,974
Carrying amount	77,693	18,707	70,454	9,721	279,568	456,143
2025 financial year						
Opening carrying amount	77,693	18,707	70,454	9,721	279,568	456,143
Investments	3,516	6,773	19,541	32,881	17,426	80,137
Reclassifications	9,223	3,495	219	-23,740	-	-10,803
Remeasurement	-	-	-	-	32,864	32,864
Sales and disposals	-	-	-441	-383	-	-824
Exchange differences	-11,620	-1,529	-3,649	-2,141	-14,000	-32,939
Depreciation	-5,743	-8,438	-18,569	-	-64,984	-97,734
Closing carrying amount	73,069	19,008	67,555	16,338	250,874	426,844
As of December 31, 2025						
Accumulated cost	89,916	108,655	180,189	16,338	581,939	977,491
Accumulated depreciation	-16,847	-89,647	-112,634	-	-331,065	-550,647
Carrying amount	73,069	19,008	67,555	16,338	250,874	426,844

NOTE 19 Leases

ACCOUNTING POLICIES

The Group leases buildings, premises, machinery, and vehicles. Leases are normally signed for fixed periods, but there may be opportunities to extend these agreements. The terms are negotiated separately for each agreement and many different terms and conditions exist. The leases do not contain any special terms or restrictions that would result in the termination of the leases in the event of non-compliance, but the leased assets may not be used as collateral for loans.

Leases are recognized as right-of-use assets with a corresponding liability on the date that the leased asset is available for use by the Group. Each lease payment is divided into amortization of the debt and financial expense. The financial expense is allocated over the lease term so that each accounting period is charged with an amount corresponding to a fixed interest rate for the liability recognized in each period. The right-of-use asset is depreciated on a straight-line basis over the asset's useful life or the length of the lease, whichever is shorter. If the Group is reasonably certain that it will exercise a call option, the right of use is depreciated over the useful life of the underlying asset.

Assets and liabilities that arise from leases are initially recognized at present value. The lease liabilities include the present value of the following lease payments:

- fixed fees (including fees that are inherently fixed), less incentive receivables
- variable lease fees based on an index or price
- the guaranteed residual value that the lessee expects to pay to the lessor
- the expected future cash outflows for a call option, if it is reasonably certain that the lessee will exercise the option, and

- penalties for termination of the lease, if the duration of the lease reflects the assumption that the lessee will exercise this option.

The lease payments are discounted by the implicit interest rate if that interest rate can be determined. Otherwise, the incremental borrowing rate is used.

The Group is exposed to potential future increases in variable lease payments based on an index or interest rate; these are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or interest rate do take effect, the lease liability is remeasured and adjusted against the right-of-use asset.

Right-of-use assets are measured at cost and include the following:

- the amount at which the lease liability was originally measured
- lease fees paid on or before the commencement date, after deductions for any benefits received in connection with signing the lease
- initial direct expenditure, and
- expenditure required to restore the asset to the condition specified in the terms of the lease.

Payments for short-term and low-value leases are expensed on a straight-line basis in the income statement. Low-value leases include IT equipment and small items of office equipment.

Options to extend and terminate agreements are included in a number of the Group's leases, primarily those for buildings. These options are used to maximize flexibility in the management of the agreements. The vast majority of the options that provide the opportunity to extend and terminate agreements can only be exercised by the Group and not by the lessors.

IMPORTANT ESTIMATES AND ASSUMPTIONS

When determining the duration of a lease, management considers all available information that provides a financial incentive to exercise an extension option, or to not exercise an option in order to terminate a lease.

Extension options are only included in the duration of the lease if there is reasonable certainty that the lease will be extended (or not terminated). Most of the extension options relating to leases for office premises and vehicles have been included in the lease liability.

The lease term is reviewed if an option is exercised (or not exercised) or if the Group is compelled to exercise the option (or not exercise it). The assessment of reasonable certainty is reviewed only if there is a significant event or change in circumstances that impacts this assessment and the change is within the lessee's control.

The following amounts associated with leases are recognized in the balance sheet:

Right-of-use assets	2025	2024
Property	221,115	243,852
Vehicles	27,850	32,563
Equipment	2,179	3,153
Total	250,874	279,568

Lease liabilities	2025	2024
Current	68,437	69,473
Non-current	176,207	206,051
Total	244,644	275,524

The following amounts associated with leases are recognized in the income statement:

Depreciation of right-of-use assets	2025	2024
Property	-48,230	-45,863
Vehicles	-15,801	-14,972
Equipment	-953	-981
Total	-64,984	-61,816

Additional right-of-use assets in 2025 amounted to SEK 17,426 thousand (80,755). Interest expenses attributable to leases amounted to SEK -8,444 thousand (-8,640). Expenses attributable to short-term leases for which the underlying asset is of low value amounted to SEK -826 thousand (-2,678). The total cash flow associated with leases in 2025 was SEK -67,094 thousand (-61,796). See also the maturity analysis on page 163.

NOTE 20 Non-current assets, by country

Total non-current assets, by country	2025	2024
USA	2,750,973 53%	3,359,271 69%
Germany	1,079,236 21%	918,974 19%
Sweden	590,334 11%	300,972 6%
Spain	284,304 6%	168,876 3%
Belgium	319,840 6%	82,550 2%
Netherlands	85,864 2%	14,320 0%
Other countries	42,101 1%	16,080 0%
Total	5,152,652	4,861,043

Fixed assets broken down by country comprise intangible and tangible fixed assets (including rights of use) and financial fixed assets relating to participations in associated companies; see Notes 17, 18, and 33.

NOTE 21 Financial risk factors and risk management

ACCOUNTING POLICIES

Classification

The Group classifies its financial assets into the following categories:

- Financial assets/liabilities recognized at fair value through other comprehensive income
- Financial assets/liabilities recognized at fair value through the income statement, and
- Financial assets/liabilities recognized at amortized cost.

The classification of investments in debt instruments depends on the Group's business model for managing financial assets and the contractual terms for the cash flows of the assets.

The Group reclassifies debt instruments only in those cases where the Group's business model for the instruments changes.

Recognition in and derecognition from the balance sheet

Purchases and sales of financial assets are recognized on the trade date, i.e., the date on which the Group undertakes to buy or sell the asset. Financial assets are derecognized from the balance sheet when the right to receive cash flows from the instruments has expired or has been transferred and the Group has transferred almost all risks and rewards associated with ownership.

Measurement

Financial assets are initially measured at fair value plus, in cases where the asset is not recognized at fair value through the income statement, transaction costs directly attributable to the purchase. Transaction costs attributable to financial assets recognized at fair value through the income statement are expensed immediately in the income statement.

Investments in debt instruments

The subsequent measurement of debt instruments is based on the Group's business model for managing the asset as well as the type of cash flows generated by the asset. The Group classifies its investments in debt instruments into three measurement categories:

- *Amortized cost:* Assets held for the purpose of collecting contractual cash flows, and where these cash flows consist solely of principal and interest, are recognized at amortized cost. Interest income from such financial assets is recognized as financial income by applying the effective interest method. Gains and losses arising from derecognition from the balance sheet are recognized immediately in the income statement. Impairment losses are recognized on a separate line in the income statement.
- *Fair value through other comprehensive income:* Financial assets held for the purpose of collecting contractual cash flows and for the sale of the assets, where the cash flows of the assets consist solely of principal and interest, and have not designated the asset as measured at fair value, are measured at fair value through other comprehensive income. Changes in the carrying amount are recognized through other comprehensive income with the exception of impairment losses, interest income, and exchange differences, which are recognized in the income statement. When the financial asset is derecognized from the balance sheet, the accumulated gain or loss, previously recognized in other comprehensive income, is reclassified from equity to the income statement. Interest income from these financial assets is recognized as financial income by applying the effective interest method. Costs of impairment testing are recognized on a separate line in the income statement.

- *Fair value through the income statement:* Assets that do not meet the requirements for being recognized at amortized cost or fair value through other comprehensive income are measured at fair value through the income statement. A gain or loss on a debt instrument that is recognized at fair value through the income statement and that is not part of a hedging arrangement is recognized at the net amount in the income statement in the period in which the gain or loss arises.

Investments in equity instruments

The Group measures all equity instruments at fair value. In cases where the Group management team has chosen to recognize changes in the fair value of equity instruments through other comprehensive income, there is no subsequent reclassification of fair value changes to the income statement when the instrument is removed from the balance sheet.

Dividends from such investments are recognized in the income statement as other income when the Group's right to receive payment has been established.

Changes in the fair value of financial assets recognized at fair value through the income statement are recognized as other gains/losses in the income statement. Impairment losses (and reversals of impairment losses) of equity instruments recognized at fair value through other comprehensive income are not recognized separately from other changes in fair value.

Impairment

The Group measures its future expected credit losses related to investments in debt instruments recognized at amortized cost or fair value with changes through other comprehensive income, based on whether or not there has been a significant increase in credit risk. The Group recognizes a credit reserve for such expected credit losses at each reporting date.

