

INTERIM REPORT

Vidhance AB (publ)

vidhance

1 January – 30 September

2026

Interim report

Vidhance AB 1 January – 30 September 2026

Report highlights

The financial information in the introduction to this report relates to the Group unless otherwise stated.

This English versionof the interim report has been machine-translated from the Swedish original and is provided as a courtesy. In the event of any discrepancies between the two versions, the Swedish version shall prevail.

	Third quarter, July – September 2026	Period January – September 2026
Net sales	for the quarter amounted to MSEK 4.0 (3.8).	for the period amounted to MSEK 11.4 (13.9).
EBITDA	for the quarter amounted to MSEK -2.4 (-3.9).	for the period amounted to MSEK -13.3 (-14.5).
Profit/loss after tax	for the quarter amounted to MSEK -2.3 (-5.1).	for the period amounted to MSEK -14.0 (-19.5).
Earnings per share	for the quarter amounted to SEK -0.51 (-1.12).	for the period amounted to SEK -3.05 (-4.26).
Cash flow after investments	for the quarter amounted to MSEK -4.4 (-5.2).	for the period amounted to MSEK -15.0 (-15.6).
Cash and cash equivalents	at the balance sheet date amounted to MSEK 14.4 (34.1).	at the balance sheet date amounted to MSEK 14.4 (34.1).
Equity	at the balance sheet date amounted to MSEK 16.9 (37.2).	at the balance sheet date amounted to MSEK 16.9 (37.2).

Significant events during the quarter

On 7 July, Vidhance announced the first commercial launch of AI Composition in a flagship smartphone from a leading consumer electronics manufacturer.

On 10 September, it was announced that senior executives, a Board member and other employees had acquired a total of 229,000 shares from Quinary Equity AB.

Significant events after the end of the quarter

On 21 October, Vidhance announced that its software is included in a new body-worn AI product from a North American technology company. The product is based on Qualcomm Snapdragon Wear Elite and is expected to reach the market before the end of 2026.

CEO's statement

In the third quarter, we continued along the path established in the previous quarter. Revenue was broadly in line with the level in the second quarter, despite this being one of our seasonally weaker quarters. Net sales amounted to MSEK 4.0 (3.8), EBITDA to MSEK -2.4 (-3.9) and cash flow after investments to MSEK -4.4 (-5.2). Cash and cash equivalents at the balance sheet date amounted to MSEK 14.4. Cash flow reflects both the impact of lower revenue in previous quarters on cash receipts and payments relating to one-off items expensed during the second quarter.

The seasonal effect arises because few new smartphones are launched during these months and our consumer revenue follows launch cycles. Maintaining revenue at the same level despite these seasonal headwinds is a sign of stabilisation. In July, we also completed the first commercial launch of AI Composition, our first Edge AI product, in a flagship smartphone.

Progress is also being driven by our new business area, Defence and Vision Systems, which continued to grow during the quarter and is making an increasing contribution to revenue. It is becoming an increasingly important second pillar alongside Consumer Technologies, which remains our largest business area. Broadening our revenue base in this way also reduces our dependence on individual markets and on the US dollar.

Defence and Vision Systems is still at an early stage, with a small but growing number of customers. The limited number of deals is one of the main reasons for the uneven order flow. Another is that a deal often starts with a small test project before it can grow in volume. Together, these factors mean that revenue varies considerably from quarter to quarter and is difficult to forecast. This is also why we do not yet report Defence and Vision Systems as a separate segment, which we will do once the pattern between quarters becomes more consistent.

The cost reductions we implemented, mainly during the second quarter, are now beginning to show in our figures. Our new, lower cost base will take full effect in the fourth quarter. After the end of the quarter, we announced that our technology is included in a new AI device from a global technology company based in North America.
The device has been announced by its manufacturer and is expected to reach the market before the end of the year. It is the first AI-powered consumer product beyond smartphones to feature Vidhance technology, confirming both the breadth of our technology and that AI has already become a new driver for our business.

I also visited Ukraine during the period, a very different and rewarding trip in many respects. It is important for us to understand the needs of drone manufacturers and users, and where our technology can contribute in the future.



Johan Bolin and Erik Rudolphi of Vidhance during their visit to Ukraine in September 2026.

Defence technology is advancing very rapidly, a pace we know well from consumer electronics and smartphones, and one that is particularly evident in Ukraine.

Outlook
In 2025, we withdrew our financial targets because the market was very challenging and we needed to change our strategy. The new strategy is now being implemented, and since the first quarter of this year we have maintained a clear direction, with substantially reduced costs and improved earnings, aiming for profitability as our next important milestone.