Group 2025	Financial assets/liabilities measured at amortized cost	Financial assets/liabilities measured at fair value through the income statement	Derivatives used for hedging	Total
Financial assets				
Deposits	4,552	-	-	4,552
Long-term securities holdings	-	7,180	-	7,180
Other receivables	4,327	-	-	4,327
Trade receivables	462,154	-	-	462,154
Derivatives (used for hedging)	-	-	31,692	31,692
Cash and cash equivalents	89,393	-	-	89,393
Total	-560,426	7,180	31,692	599,298
Financial liabilities				
Option liability	109,647	-	-	109,647
Liabilities related to acquisitions	78,270	-	-	78,270
Bank loans	1,978,616	-	-	1,978,616
Utilized overdraft facilities	32,141	-	-	32,141
Accounts payable	153,295	-	-	153,295
Total	2,351,970	-	-	2,351,970

Group 2024	Financial assets/liabilities measured at amortized cost	Financial assets/liabilities measured at fair value through the income statement	Derivatives used for hedging	Total
Financial assets				
Deposits	5,650	-	-	5,650
Long-term securities holdings	-	7,185	-	7,185
Trade receivables	426,595	-	-	426,595
Contract assets	2,525	-	-	2,525
Derivatives (used for hedging)	-	-	5,141	5,141
Cash and cash equivalents	73,929	-	-	73,929
Total	508,700	7,185	5,141	521,025
Financial liabilities				
Option liability	113,861	-	-	113,861
Liabilities related to acquisitions	83,107	-	-	83,107
Derivatives (used for hedging)	-	-	18,679	18,679
Bank loans	2,862,911	-	-	2,862,911
Utilized overdraft facilities	13,505	-	-	13,505
Accounts payable	143,133	-	-	143,133
Total	3,216,517	-	18,679	3,235,196

CONT. NOTE 21 Financial instruments and financial risk management

Financial risk management

Financial risk factors

Through its operations, the Group is exposed to various financial risks in the form of market risk (including currency and interest rate risk) and credit risk, as well as financing and liquidity risk. The Group's overall risk management policy focuses on the unpredictability of the financial markets and seeks to minimize potential adverse effects on the Group's financial results.

Risk management is carried out by a central finance department according to policies established by the Board of Directors. The CFO for the Group identifies, evaluates, and hedges financial risks in close cooperation with the Group's operating units. The Board of Directors has drawn up written policies for overall risk management as well as for specific areas, such as currency risk, interest rate risk, credit risk, the use of derivatives and non-derivative financial instruments, and the investment of excess liquidity.

When the criteria for hedge accounting are fulfilled, hedge accounting is applied to eliminate the effect of differences between the hedging instrument and the hedged item that exist in the accounting. The Group uses derivatives to hedge certain risk exposures.

A. Currency risk

Exposure

The Group's risk exposure to the most important foreign currencies at the end of the reporting period, in SEK thousands, was as follows:

Exposure	December 31, 2025		
	EUR	USD	JPY
Trade receivables	214,158	211,336	8,703
Bank loans	-1,663,346	-315,273	-
Option liability	-109,647	-	-
Liabilities related to acquisitions	-78,270	-	-
Trade payables	-64,101	-61,236	-781
Currency futures ¹ (cash flow hedges)	265,552	344,839	127,409

Exposure	December 31, 2024		
	EUR	USD	JPY
Trade receivables	187,591	202,611	14,424
Bank loans	-2,180,617	-681,686	-
Option liability	-113,861	-	-
Liabilities related to acquisitions	-83,107	-	-
Trade payables	-50,206	-68,423	-684
Currency futures ¹ (cash flow hedges)	193,078	300,447	153,581

¹ Nominal value

Instruments used by the Group

The Group operates internationally and is exposed to currency risks arising from various currency exposures, primarily to the US dollar (USD), the euro (EUR), and the Japanese yen (JPY). The Group's

currency risks comprise not only the transaction risk arising from future business transactions in foreign currencies, but also the translation risk of recognized assets and liabilities, plus net investments in foreign subsidiaries.

Transaction risk is reduced by the Group using currency futures to manage its exposure to currency risk. The Group's risk management policy means that:

- the first future quarter's exposure is hedged between 60 and 80 percent
- the second future quarter's exposure is hedged between 50 and 70 percent
- the third future quarter's exposure is hedged between 40 and 60 percent
- the fourth future quarter's exposure is hedged between 30 and 50 percent
- the fifth future quarter's exposure is hedged between 0 and 40 percent
- the sixth future quarter's exposure is hedged between 0 and 30 percent.

Disclosures on the recognition of hedging instruments can be found in Note 24.

Translation risk arises when the Group's equity is impacted by exchange rate fluctuations on its investments in subsidiaries in foreign currency. The currency exposure arising from the net assets of the operations acquired by the Group is mainly managed through borrowing in the currency in question.

Hedges of net investments in foreign operations

In December 2025, refinancing took place and a new credit agreement was signed with the existing bank SEB, together with Nordea. The agreement consists of a revolving credit facility of EUR 250 million, corresponding to a total of SEK 2,705 million as of December 31, 2025, and an accordion (extension option) of EUR 200 million, corresponding to a total of SEK 2,164 million as of December 31, 2025. In connection with the new banking agreement, all loans were repaid, and new ones were taken out. The credit agreement was signed on December 11, 2025, and runs for three years with the option of a one-year extension. Through the new credit agreement, the Group has secured the financial conditions necessary to implement its strategic agenda for 2030. Acquisition loans carried forward as at December 31, 2025 amount to EUR 153,720 thousand. Acquisition loans carried forward as at December 31, 2025 amount to USD 34,264 thousand. These loans are identified as hedges in net investments and are tested quarterly for ineffectiveness. At year-end, there is no ineffectiveness that the Group believes should have been reported in the income statement.

Risk	Exposure from	Measurement	Management
Market risk – currency risk	Future business transactions. Recognized financial assets and liabilities not denominated in Swedish kronor (SEK).	Cash flow forecasts Sensitivity analysis	Currency futures contracts
Market risk – interest rate risk	Long-term borrowing at variable interest rates	Sensitivity analysis	Interest rate derivatives, when they are expected to reduce the Group's interest expense
Credit risk	Cash and cash equivalents, trade receivables, and derivatives	Aging analysis Credit rating	Credit limits
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecast	Access to binding credit facilities and credit

Impact of hedge accounting on the Group's financial position and earnings

The effects of hedge accounting of currency risks' impact on the Group's financial position and earnings are shown in the following tables:

Derivatives – currency futures	2025	2024
Carrying amount (asset)	31,692	5,141
Nominal amount	737,800	214,386
Maturity	Jan 2026– April 2027	Jan 2025– April 2026
Hedge ratio ¹	1:1	1:1
Change in value for outstanding hedging instruments since January 1	-2,236	-3,409
Change in value of the hedged item for determining the ineffective portion	2,236	3,409
Weighted average for outstanding hedging instruments	SEK 10.9959:1EUR SEK 9.4997:1 USD SEK 0.06778:1JPY	SEK 11.5020:1EUR SEK 0.0726: 1 JPY

¹ Currency futures contracts are in the same currency as the highly probable forecast future transactions, which is why the hedge ratio is 1:1.

Derivatives – currency futures	2025	2024
Carrying amount (liability)	-	-18,679
Nominal amount	-	432,720
Maturity	-	March 2025– March 2026
Hedge ratio ¹	-	1:1
Change in value for outstanding hedging instruments since January 1	-	-19,137
Change in value of the hedged item for determining the ineffective portion	-	19,137
Weighted average for outstanding hedging instruments	-	SEK 11.3646:EUR 1 SEK 10.3961:1 USD SEK 0.0695:1JPY

¹ Currency futures contracts are in the same currency as the highly probable forecast future transactions, which is why the hedge ratio is 1:1.

Net investment in interna- tional operations	2025	2024
Carrying amount (bank loans)	1,978,616	2,862,290
Carrying amount in EUR	153,720	189,841
Carrying amount in USD	34,264	61,982
Hedge ratio	1:1	1:1
Change in the loan's carrying amount due to changes in exchange rates since January 1	222,409	2,716
Change in the value of the hedged item for determi- ning the ineffective portion	-222,409	-2,716
Weighted average of exchange rates during the year	SEK 11.0377:1 EUR SEK 9.7847:1 USD	SEK 11.4969:EUR 1 SEK 10.6347:USD 1

Sensitivity analysis

In its operating activities, the Group is primarily exposed to changes in the EUR/SEK and USD/SEK. exchange rate. If the SEK had weakened/strengthened by 5 percent against the EUR with all other variables constant, the Group's equity as of December 31, 2025 would have been SEK 25.2 million (13.4) lower/higher. If the SEK had weakened/strengthened by 5 percent against the USD with all other variables constant, the Group's equity as of December 31, 2025 would have been SEK 22.3 million (23.5) lower/higher. If the SEK had weakened/strengthened by 5 percent against the Group's most important currencies, the Group's equity as of December 31, 2025 would have been SEK 51.5million (44.5) lower/higher. The Group's exposure to other exchange rate changes is not material.

If the SEK had weakened/strengthened by 5 percent against the EUR with all other variables constant, operating profit for the year as of December 31, 2025 would have been SEK 24.6 million (12.5) lower/higher, as a result of transactions in foreign currency.

If the SEK had weakened/strengthened by 5 percent against the USD with all other variables constant, operating profit for the year as of December 31, 2025 would have been SEK 20.6 million (24.0) lower/higher, as a result of transactions in foreign currency.

If the SEK had weakened/strengthened by 5 percent against the JPY with all other variables constant, operating profit for the year as of December 31, 2025 would have been SEK 3.9 million (7.6) lower/higher, as a result of transactions in foreign currency.

Derivatives

The Group holds financial derivatives in the form of currency futures contracts for the purpose of hedging purchases and sales in foreign currency. Derivatives are used only for commercial hedging purposes and not as speculative investments.

Disclosures on the fair value for various derivatives used for hedging purposes can be found in Note 24.

Hedging reserve

The Group's hedging reserve is recognized in reserves in equity and is described in Note 27.

Effectiveness of hedge accounting

Hedge effectiveness is evaluated when the hedging relationship is entered into. The hedged item and hedging instrument are evaluated on an ongoing basis to ensure that the requirements are met. When the Group hedges transactions in foreign currency, hedging relationships are entered into in which critical terms in the hedging instrument exactly match the terms of the hedged item. This ensures that a qualitative evaluation of the effectiveness of the relationship has been made.

When hedging foreign currency transactions, an ineffective portion may arise if the timing of the forecast transaction changes compared with the initial estimate. There was no ineffective portion attributable to currency futures contracts in either 2025 or 2024.

B. Interest rate risk

The Group's primary interest rate risk arises through long-term borrowing at variable interest rates, which exposes the Group to interest rate risk relating to cash flows. The Group's finance policy states that interest expenses should be kept as low as possible. In order to minimize the Group's interest expenses, interest rate derivatives may be used. For 2025 and 2024, it was assessed that the use of interest rate derivatives would not reduce the Group's interest expenses.

Sensitivity analysis

If the interest rates on borrowing in EUR during 2025 had been one percentage point higher/lower with all other variables constant, profit before tax for the financial year would have been SEK 18.7 million (13.9) lower/higher. If the interest rates on borrowing in US dollars during 2025 had been one percentage point higher/lower with all other variables constant, profit before tax for the financial year would have been SEK 5.4 million (5.3) lower/higher.

If the SEK had weakened/strengthened by 5 percent against the EUR during 2025 with all other variables constant, profit before tax for the financial year would have been SEK 3.5 million (3.3) higher/

CONT. NOTE 21 Financial instruments and financial risk management

lower, as a result of decreased/increased interest expenses. If the SEK had weakened/strengthened by 5 percent against the US dollar during 2025 with all other variables constant, profit before tax for the financial year would have been SEK 1.7 million (1.8) higher/lower, as a result of decreased/increased interest expenses.

C. Credit risk

Credit risk arises from holdings in cash and cash equivalents, derivatives, and deposits with banks and credit institutions, as well as client credit exposures, including outstanding receivables. See Note 23 for more information on the Group's outstanding receivables.

Credit risk is managed at Group level, except for credit risk associated with outstanding trade receivables. Each Group company is responsible for monitoring and analyzing the credit risk for each new customer before offering standard terms for payment and delivery. The Group's credit policy provides clear guidelines for granting credit to customers and on when collateral is required. It is the opinion of the Group management team that there is no significant concentration of credit risk associated with any particular customer, counterparty, or geographic region.

Impairment of financial assets

The Group has two types of financial asset that fall within the scope of the model for expected credit losses:

- Trade receivables attributable to the sale of goods and provision of services, and
- Contract receivables attributable to development contracts

Cash and cash equivalents also fall within the scope of impairment according to IFRS 9; however, the amount of possible impairment has been deemed to be insignificant.

The Group applies the simplified method for calculating expected credit losses. This method means that expected losses over the entire life of the receivable are used as a starting point for accounts receivable and contract assets. To measure the expected credit losses, trade receivables and contract assets have been grouped based on allocated credit risk characteristics and the number of days that payments are past due. The Group applies future-oriented variables for expected credit losses. On each balance sheet date, the company must assess whether the credit risk for a financial instrument has increased significantly since initial recognition. In making this assessment, the company must use the change in the risk of default over the expected life of the financial instrument instead of the change in expected credit losses.

See Note 23 for more information on the Group's recognized credit losses.

D. Financing and liquidity risk

Financing risk is the risk that the refinancing of maturing loans will become more problematic or costly, making it difficult for the Group to fulfill its payment obligations. Liquidity risk is the risk of difficulties in fulfilling obligations associated with financial liabilities. See Note 28 for an analysis of the Group's interest-bearing liabilities, broken down by the time remaining until the contractual maturity date on the balance sheet date.

Cash flow forecasts are drawn up by the Group's operating companies and aggregated by the Group's central finance department. The CFO of the Group carefully monitors rolling forecasts of the Group's liquidity reserve (which consists of unutilized credit facilities as well as cash and cash equivalents) to ensure that the Group has sufficient cash to meet the needs of its operating activities. At the same time, the Group must maintain a sufficient margin in its agreed, utilized credit facilities at all times so that the Group does not breach any of its loan limits or loan terms. This is done centrally for all subsidiaries in the Group, in accordance with the practices and limits set for the company. Liquidity management also includes calculating expected cash flows in major currencies and determining the amounts of various liquid assets required to meet these, monitoring balance sheet-based liquidity measures in relation to internal and external regulatory requirements, and maintaining debt financing plans.

Financing risk arises when, at a given point in time, it becomes difficult to obtain financing. To minimize the cost of the Group's borrowing and financing, the finance function must provide credit facilities that cover the Group's need for working capital credit. HMS' objective is to always have access to approximately 8 percent of sales in cash and cash equivalents and excess liquidity including unutilized credit facilities, which at year-end corresponded to approximately 25 percent (18).

According to the Group's finance policy, surplus liquidity shall be used to repay bank loans, optimize cash flow, ensure dividend capacity, and maintain a liquidity buffer. All borrowing is done in consultation with the parent company's finance function.

Maturity analysis for financial liabilities

The table on page 163 analyzes the Group's financial liabilities and net-settled derivatives that constitute financial liabilities, broken down by the time remaining until the contractual maturity date on the balance sheet date. The amounts stated in the maturity analysis are the contractual, undiscounted cash flows.

CAPITAL RISK MANAGEMENT

The Group's objectives with regard to capital structure are to:

- safeguard the Group's ability to continue operations so that it can continue to generate returns for shareholders and value for other stakeholders, and
- maintain an optimal capital structure to keep the cost of capital down.

The Group may change the dividend paid to shareholders, repay capital to shareholders, issue new shares, or sell assets to reduce debt in order to maintain or adjust the capital structure.

The Group evaluates the capital on the basis of the net debt/equity ratio. This KPI is calculated as net debt divided by total equity. Net debt is calculated as non-current and current interest-bearing liabilities, lease liabilities, and non-current and current non-interest-bearing liabilities (contingent consideration and option liability) less cash and cash equivalents. Total capital is calculated as equity in the Group's balance sheet plus net debt.

The net debt/equity ratios as of December 31, 2025 and December 31, 2024 were as follows:

	2025	2024
Interest-bearing liabilities (Note 28)	2,010,757	2,876,416
Non-interest-bearing liabilities (Note 29)	187,917	196,968
Lease liabilities (Note 19)	244,644	275,524
Less cash and cash equivalents (Note 26)	-89,393	-73,929
Net debt	2,353,925	3,274,979
Total equity	3,477,468	3,505,461
Total capital	5,831,393	6,798,059
Net debt/equity ratio	68%	93%

CALCULATION OF FAIR VALUE

The tables (see page 163) show financial instruments measured at fair value, based on how the classification in the fair value hierarchy was made. The different levels are defined as follows:

Level 1: The fair value of financial instruments traded on an active market (such as listed derivatives and equity-related securities) is based on listed market prices on the balance sheet date. The listed market price used for the Group's financial assets is the current bid rate.

Level 2: The fair value of financial assets not traded on an active market (such as OTC derivatives) is determined using measurement techniques that rely as much as possible on market information, while using company-specific information as little as possible. All

Maturity analysis

As of December 31, 2025	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
Trade payables	-153,295	-	-	-	-	-153,295
Option liability	-	-	-	-125,489	-	-125,489
Liabilities related to acquisitions	-	-73,510	-2,380	-2,380	-	-78,270
Bank loans	-101,410	-204,475	-648,574	-693,702	-626,072	-2,274,232
Lease liabilities	-17,617	-52,852	-59,962	-108,301	-27,670	-266,402
Total	-272,322	-330,837	-710,916	-929,872	-653,742	-2,897,688

As of December 31, 2024	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
Trade payables	-143,133	-	-	-	-	-143,133
Derivatives	-1,920	-14,321	-2,438	-	-	-18,679
Option liability	-	-	-	-	-133,243	-133,243
Liabilities related to acquisitions	-	-	-78,053	-5,054	-	-83,107
Bank loans	-101,256	-284,228	-627,198	-1,006,407	-1,371,890	3,390,978
Lease liabilities	-17,208	-51,625	-59,959	-117,718	-45,989	-292,500
Total	-263,517	-350,174	-767,648	-1,129,179	-1,551,123	-4,061,641

Amortization and interest in foreign currency have been calculated based on applicable balance sheet date rates of exchange and interest rates in effect at the time. The amounts stated in the maturity analysis are the contractual, undiscounted cash flows.

important inputs required for the fair value measurement of an instrument are observable.

Level 3: In cases where one or more important inputs are not based on observable market information. This applies to, e.g., unlisted instruments.