In Consumer Technologies, the underlying market is weak and under pressure, making it very difficult to forecast. At the same time, we continue to win new customers, and we believe there is scope for modest growth in our own business in 2027. Defence and Vision Systems is growing well, although its development is difficult to forecast on a quarterly basis while the business area is still being established.

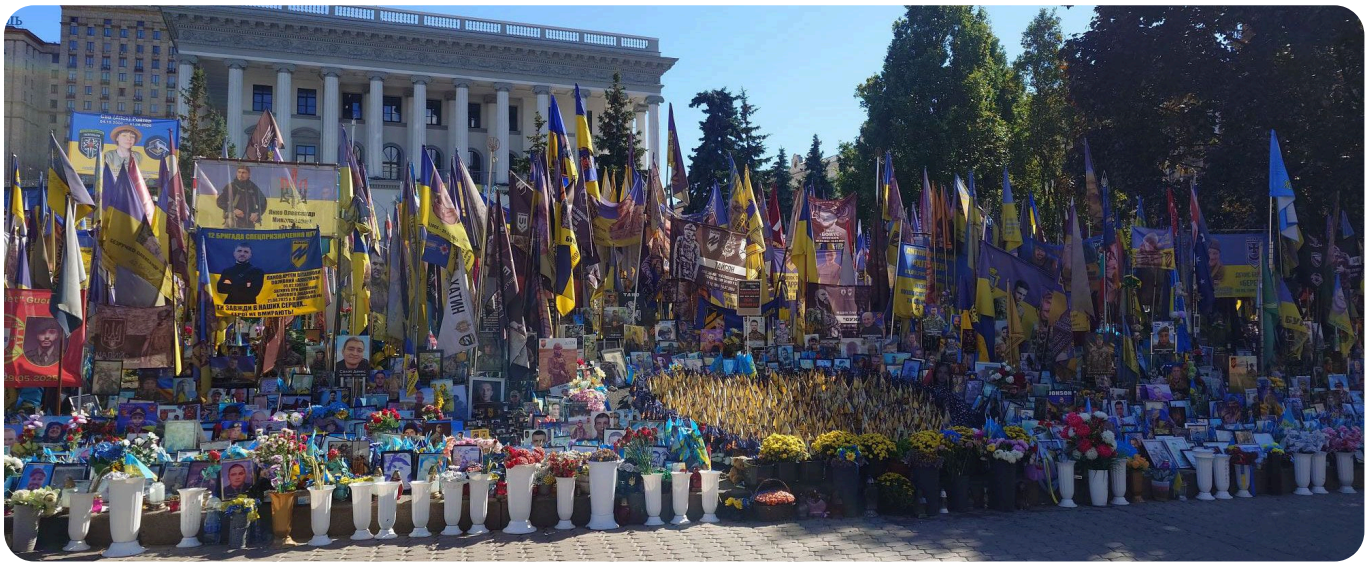
Macroeconomic factors, including tariffs and rising silicon and memory prices, had a significant adverse impact on us throughout 2025 and have continued to do so in 2026. Overall, however, we expect the positive progress towards profitability seen during the second and third quarters to continue into the first half of 2027, provided that macroeconomic conditions do not deteriorate significantly.

Webcast presentation on 20 November
On 20 November at 13:00, Niclas Elvgren and I will hold a live investor presentation focusing on our new strategy and how we are broadening our business from smartphones into defence and telemedicine. We will also review the third quarter. Questions can be asked during the broadcast and no registration is required. Further information is available at vidhance.com and on LinkedIn.

My warm thanks to our employees, customers and shareholders for their continued trust and commitment.

Uppsala, November 2026
Johan Bolin
Chief Executive Officer



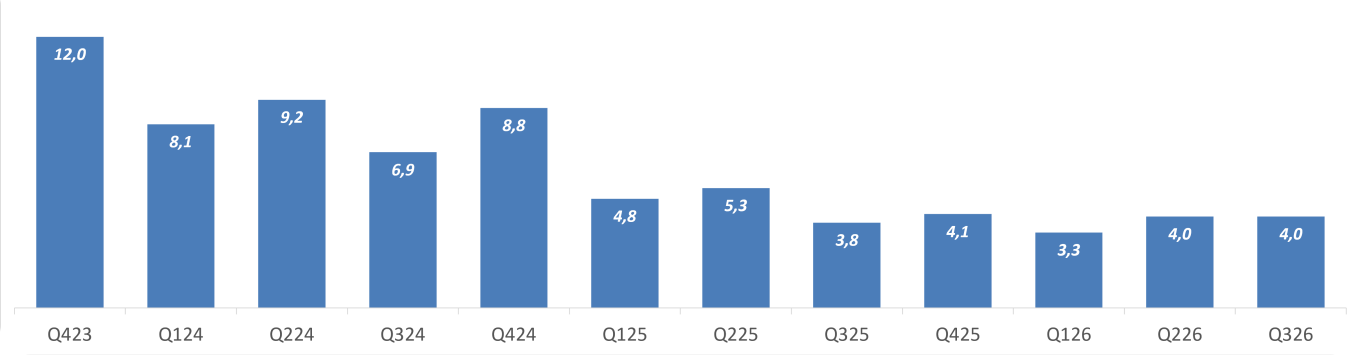


Above: Flags commemorating the fallen in Independence Square in Kyiv.
Below: Destroyed Russian military vehicles on display in Mykhailivska Square in Kyiv.

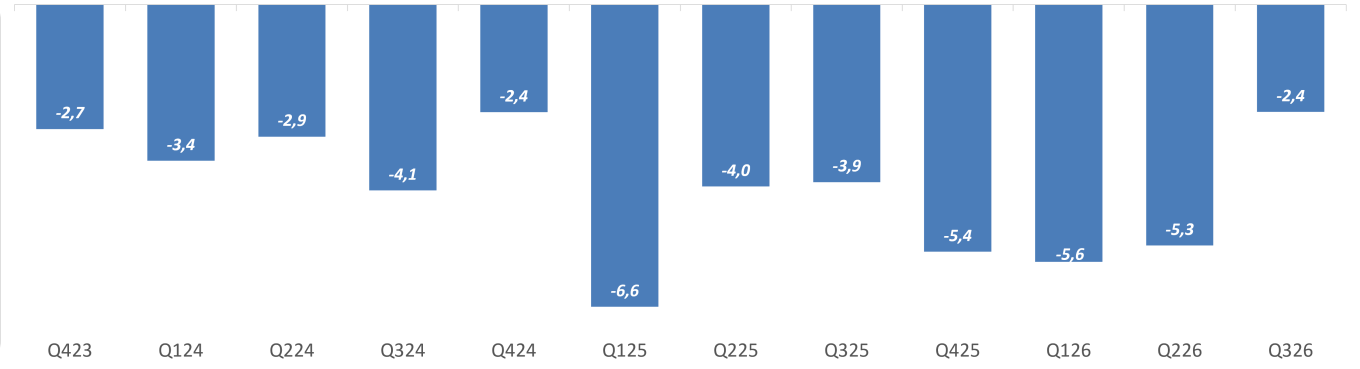


Vidhance's performance

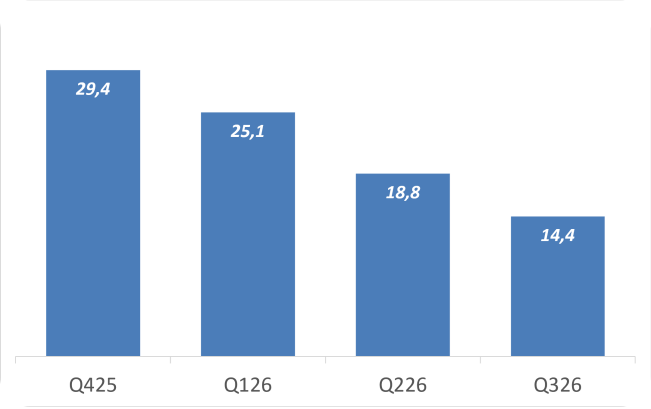
Net sales per quarter (12 quarters)
(MSEK)



EBITDA per quarter (12 quarters)
(MSEK)



Cash and cash equivalents (4 quarters)
(MSEK)



Comments on performance

Cost savings implemented and lower depreciation and amortisation have improved the quarter's earnings. Cash flow was affected by payments relating to one-off items expensed during the second quarter.

Financial performance

1 July – 30 September 2026

Net sales and capitalised expenditure

Net sales for the quarter amounted to KSEK 4,030 (3,757).



Expenses

Operating expenses during the quarter amounted to KSEK 6,522 (9,133), comprising other external expenses of KSEK 2,911 (3,409), personnel expenses of KSEK 3,521 (4,344) and depreciation and amortisation of KSEK 91 (1,380).