The following table shows the Group's assets and liabilities measured at fair value as of December 31, 2025:

	Note	Level 1	Level 2	Level 3	Total
Long-term securities holdings		-	-	7,114	7,114
Derivatives used for hedging					
	24	-	31,692	-	31,692
Total assets		-	31,692	7,114	38,806

As of December 31, 2025, there are no currency forward contracts that constitute liabilities. Liabilities related to acquisitions (Note 29) are reported at amortized cost and have been removed from this table. Consequently, there are no liabilities as of December 31, 2025, that are reported at fair value.

The following table shows the Group's assets and liabilities measured at fair value as of December 31, 2024:

	Note	Level 1	Level 2	Level 3	Total
Long-term securities holdings		-	-	7,185	7,185
Derivatives used for hedging	24	-	5,141	-	5,141
Total assets		-	5,141	7,185	12,326
Derivatives used for hedging	24		-18,679		-18,679
Debt related to acquisitions	29	-		-83,107	-83,107
Total liabilities		-	-18,679	-83,107	-101,786

There have been no transfers between the levels during the year.

The fair value of currency futures contracts is determined as the present value of future cash flows based on listed exchange rates for the currency on the balance sheet date.

The change in long-term securities holdings relates to acquired assets.

The Group has contingent consideration and option liabilities from acquisitions, which were previously financial instruments recognized at fair value through the income statement. From January 1, 2023, such option liabilities will instead be recognized at the present value of expected future cash outflows to settle the put option. Changes in this measurement are recognized immediately in equity. Fair values presented for these items have been calculated by management based on a discounted cash flow model.

The following table shows the changes in the Group's financial liabilities measured at fair value in accordance with level 3 of the fair value hierarchy.

The Group	2025	2024
Long-term securities holdings		
Opening carrying amount	7,185	8,847
Impairment	-	-1,714
Exchange differences	-71	52
Closing carrying amount	7,114	7,185
Liabilities related to acquisitions¹		
Opening carrying amount	-	8,220
Estimated liabilities at acquisition	-	83,107
Settled liabilities	-	-8,504
Exchange differences	-	285
Closing carrying amount	-	83,107

¹ Liabilities related to acquisitions are reported at amortized cost and not at fair value, which is why the liability has been removed from this table for 2025.

NOTE 22 Inventories

ACCOUNTING POLICIES

Inventories are recognized at the lower of cost and net realizable value. Cost is determined using the first-in, first-out (FIFO) method. Raw materials are measured at cost. Finished goods are measured at standard cost. The cost of finished goods and work in progress consists of raw materials/components, direct labor costs, and other direct and indirect manufacturing costs (based on normal manufacturing capacity). Borrowing costs are not included.

IMPORTANT ESTIMATES AND ASSUMPTIONS

When determining the net realizable value of the inventory, an assessment of obsolescence is made based on the age of the goods, turnover rate, and current market conditions. If it is assessed that the fair value of the goods is less than the cost, an impairment loss is reported corresponding to this difference. Costs for impairment of inventories that were charged to profit for the year are included in the item cost of goods sold and had a negative impact on earnings of SEK -31,749 thousand (-42,073).

The Group	2025	2024
Raw materials and consumables	503,242	641,125
Work in progress	82,944	117,496
Finished goods	65,532	100,082
Total	651,718	858,703

NOTE 23 Trade receivables and contract assets

ACCOUNTING POLICIES

Trade receivables are generally due for payment within 30–60 days, and all trade receivables have therefore been classified as current assets. See Note 21 for a description of the Group's impairment policies.

The Group	2025	2024
Trade receivables	466,058	430,354
Provision for doubtful debts	-3,904	-3,759
Net trade receivables	462,154	426,595

Fair value is considered to correspond to the carrying amount due to short maturity.

During the year, the Group recognized a loss of SEK -1,101 thousand (-2,039) for impairment of trade receivables. The provision for doubtful debts amounted to SEK -3,904 thousand (-3,759) as of December 31, 2025.

As of December 31, 2025, trade receivables amounting to SEK 84,603 thousand (78,769) were overdue. An aging analysis of these is shown below:

The Group	2025	2024
1–15 days	51,249	46,421
15 days to 3 months	24,330	22,380
3 to 6 months	4,459	7,799
More than 6 months	4,565	2,169
Total	84,603	78,769

In the amount for trade receivables overdue by more than six months, a provision of SEK 3,904 thousand (2,169) has been made for doubtful debts.

Provisions for each reversal of the provisions for doubtful debts are included under selling expenses in the income statement. Amounts recognized in the provision for depreciation are usually written off when the Group is not expected to recover additional cash and cash equivalents.

Other categories of trade receivables and other receivables do not include any assets for which there is a need for impairment.

Carrying amount, by currency, for the Group	2025	2024
EUR	214,158	187,591
USD	211,336	202,611
SEK	11,468	10,082
GBP	9,892	7,813
JPY	8,703	14,424
CNY	8,249	6,041
AUD	2,252	1,792
Total	466,058	430,354

NOTE 24 Derivatives

ACCOUNTING POLICIES

Derivatives are recognized in the balance sheet on the contract date and measured at fair value, both on the first recognition date and upon subsequent revaluation at the end of each reporting period. When determining the fair value of a hedging instrument, quoted prices for the currency on the balance sheet date are used. The method of recognizing the gain or loss arising on revaluation depends on whether the derivative has been identified as a hedging instrument and, if so, the nature of the item being hedged.

The Group identifies derivatives as:

- hedging of a specific risk associated with the cash flow from a recognized asset, liability, or a highly probable forecast transaction (cash flow hedge), or
- hedging of a net investment in a foreign operation (hedging of net investment).

At the time of entering into the transaction, the Group documents the relationship between the hedging instrument and the hedged item, as well as the Group's risk management objectives and risk management strategy for the hedging. The Group also documents its assessment, both when the hedge is entered into and on an ongoing basis, of whether the derivative instruments used in hedging transactions have been and will continue to be effective in terms of mitigating changes in fair value or cash flows attributable to the hedged items.

During the period, the Group did not have any derivatives for trading.

Cash flow hedging

The Group uses currency futures contracts to manage the risks of exchange rate fluctuations relating to highly probable forecast transactions, both external and internal, in foreign currency. The financial derivative instruments are held in the form of currency futures.

Hedges are designed with the expectation that they will be effective. The effective portion of the change in fair value of a derivative instrument that has been identified as a cash flow hedge and that meets the conditions for hedge accounting is recognized via other comprehensive income in the hedging reserve in equity. The ineffective portion of the change in value is recognized immediately in the income statement.

The Group identifies the entire change in the fair value of currency futures (including forward points) as hedging instruments. Gains or losses attributable to the effective portion of the change are recognized in other comprehensive income in the hedging reserve in equity.

Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects earnings.

HMS recognizes the realized cash flow hedges (currency futures) in the line for net sales in the income statement. Amounts accumulated in equity are reclassified to the income statement in the periods when the hedged item affects earnings.

When a hedging instrument matures or is sold, or when the hedge no longer meets the criteria for hedge accounting and accumulated gains or losses related to the hedge are in equity, these gains/losses

remain in equity and are recognized as income when the forecast transaction is ultimately recognized in the income statement. When a forecast transaction is no longer expected to occur, the accumulated gain or loss recognized in equity is immediately transferred to the income statement.

Hedging of net investments

The Group hedges net investments in EUR and USD. Hedging of net investments in foreign operations are recognized in a similar way to cash flow hedges.

The portion of the gain or loss on a hedging instrument that is deemed to be an effective hedge is recognized in other comprehensive income and accumulated in equity. The gain or loss attributable to the ineffective portion is recognized immediately in the income statement as other income or other expenses.

Accumulated gains and losses in equity are reclassified to the income statement when the foreign operations are divested in whole or in part.

	2025	2024
Currency futures contracts – asset	31,692	5,141
Currency futures contracts – liability	-	18,679

Currency futures contracts

The nominal amount of outstanding currency futures contracts amounted to SEK 737,800 thousand (647,106) as of December 31, 2025.

The hedged (and highly probable forecast) foreign currency transactions are expected to occur at varying points in time over the next twelve months. Gains and losses on currency futures contracts as of December 31, 2025, which have been recognized in equity, are recognized in net sales in the periods when the hedged transaction affects earnings.

Realized currency futures contracts in 2025 had a positive impact on operating profit of SEK 46,740 thousand (12,293).

Hedging of net investments in foreign operations

At the end of the financial year, the Group has borrowings in EUR of EUR 153,720 thousand (189,841) and in USD of USD 34,264 thousand (61,982) to be identified as hedging of net investments relating to acquisitions of subsidiaries. The exchange gain on the translation of borrowings into SEK recognized during the year amounts to SEK 222,409 thousand (2,716) and is recognized in other comprehensive income.

Since 2024, the Group has also had internal loans to subsidiaries which, according to IAS 21, are treated as an extended net investment in foreign operations and exchange differences on these loans are reported through other comprehensive income to be accumulated in the translation reserve in equity.

NOTE 25 Prepaid expenses and accrued income

	The Group		Parent company	
	2025	2024	2025	2024
Rents	4,671	5,484	-	-
Contract assets, see Note 5	-	2,525	-	-
Interest	136	-	-	-
Insurance	3,888	4,566	2,014	-
Leasing	871	772	-	-
Other accrued income	39	131	-	-
Other prepaid expenses	30,979	37,452	202	47
Total	40,584	50,931	2,216	47

NOTE 26 Cash and cash equivalents

ACCOUNTING POLICIES

Utilized overdraft facilities are reported as borrowing under interest-bearing liabilities (Note 28).

Cash and cash equivalents in the balance sheet and cash flow statement include the following:

The Group	2025	2024
Cash and bank balances	89,393	73,929
Total	89,393	73,929

The Group has an approved overdraft facility of SEK 100,000 thousand (30,000). As of the balance sheet date, SEK 32,141 thousand of this has been utilized.

NOTE 27 Share capital and reserves in equity

ACCOUNTING POLICIES

Share capital

When the parent company purchases its own shares (repurchase of own shares), the purchase price paid, including any directly attributable transaction costs (net after tax), reduces equity until the shares are cancelled or sold. If these ordinary shares are later sold, the amounts received (net of any directly attributable transaction costs and tax effects) are recognized in equity.

Reserves

Reserves in equity consist of hedging and translation reserves. The hedging reserve comprises unrealized gains and losses on future contracts, which are recognized in the income statement in the periods during which the hedged transactions affect the income statement. The translation reserve comprises exchange differences that arise as a result of the translation of the income statements and balance sheets of all Group companies into the Group's reporting currency.

HMS has assessed that parts of the Group's internal loans raised in connection with acquisition of subsidiaries constitute a so-called extended net investment in foreign operations in accordance with the rules in IAS 21. This is given that the settlement of these loans is not planned or probable in the foreseeable future. Accordingly, exchange differences are reported on these loans, as long as the conditions in IAS 21 are deemed to be met, against reserves in other comprehensive income.

	Number of shares (thousands)	Share capital (SEK 000s)	Other contributed capital (SEK 000s)	Total (SEK 000s)
As of January 1, 2023	46,819	1,170	218,318	219,488
New share issue	3,500	88	1,389,413	1,389,500
As of December 31, 2024	50,319	1,258	1,607,731	1,608,988
As of December 31, 2025	50,319	1,258	1,607,731	1,608,988

In 2024, HMS Networks carried out a targeted new share issue. The issue resulted in a 3,500,000 change in the number of shares and votes in HMS Networks. At the end of the period, the total number of shares was 50,318,868 (50,318,868) with a quotient value of SEK 0.025 per share (0.025).

The table below shows a breakdown of the balance sheet item Reserves and how each component has changed during the year.

Reserves in equity	Hedge accounting	Currency translation	Total
As of January 1, 2024	20,345	173,580	193,924
Revaluation – gross	-27,008	-	-27,008
Deferred tax	5,564	-	5,564
Reclassification to income statement – gross	-12,293	-	-12,293
Deferred tax	2,532	-	2,532
Hedging of net investments	-	2,716	2,716
Deferred tax	-	-559	-559
Other exchange differences	-	130,629	130,629
Deferred tax	-	-5,857	-5,857
Exchange differences attributable to non-controlling interests	-	15	15
Other comprehensive income	-31,205	126,944	95,739
As of December 31, 2024	-10,860	300,523	289,663
Revaluation – gross	91,970	-	91,970
Deferred tax	-18,946	-	-18,946
Reclassification to income statement – gross	-46,740	-	-46,740
Deferred tax	9,628	-	9,628
Hedging of net investments	-	222,409	222,409
Deferred tax	-	-45,816	-45,816
Other exchange differences	-	-744,782	-744,782
Deferred tax	-	60,553	60,553
Exchange differences attributable to non-controlling interests	-	-104	-104
Other comprehensive income	35,913	-507,740	-471,828
As of December 31, 2025	25,052	-207,217	-182,165

Hedging reserve

The hedging reserve consists of a cash flow hedge reserve; see Note 24. The cash flow hedge reserve is used to recognize the effective portion of the change in fair value of derivative instruments that have been identified and qualifies as a cash flow hedge. In subsequent periods, the amounts are reclassified to the income statement as the futures expire.

Currency translation

Exchange differences arising on translation of foreign subsidiaries are recognized in other comprehensive income as described in Note 2 and are accumulated in a separate component in reserves within equity. The accumulated amount is reclassified to the income statement when the net investment is disposed of.

NOTE 28 Interest-bearing liabilities

ACCOUNTING POLICIES

The Group does not have any development projects of such significance to necessitate capitalization of borrowing costs. All borrowing costs are thus expensed as incurred.

	2025	2024
Non-current interest-bearing liabilities		
Bank loans	1,776,525	2,607,718
Total	1,776,525	2,607,718
Current interest-bearing liabilities		
Bank loans	202,091	255,193
Utilized overdraft facilities	32,141	13,505
Total	234,232	268,698
Total interest-bearing liabilities	2,010,757	2,876,416

The Group's maturity structure for interest-bearing liabilities at the end of the reporting period is as follows:

	2025	2024
3 months or fewer	82,651	70,986
Between 3 months and 1 year	151,544	197,712
Between 1 and 2 years	592,168	527,293
Between 2 and 5 years	592,168	790,970
More than 5 years	592,226	1,289,455
Total	2,010,757	2,876,416

At the end of 2025, refinancing was carried out and a new banking agreement was signed with the existing bank SEB, together with Nordea. The agreement consists of a revolving credit facility totaling EUR 250 million, corresponding to a total of approximately SEK 2,705 million as of December 31, 2025, converted to Swedish kronor, and an accordion (extension option) of EUR 200 million, corresponding to a total of approximately SEK 2,164 million converted to Swedish kronor as of December 31, 2025. In connection with the signing of the new banking agreement, all existing loans were repaid, and new loans were taken out. The banking agreement was signed on December 11, 2025, and runs for three years, with the option of a one-year extension. At year-end, unutilized credit facilities amounted to SEK 794 million

(490) excluding the opportunity for expansion. Interest rates on bank loans are variable and linked to EURIBOR, SOFR, and STIBOR depending on the currency in which the loans are taken out. A margin is added to the interest rate based on the ratio of net debt to adjusted EBITDA. The average interest rate in 2025 for loans taken out in USD was 6.11 percent (6.67%), and the equivalent for loans taken out in EUR was 3.81 percent (5.055%).

Loan term regarding the bank loans are based on the development of net debt and adjusted EBITDA. Covenants are tested at the end of each quarter. For 2026, the quota may not exceed 3.0. At the end of the current year, the ratio was 2.21 (3.41) including pro forma from acquisitions. The Group has no indications that difficulties could arise in meeting the covenants in the coming year.

The carrying amount of the Group's interest-bearing liabilities corresponds to their fair value as the interest rate on these liabilities is in line with current market rates or because the liability is short-term.

NOTE 29 Non-interest-bearing liabilities

ACCOUNTING POLICIES

Option liability

HMS holds an option liability on acquisitions, which is reported at the present value of expected future cash outflows to settle the put option. Changes in this measurement are recognized immediately in equity.

A put option issued to shareholders with a non-controlling interest is related to agreements that give the minority shareholder the right to sell their holding in the company to HMS at a future date when the option can be exercised.

The amount to be paid if the option expires is recorded at the present value of future settlement as a financial liability. As a result, HMS does not recognize any non-controlling interest within the framework of equity for this acquisition. Instead, the liability is revalued on an ongoing basis using the Group's best assessment of expected outcomes, and changes are reported directly against equity.

IMPORTANT ESTIMATES AND ASSUMPTIONS

On July 1, 2021, 60 percent of the shares in the Spanish company Owasys Advanced Wireless Devices S.L. were acquired. HMS then had a call/put option related to the remaining 40 percent of the shares in Owasys, which it was initially estimated would be exercised during 2025. In January 2023, part of the call/put option was exercised when an additional 20 percent of the shares in Owasys were acquired. HMS then signed a new call/put option for the remaining 20 percent, which is expected to be exercised during 2029. In 2024, the call/put option was revalued due to changed assumptions regarding expected future cash outflows. As a result, as of December 31, 2025, HMS is recognizing a liability corresponding to the present value of expected future cash outflows, amounting to SEK 110 million (114).

The expected future cash outflows are determined by the company's future earnings (EBITDA). The value is based on the company's business plan for 2028 multiplied by a multiple (10). The expected future cash outflows have thereafter been discounted using the market interest rate during the term.

NOTE 29 Non-interest-bearing liabilities cont.