Earnings

The result after financial items and the result after tax for the quarter both amounted to KSEK -2,344 (-5,125), or SEK -0.51 (-1.12) per share.

Cash flow and liquidity

Cash flow for the quarter amounted to KSEK -4,397 (-5,223), or SEK -0.96 (SEK -1.14) per share. Cash flow from operating activities amounted to KSEK -4,364 (-5,223), or SEK -0.95 (SEK -1.14) per share, and cash flow after investments amounted to KSEK -4,397 (-5,223), or SEK -0.96 (SEK -1.14) per share. Cash and cash equivalents at the balance sheet date were MSEK 14.4 (34.1).

Investments

During the quarter, Vidhance invested KSEK 33 (0) in property, plant and equipment and KSEK 0 (0) in intangible assets.

Financial performance

1 July – 30 September 2026

Tax losses

Vidhance's continued expansion into new business areas is initially expected to result in accounting losses and tax losses. A deferred tax asset in respect of tax loss carryforwards is recognised to the extent that it is probable that the losses can be utilised against future taxable profits. The Board considers that the criteria for recognising a deferred tax asset are not currently met. As at 31 December 2025, tax losses amounted to MSEK 67.4.

Employees

The number of employees as at 30 September 2026 was 15 (21), and consultants equivalent to 5 (3) full-time positions were also engaged during the quarter. The total workforce, including employees and consultants, was therefore 20 (24).

Share capital

Vidhance's share capital amounts to SEK 9,157,563, divided into 4,578,781 outstanding shares. The quota value is approximately SEK 2 per share.

Significant risks and uncertainties

Vidhance is exposed to risks and uncertainties through its operations. Information about the Company's risks and uncertainties is provided in the 2025 annual report. These are consistent with the risks identified by the Company today.

The share

Vidhance AB's share is listed on Spotlight Stock Market under the ticker VIDH. The share's ISIN is SE0021309937. As at 30 September 2026, the Company had approximately 2,300 shareholders. The 10 largest shareholders as at 30 September 2026 are listed below.

Name	Holding
Johan Bolin	3.49%
Andreas Lifvendahl	2.48%
Quinary Equity AB	1.83%
Peter Wieslander	1.77%
Olov Näslund	1.75%
Niclas Elvgren	1.42%
Max Metelius	1.31%
Torsten Larsson	1.30%
Mats Hedin	1.22%
Joakim Marklund	1.16%

Financial performance – Group

KSEK (unless otherwise stated)	1 Jul–30 Sep 2026	1 Jul–30 Sep 2025	1 Jan–30 Sep 2026	1 Jan–30 Sep 2025	1 Jan–31 Dec 2025
Net sales	4,030	3,757	11,388	13,854	17,990
Capitalised work for own account	-	-	-	-	-
Operating expenses	-6,522	-9,133	-25,758	-35,031	-45,623
EBITDA	-2,354	-3,895	-13,282	-14,517	-19,938
Operating profit/loss	-2,444	-5,275	-14,229	-19,623	-26,078
Profit/loss after financial items	-2,344	-5,125	-13,975	-19,487	-25,883
Profit/loss after tax	-2,344	-5,125	-13,975	-19,487	-25,883
Net cash flow after investments	-4,397	-5,223	-15,024	-15,555	-20,212
Cash flow from financing activities	-	-	-	-	-
Cash and cash equivalents at the balance sheet date	14,374	34,053	14,374	34,053	29,398
Equity at the balance sheet date	16,862	37,233	16,862	37,233	30,837

Key figures	1 Jul–30 Sep 2026	1 Jul–30 Sep 2025	1 Jan–30 Sep 2026	1 Jan–30 Sep 2025	1 Jan–31 Dec 2025
Return on equity, %	-13.90%	-13.77%	-82.88%	-52.34%	-83.93%
Return on capital employed, %	-13.90%	-13.77%	-82.88%	-52.34%	-83.93%
Equity ratio	79%	88%	79%	88%	82%
Net investments in property, plant and equipment	33	-	104	202	291
Net investments in intangible assets	-	-	263	-	-
Workforce at the end of the period (including consultants)	20	24	20	24	25
Earnings per share, SEK	-0.51	-1.12	-3.05	-4.26	-5.65
Equity per share, SEK	3.68	8.13	3.68	8.13	6.73
Cash flow from operating activities per share, SEK	-0.95	-1.14	-3.20	-3.44	-4.44
Cash flow after investments per share, SEK	-0.96	-1.14	-3.28	-3.40	-4.41
Cash flow per share, SEK	-0.96	-1.14	-3.28	-3.40	-4.41