	2025	2024
Non-current non-interest-bearing liabilities		
Option liability	109,647	113,861
Debt attributable to acquisitions	4,760	83,107
Other non-current non-interest-bearing liabilities	-	2,731
Total	114,407	199,699
Current non-interest-bearing liabilities		
Debt attributable to acquisitions	73,510	-
Other current non-interest-bearing liabilities	-	71
Total	73,510	71
Total non-interest-bearing liabilities	187,917	199,770

The Group's maturity structure for non-interest-bearing liabilities at the end of the reporting period is as follows:

	2025	2024
3 months or fewer	-	71
Between 3 months and 1 year	73,510	-
Between 1 and 2 years	2,380	80,784
Between 2 and 5 years	112,027	118,915
More than 5 years	-	-
Total	187,917	199,770

NOTE 30 Accrued expenses and deferred income

	The Group		Parent company	
	2025	2024	2025	2024
Accrued salaries	97,171	61,396	7,350	5,206
Vacation pay	24,143	24,712	885	1,220
Social security contributions	24,620	33,072	3,802	3,121
Interest	3,322	8,307	-	-
Deferred income	33,178	41,996	-	-
Leasing	3,361	3,455	-	-
Other items	46,952	25,094	1,799	1,548
Total	232,746	198,032	13,836	11,095

NOTE 31 Provisions

	Warranty provisions	Restructuring reserve	Other provisions	Total
As of January 1, 2024	2,402	2,328	509	5,239
Provision made during the period	3,182	43,276	1,104	47,562
Acquired provisions	9,390	-	-	9,390
Amounts claimed during the period	-3,517	-15,102	-	-36,238
Unutilized amounts reversed during the period	-3,316	-	-165	-3,481
Currency effect	-135	-	18	-117
As of December 31, 2024	8,006	30,502	1,466	39,974
Provision made during the period	2,644	8,361	372	11,377
Amounts claimed during the period	-1,987	-38,096	-	-22,464
Unutilized amounts reversed during the period	-682	-	-132	-814
Currency effect	-975	-	-41	-1,016
As of December 31, 2025	7,006	767	1,665	9,438

The provisions consist of:	2025	2024
Long-term part	5,869	24,205
Short-term part	3,569	15,769
Total	9,438	39,974

Warranty costs

Provisions have been made for estimated warranty costs for goods that have been sold where the warranty had not

yet expired at the end of the financial year. The calculation is based on previous years' statistics and is evaluated on an ongoing basis, which is why the uncertainty regarding amount and timing is considered low. The majority of the warranty provisions run for 1-3 years.

Restructuring costs

Restructuring costs were significant in the previous year, mainly due to the realization of synergy effects, the implementation of the new organizational structure, and the acquisition of Red Lion. During the year, the need for further restructuring measures was significantly lower and total restructuring costs therefore amount to only SEK 8,361 thousand (previous year: SEK 43,276 thousand). All costs have been recognized in the income statement during the financial year. The outstanding provision of SEK 767 thousand is expected to be utilized over the next 12 months.

NOTE 32 Business combinations

ACCOUNTING POLICIES

The acquisition method is used for recognizing the Group's business combinations, regardless of whether the acquisition consists of equity shares or other assets. The purchase price for the acquisition of a subsidiary consists of the fair values of

- transferred assets
- liabilities incurred by the Group to previous owners
- shares issued by the Group
- assets or liabilities resulting from a contingent consideration agreement
- a previous equity share in the acquired company

With a few exceptions, identifiable acquired assets, assumed liabilities, and assumed contingent liabilities in a business combination are initially measured at fair value on the acquisition date. For each acquisition, the Group determines whether non-controlling interests in the acquired company are recognized at fair value or at the proportional share of the holding in the carrying amount of the acquired company's identifiable net assets.

Acquisition of Red Lion Inc.

Acquisition analysis from the acquisition of all shares in Red Lion Controls Inc. and Red Lion Europe GmbH and certain assets in other jurisdictions became definitive in the second quarter of 2025, as one year had passed since the acquisition on April 2, 2024. The final acquisition analysis was presented on page 100 under Note 31 in HMS Annual Report 2024.

Acquisition of PEAK-System Technik GmbH

The acquisition analysis from the acquisition of all shares in PEAK-System Technik GmbH was finalized in the fourth quarter of 2025, as one year has passed since the acquisition on November 1, 2024. The final acquisition analysis was presented on page 101 under Note 31 in HMS Annual Report 2024.

NOTE 33 Interest in associates

On December 8, 2021, the Group entered into a strategic partnership with Connectitude and acquired a non-controlling interest in their holding company Cenito AB. Connectitude offers a SaaS solution for industrial digitalization, enabling both machine builders and factory owners to collaborate and share valuable data-based insights from their production processes in real time.

In 2024, another associate (Embedded Systems Academy GmbH) was acquired in connection with the acquisition of PEAK System Technik GmbH. This associated company was divested in 2025.

The remaining investment is not expected to have any impact on the Group's earnings per share in the coming years, and the associate is considered immaterial and has been recognized using the equity method.

	2025	2024
Opening carrying amount of individual immaterial associates	14,136	13,261
Acquisitions during the year	-	802
Divestments during the year	-579	-
Share of profit for the year after tax	250	73
Closing carrying amount	13,807	14,136

Name of company	Country of registration/operations	Ownership share ¹	Cost	Fair value ²	Carrying amount
Cenito AB	Sweden	20%	15,000	-	13,807
Total carrying amount					

¹ Participating interest is the same as share of voting power.

² Private company; no listed price available.

NOTE 34 Change in liabilities associated with financing activities

ACCOUNTING POLICIES

The consolidated cash flow statement is prepared in accordance with the indirect method.

	Bank loans (Note 28)	Leases (Note 19)	Total
As of January 1, 2024	2,308	260,656	262,963
Cash flows	2,880,086	-61,796	2,818,290
Not affecting cash flow	-5,978	76,665	70,687
As of December 31, 2024	2,876,416	275,524	3,151,940
Cash flows	-643,249	-67,094	-710,343
Not affecting cash flow	-222,409	36,214	-186,195
As of December 31, 2025	2,010,758	244,644	2,255,402

NOTE 35 Interest in subsidiaries

Shares owned by the parent company	Registered office	CIN	Share	Number of shares	With quotient value	2025	2024
HMS Industrial Networks AB ¹	Halmstad, Sweden	556529-9251	100%	6,540	100	1,633,539	1,633,539
HMS Industrial Networks SA ²	Nivelles, Belgium	450350907	34.5%	431	100	93,285	93,285
HMS Industrial Networks India Pvt. Ltd. ^{1,2}	Pune, India	138298	0.2%	371	100	22	22
Total						1,726,846	1,726,846

Shares owned by subsidiaries	Registered office	CIN	Share
Control Specialists Ltd	Cheshire, United Kingdom	2344009	100%
Ekitec Holding B.V.	Wateringen, Netherlands	74522108	100%
Glocohm Venture Capital S.L.	Bilbao, Spain	B-42717165	79.9%
HMS Electronics AB	Halmstad, Sweden	556463-9374	100%
HMS Networks FZE	Dubai, United Arab Emirates	DSO-FZE-46028	100%
HMS Industrial Networks B.V.	Hedel, Netherlands	11060009	100%
HMS Industrial Networks France	Mulhouse, France	921182135	100%
HMS Industrial Networks GmbH	Karlsruhe, Germany	HRB109414	100%
HMS Industrial Networks Inc	Chicago, USA	5983-659-5	100%
HMS Industrial Networks India Pvt. Ltd.	Pune, India	138298	99.8%
HMS Industrial Networks K.K	Tokyo, Japan	0200-01-060118	100%
HMS Industrial Networks Ltd	Coventry, England	7521411	100%
HMS Industrial Networks Pte. Ltd.	Singapore	202123480W	100%
HMS Industrial Networks Pty Ltd	Tullamarine, Australia	110 127 074	100%
HMS Industrial Networks SLU	Igualada, Spain	B62202460	100%
HMS Industrial Networks S.r.l.	Milan, Italy	1852680	100%
HMS Industrial Networks SA	Nivelles, Belgium	450350907	65.6%
HMS Networks Technology (Beijing) Co., Ltd.	Beijing, China	91110105MA7LKTJ32C	100%
HMS Technology Center B.V.	Wateringen, Netherlands	27165526	100%
HMS Technology Center S.r.l.	Sibiu, Romania	J32/121/2002	100%
HMS Technology Center GmbH	Buchen, Germany	HRB748049	100%
Intellicom Innovation AB	Halmstad, Sweden	556537-7826	100%
Owasys Advanced Wireless Devices S.L.	Bilbao, Spain	B-95218095	79.9%
PEAK-System Technik GmbH	Darmstadt, Germany	HRB 9183	100%
PEAK-System Technik France SARL	Maxeville, France	45105172600037	90%
Red Lion Controls Inc.	York, USA	23-1888449	100%

¹ HMS Industrial Networks SA is 100% owned by HMS Networks AB and HMS Industrial Networks AB.

² HMS Industrial Networks India Pvt. Ltd. is 100% owned by HMS Networks AB and HMS Industrial Networks AB.

HMS Industrial Networks GmbH (HRB 109414)

We hereby confirm that these consolidated financial statements contain figures for the German subsidiary HMS Industrial Networks GmbH (HRB 109414) for the year ending December 31, 2025. We confirm that the German subsidiary made use of the exemptions in section 264(3) of the German Commercial Code (HGB) in relation to the preparation of a directors' report and notes for the financial statements, as well as the audit and publication of the annual report for the financial year ending on December 31, 2025.

HMS Technology Center GmbH (HRB 748049)

We hereby confirm that these consolidated financial statements contain figures for the German subsidiary HMS Technology Center GmbH (org. no. HRB 748049) for the year ending December 31, 2025. We confirm that the German subsidiary made use of the exemptions in section 264(3) of the German Commercial Code (HGB) in relation to the preparation of a directors' report and notes for the financial statements, as well as the audit and publication of the annual report for the financial year ending on December 31, 2025.

PEAK-System Technik GmbH (org. no. HRB 9183)

We hereby confirm that these consolidated financial statements contain figures for the German subsidiary PEAK-System Technik GmbH (org. no. HRB 9183) for the year ending December 31, 2025. We confirm that the German subsidiary made use of the exemptions in section 264(3) of the German Commercial Code (HGB) in relation to the preparation of a directors' report and notes for the financial statements, as well as the audit and publication of the annual report for the financial year ending on December 31, 2025.

NOTE 36 Pledged assets and contingent liabilities

THE GROUP	2025	2024
Pledged assets		
Shares in subsidiaries	none	none
Contingent liabilities		
Contingent liabilities	none	none

PARENT COMPANY	2025	2024
Pledged assets		
Shares in subsidiaries	none	none
Contingent liabilities		
Guarantees for subsidiaries	1,946,074	2,761,419

NOTE 37 Transactions with related parties

There have not been any material transactions with related parties except for those indicated in Note 10 Remuneration to the Board and senior executives. The parent company's transactions with related parties consist of sales to and purchases from Group companies and are presented in Note 5.

NOTE 38 Subsequent events

The acquisition of parts of Molex's Industrial Solutions business unit was completed on January 2, 2026, and consolidation will take place from this date.

No other significant events have occurred since the end of the period up until the signing of this annual report.

NOTE 39 Alternative KPIs

HMS presents certain KPIs in the interim report that are not defined according to IFRS. The company feels that these measures provide valuable supplementary information to investors and its management, as it facilitates the evaluation of relevant trends and the company's performance. Because not all companies calculate KPIs in the same way, these are not always comparable to the KPIs used by other companies. These KPIs should therefore not be seen as a replacement for KPIs defined according to IFRS, unless otherwise stated.

The KPIs Adjusted EBITDA and Adjusted EBIT are used to monitor and evaluate operations in a fair manner. The KPIs take into account amortization of intangible surplus values as well as transaction and integration costs incurred in connection with acquisitions. In 2024, restructuring costs of a one-time nature have arisen and are included in the KPIs.

ADJUSTED EBITDA	2025	2024
Operating profit	761,982	502,901
Amortization and depreciation of intangible assets and property, plant, and equipment.	268,344	218,093
EBITDA	1,030,326	720,995
Restructuring costs	8,361	43,276
Transaction costs	4,400	19,472
Integration costs	20,512	12,659
Adjusted EBITDA	1,063,599	796,402
Net sales	3,577,348	3,059,178
Adjusted EBITDA (%)	29.7%	26.0%

ADJUSTED EBIT	2025	2024
Operating profit	761,982	502,901
Depreciation/amortization of surplus values from acquisitions	116,107	87,172
Restructuring costs	8,361	43,276
Acquisition-related transaction costs	4,400	19,472
Integration costs	20,512	12,659
Adjusted EBIT	911,362	665,479
Net sales	3,577,348	3,059,178
Adjusted EBIT (%)	25.5%	21.8%

The Board of Directors and the CEO certify that the consolidated financial statements have been prepared in accordance with the IFRS International Financial Reporting Standards (as adopted by the EU), and give a true and fair view of the Group's financial position and results. The annual report has been prepared in accordance with generally accepted accounting principles and gives a true and fair view of the parent company's financial position and results.

The Directors' Report for the Group and the parent company gives a true and fair view of the development in the Group's and the parent company's operations, financial position, and results, as well as describing the material risks and uncertainty factors faced by both the parent company and the Group companies.

The Sustainability Report has been prepared in accordance with the European Sustainability Reporting Standards (ESRS) as required by the Swedish Annual Accounts Act and Article 8 of the EU Taxonomy Regulation.

The income statements and balance sheets will be presented to the AGM on April 23, 2026 for adoption.

Approved and signed on March 24, 2026, Halmstad

Charlotte Brogren
Chair

Staffan Dahlström
CEO

Cecilia Wachtmeister
Board member

Niklas Edling
Board member

Johan Stakeberg
Board member

Anders Mörck
Board member

Anna Kleine
Board member

Mikael Mårtensson
Employee representative

Richard Gonsalves
Employee representative

Our audit report and our review report for the Sustainability Report were issued on March 24, 2026

Öhrlings PricewaterhouseCoopers AB

Johan Palmgren
Authorized Public Accountant

Financial definitions

Adjusted EBIT

Operating profit excluding depreciation and amortization of excess values from acquisitions and goodwill, transaction and integration costs from acquisitions and restructuring costs.

Adjusted EBIT margin

Adjusted EBIT in relation to net sales.

Adjusted EBITDA

EBITDA excluding transaction and integration costs from acquisitions and restructuring costs.

Adjusted EBITDA margin

Adjusted EBITDA in relation to net sales.

Adjusted earnings per share

Share of adjusted profit after tax attributable to shareholders of the parent company in relation to the average numbers of shares outstanding.

Adjusted profit after tax

Profit after tax, excluding acquisition-related integration and transaction costs, restructuring costs, and non-recurring items.

Average number of shares outstanding

Average number of registered shares during the year, less repurchased shares, which are held by the company.

Basic earnings per share

Share of profit after tax attributable to shareholders of the parent company in relation to the average numbers of shares outstanding.

CAGR

Compound annual growth rate.

Capital employed

Balance sheet total less non-interest-bearing current liabilities and provisions as well as deferred tax liability.

Capital turnover rate

Net sales in relation to average balance sheet total.

Cash flow from operating activities per share

Cash flow from operating activities in relation to the average number of shares outstanding.

Company value

Market capitalization plus net debt.

Diluted earnings per share

Share of profit after tax attributable to shareholders of the parent company in relation to the average number of shares outstanding, plus the average number of shares that are added upon conversion of the outstanding number of convertibles and options.

EBIT

Operating profit including amortization and depreciation of intangible and tangible assets and before net financials and tax.

EBIT margin

EBIT in relation to net sales.

EBITDA

Operating profit excluding amortization and depreciation of intangible and tangible assets

EBITDA margin

EBITA in relation to net sales.

Equity per share

Average equity attributable to shareholders of the parent company in relation to the number of shares outstanding at the end of the period.

Financial assets

Non-current and current financial receivables plus cash and cash equivalents.

Gross margin

Gross profit in relation to net sales.

Net debt

Non-current and current interest-bearing liabilities plus contingent consideration and option liability less financial interest-bearing assets and cash and cash equivalents.

Net debt/equity ratio

Net debt in relation to equity.

Number of shares outstanding

Number of registered shares, less repurchased shares, which are held by the company.

Organic change

Change in order intake, net sales, and operating expenses, excluding increases attributable to acquisitions, translated at the previous year's exchange rates and calculated as a percentage of the previous year's figures. Amounts from acquired companies are included in the calculation of organic change from the end of the first month that falls 12 months after the acquisition date.

P/E ratio

Share price in relation to earnings per share.

Return on equity

Share of profit after tax attributable to shareholders of the parent company in relation to average equity.

Return on capital employed

Share of profit after financial income in relation to average capital employed.

Working capital

Current assets less cash and cash equivalents and current liabilities, calculated on average values.

Auditor's Report

To the AGM of HMS Networks AB (publ), CIN 556661-8954

Report on the annual accounts and consolidated accounts

Opinions

We have audited the annual accounts and consolidated accounts of HMS Networks AB (publ) for the year 2025, with the exception of the sustainability report on pages 46-117. The company's annual accounts and consolidated accounts are included on pages 46-173 of this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and give a true and fair view, in all material respects, of the financial position of the parent company as of 31 December 2025 and of 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 give a true and fair view, in all material respects, of the financial position of the group as of 31 December 2025 and of its 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 sustainability report on pages 46-117. The administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting adopt the income statement and balance sheet for the parent company and the group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the supplementary report that has been submitted to the parent company's audit committee in accordance with Article 11 of the Auditors Regulation (537/2014/EU).

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 these standards are further described in the Auditor's responsibilities section. We are independent of the parent company and the group in accordance with generally accepted auditing standards in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, to the best of our knowledge and belief, no prohibited services as referred to in Article 5(1) of the Auditors Regulation (537/2014/EU) 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..

Audit approach

Audit scope

We designed our audit by determining the materiality level and assessing the risk of material misstatement in the consolidated financial statements. We considered in particular those areas where the Managing Director and the Board of Directors made subjective judgments, such as significant accounting estimates that were made based on assumptions and forecasts of future events, which are inherently uncertain. As in all audits, we also considered the risk of the Board of Directors and the Managing Director overriding internal control, and, among other things, considered whether there was evidence of systematic deviations that gave rise to a risk of material misstatement due to fraud.

We tailored our audit to perform an appropriate review in order to be able to express an opinion on the financial statements as a whole, taking into account the Group's structure, accounting processes and controls, and the industry in which the Group operates.

Materiality

The scope and focus of the audit were influenced by our assessment of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements can arise from fraud or error. They 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 consolidated financial statements.

Based on professional judgment, we determined certain quantitative materiality measures, including for the financial statements as a whole. Using these and qualitative considerations, we determined the scope and focus of the audit and the nature, timing and extent of our audit procedures, as well as to assess the effect of individual and aggregate misstatements 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
<p>Impairment testing of goodwill</p> <p>As of December 31, 2025, goodwill amounts to SEK 3,870 million, which corresponds to 59% of the Group's total assets. As shown in Note 17, the Group's goodwill is attributable to three separate cash-generating units; Industrial Data Solutions, Industrial Network Technology and New Industries.</p> <p>In accordance with IAS 36, the Group tests goodwill for impairment at least annually. This test is performed by calculating the recoverable amount of the cash-generating units and comparing it with their carrying amount.</p> <p>The impairment test is material to our audit because goodwill represents significant amounts in the balance sheet and also includes an impairment test where management needs to make significant estimates and judgments about the future.</p> <p>Based on management's impairment test, the board has concluded that there is no need for goodwill impairment as of December 31, 2025. The most significant assumptions applied in this impairment test are described in Note 17.</p>	<p>Our audit procedures included an assessment of the mathematical accuracy of the cash flow calculations and a reconciliation of the cash flow forecasts against the budget and business plan.</p> <p>We have evaluated and assessed that the company's valuation model is consistent with accepted valuation techniques.</p> <p>We have assessed the sensitivity and impact on the impairment test of the assumptions that have the greatest effect on the impairment test, which include sustainable growth rate, sustainable operating margin and discount rate.</p> <p>Through our own sensitivity analyses, we have challenged the management's assumptions and tested the safety margins that exist and assessed the risk that an impairment requirement would arise.</p> <p>We have also assessed that the company has provided sufficient information in the annual report about the assumptions that, if changed, could result in an impairment of goodwill.</p>
<p>Debt regarding option</p> <p>As shown in Note 29, HMS has a so-called call/put option related to the remaining 20% of the shares in Owasys.</p> <p>Management's assessment is that the option will likely be exercised. This means that HMS recognizes a liability corresponding to the present value of the expected future cash outflow for the option, which amounts to SEK 110 million.</p> <p>The option liability amounts to a significant amount and includes calculations with significant estimates and assessments by management. This process involves management making estimates and assumptions, among other things, about the future performance of the business, the probability of exercising the call/put option and the market interest rate.</p> <p>The exercise price of the option is determined by the company's future EBITDA. The value is based on the company's business plan for 2028 multiplied by a multiple (10). The future expected future exercise price has then been discounted by a market interest rate during the term.</p>	<p>Our audit procedures to assess the accounting for the option liability have included a review of agreements relating to the transactions.</p> <p>We have evaluated and assessed the accuracy of the calculation model.</p> <p>We have evaluated and assessed management's significant estimates and assumptions in the valuation, such as future earnings development in relation to the business plan, probability of exercise of the option and market interest rate.</p> <p>Finally, we have also assessed the accuracy of the information provided by the Group in Note 29 regarding this liability.</p>

Other information than the annual accounts and the consolidated accounts

This document also contains information other than the annual accounts and consolidated accounts and is found on pages 1–33, 41–117, 120–123 and 179–180. The other information also consists of the Remuneration Report for 2025 that we obtained before the date of this auditor's report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this information and we do not express a qualified opinion on this other information.

In connection with our audit of the annual accounts and consolidated accounts, it is our responsibility to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this review, we also consider the knowledge we otherwise obtained during the audit and assess whether the information otherwise appears to be materially misstated.

If, based on the work performed on this information, we conclude that the other information contains a material misstatement, we are required to report that fact. We have nothing to report in that regard.

Responsibilities of the Board of Directors and the Managing Director

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

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the group's ability to continue as a going concern. They disclose, as applicable, matters related to going

concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Directors responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

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

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

Report on other legal and regulatory requirements

The auditor's examination of the administration of the company and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of HMS Networks AB (publ) for the year 2025 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of

Directors and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

Auditor's responsibility

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

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

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

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

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

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts [and consolidated accounts] in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for HMS Networks AB (publ) for the financial year 2025.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of HMS Networks AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors (and the Managing Director)

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts [and consolidated accounts].

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report have been marked with iXBRL in accordance with what follows from the Esef regulation.

Öhrlings PricewaterhouseCoopers AB, 113 21 Stockholm, was appointed auditor of HMS Networks AB (publ) by the general meeting of the shareholders on the 24 April 2025 and has been the company's auditor since the 14 January 2004.

Gothenburg 24 March 2026

Öhrlings PricewaterhouseCoopers AB

Johan Palmgren

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.

Financial data in summary (MSEK)	2025	2024	2023	2022	2021
Order intake and net sales					
Order intake	3,456	2,812	2,303	3,064	2,538
Net sales	3,577	3,059	3,025	2,506	1,972
Net sales growth (%)	17	1	21	27	34
Profitability ratios					
Gross profit	2,253	1,916	1,967	1,577	1,230
Gross margin (%)	63	63	65	63	62
Adjusted EBITDA	1,064	796	877	760	548
Adjusted EBITDA (%)	30	26	29	30	28
Adjusted EBIT	911	665	792	675	466
Adjusted EBIT %	25	22	26	27	24
EBIT	762	503	753	653	446
EBIT (%)	21	16	25	26	23
Adjusted profit after tax	689	472	610	530	382
Profit after tax	435	310	571	508	362
End-of-year position and cash flow					
Balance sheet total	6,600	7,498	3,011	2,730	2,204
Equity attributable to HMS Networks AB's shareholders	3,476	3,504	1,933	1,610	1,177
Non-controlling interests	2	1	-	-	-
Cash flow from operating activities	877	592	519	431	508
Return ratios					
Return on capital employed (%)	13	11	36	41	33
Return on equity (%)	13	11	32	38	29
Financial strength					
Net debt/equity ratio (%)	68	94	15	19	30
Equity ratio (%)	53	47	64	59	53
Capital turnover rate	0.51	0.57	1.02	1.04	1.01
Share data					
Equity per share, SEK	68.35	55.54	37.82	28.97	26.15
Cash flow from operating activities per share, SEK	17.48	12.14	11.12	9.24	10.90
Adjusted basic earnings per share	13.73	9.65	13.07	11.36	8.20
Basic earnings per share, SEK	8.66	6.35	12.23	10.89	7.61
Diluted earnings per share, SEK	8.65	6.34	12.19	10.85	7.57
Dividend per share, SEK ¹	4.80	-	4.40	4.00	3.00
Total number of shares (average, thousands)	50,319	48,919	46,819	46,819	46,819
Shares held in treasury (average, thousands)	138	147	166	174	158
Total number of shares outstanding (average, thousands)	50,181	48,772	46,653	46,645	46,660
Other information					
Investments in non-current assets, including acquisitions	151	4,328	200	191	48
Average number of employees (FTE)	1,068	1,059	803	726	684

¹ The Board's proposal

Annual General Meeting on April 23, 2026

The shareholders of HMS Networks AB (publ), CIN 556661-8954, are hereby invited to the Annual General Meeting, which will be held at 10.30 a.m. on Thursday April 23, 2026, at the HMS head office, Stationsgatan 37, Halmstad. Registration for the Annual General Meeting will begin at 9.30 a.m.

Right to participate in the Annual General Meeting

Shareholders who wish to participate in the Annual General Meeting must be registered in the share register kept by Euroclear Sweden AB (the Swedish Central Securities Depository) on Wednesday April 15, 2026, and give notice of their intention to participate in the Annual General Meeting no later than on Friday April 17, 2026, preferably before 4 p.m.

Notification shall be made by phone +46 (0)35 17 29 00, in writing to HMS Networks AB, "Annual General Meeting", P.O. Box 4126, 300 04 Halmstad, Sweden or via the website: www.hms-networks.com. The notification should include name, personal ID number/CIN, address, daytime telephone number and, when applicable, information on assistants (no more than two).

Proxies

If a shareholder is represented by a proxy, a proxy should be issued with a power of attorney for the proxy. Anyone representing a legal entity must present a copy of the registration certificate, or other document demonstrating the signatory's authority to sign for the legal entity. The power of attorney may not be more than one year old, unless a longer period of validity is stated in the power of attorney (no more than five years). The power

of attorney in original and, if applicable, registration certificate must be sent to HMS Networks AB, "Annual General Meeting", P.O. Box 4126, 300 04 Halmstad, Sweden or by email to agm@innovatics.se, well in advance of the Annual General Meeting. A form of power of attorney is available on the HMS website www.hms-networks.com and at the company's head office.

Nominee registered shares

In order to be entitled to participate in the Annual General Meeting, a shareholder whose shares are registered in the name of a nominee must, in addition to giving notice of participation in the Annual General Meeting, register its shares in its own name so that the shareholder is listed in the presentation of the share register as of Wednesday April 15, 2026. Such registration may be temporary (so-called voting rights registration), and request for such voting rights registration shall be made to the nominee in accordance with the nominee's routines at such a time in advance as decided by the nominee. Voting rights registrations that have been made by the nominee no later than Friday April 17, 2026, will be taken into account in the presentation of the share register.

Halmstad, March 2026
HMS Networks AB (publ)
Board of Directors



Follow HMS at www.hms-networks.com

All interim reports, annual reports and certain presentations are available on the HMS website: www.hms-networks.com/ir. A printed version of the annual report can be ordered by emailing ir@hms.se. Please make sure to include a complete delivery adress.

Important reporting dates

- ☐ April 23, 2026 **First quarter Report**
- ☐ April 23, 2026 **Annual General Meeting**
- ☐ July 14, 2026 **Half-year Report**
- ☐ October 21, 2026 **Third quarter Report**



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<https://www.instagram.com/hmsnetworks>



<https://x.com/hmsnetworks>



<https://www.linkedin.com/company/hmsnetworks>



<https://www.youtube.com/HMSNetworks>

HMS – A leading company within industrial ICT (Information & Communication Technology)

HMS develops and manufactures hardware and software for Industrial Information and Communication Technology. Our products enable industrial hardware such as robots, sensors, HVAC units etc. to communicate and share information with different industrial networks, building automation systems and IoT-applications.

HMS solutions connect millions of devices, machines and systems around the world and enable our customers to become more productive and sustainable. Our long expertise, large installed base, and wide market coverage, make us the market leader in our field.



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