Income statement – Group

Income statement KSEK (unless otherwise stated)	1 Jul–30 Sep 2026	1 Jul–30 Sep 2025	1 Jan–30 Sep 2026	1 Jan–30 Sep 2025	1 Jan–31 Dec 2025
Operating revenue					
Net sales	4,030	3,757	11,388	13,854	17,990
Other operating income	49	101	141	1,553	1,555
Capitalised work for own account	-	-	-	-	-
Total	**4,078**	**3,858**	**11,529**	**15,407**	**19,545**
Operating expenses					
Other external expenses	-2,911	-3,409	-10,463	-12,079	-16,356
Personnel expenses	-3,521	-4,344	-14,348	-17,845	-23,127
Depreciation, amortisation and impairment losses	-91	-1,380	-947	-5,106	-6,141
Total operating expenses	**-6,522**	**-9,133**	**-25,758**	**-35,031**	**-45,623**
Operating profit/loss	**-2,444**	**-5,275**	**-14,229**	**-19,623**	**-26,078**
Financial income and expenses					
Other interest income and similar items	100	150	255	582	686
Other interest expenses and similar items	0	0	-1	-446	-490
Net financial items	**100**	**150**	**254**	**137**	**195**
Profit/loss after financial items	**-2,344**	**-5,125**	**-13,975**	**-19,487**	**-25,883**
Tax on profit/loss for the year	-	-	-	-	-
Profit/loss for the period	**-2,344**	**-5,125**	**-13,975**	**-19,487**	**-25,883**
Weighted average number of shares, thousands, before dilution	4,579	4,579	4,579	4,579	4,579
Weighted average number of shares, thousands, after dilution	4,579	4,579	4,579	4,579	4,579
Number of shares outstanding at the balance sheet date, thousands	4,579	4,579	4,579	4,579	4,579
Basic earnings per share, SEK	-0.51	-1.12	-3.05	-4.26	-5.65
Diluted earnings per share, SEK	-0.51	-1.12	-3.05	-4.26	-5.65

Balance sheet – Group

Balance sheet KSEK (unless otherwise stated)	30 Sep 2026	30 Sep 2025	31 Dec 2025
Assets			
Non-current assets			
Intangible assets			
Capitalised development expenditure and patent costs	214	1,619	699
Property, plant and equipment			
Machinery and equipment	339	461	433
Non-current financial assets			
Non-current receivables	1,322	1,322	1,322
Total non-current assets	**1,875**	**3,402**	**2,454**
Current assets			
Trade and other receivables	5,164	4,627	5,750
Cash and cash equivalents	14,374	34,053	29,398
Total current assets	**19,538**	**38,680**	**35,149**
TOTAL ASSETS	**21,413**	**42,082**	**37,603**
Equity and liabilities			
Equity			
Share capital	9,158	9,158	9,158
Other contributed capital	96,106	96,106	96,106
Other equity including profit/loss for the period	-88,402	-68,031	-74,427
Total equity	**16,862**	**37,233**	**30,837**
Provisions and liabilities			
Current liabilities	4,551	4,849	6,766
Total provisions and liabilities	**4,551**	**4,849**	**6,766**
TOTAL EQUITY AND LIABILITIES	**21,413**	**42,082**	**37,603**

Cash flow statement – Group

Cash flow statement KSEK (unless otherwise stated)	1 Jul–30 Sep 2026	1 Jul–30 Sep 2025	1 Jan–30 Sep 2026	1 Jan–30 Sep 2025	1 Jan–31 Dec 2025
Operating activities					
Operating profit/loss	-2,444	-5,275	-14,229	-19,623	-26,078
Adjustments for non-cash items					
Depreciation and amortisation	91	1,380	947	5,106	6,141
Interest received	100	148	255	582	686
Interest paid	0	1	-1	-446	-490
Cash flow from operating activities before changes in working capital	-2,254	-3,746	-13,028	-14,381	-19,742
Changes in working capital	-2,110	-1,477	-1,629	-1,381	-588
Cash flow from operating activities	-4,364	-5,223	-14,657	-15,762	-20,330
Investing activities					
Investments in property, plant and equipment	-33	-	-104	-202	-291
Investments in intangible assets	0	-	-263	-	-
Change in non-current financial assets	0	-	-	409	409
Cash flow from investing activities	-33	-	-367	207	118
Cash flow after investments	-4,397	-5,223	-15,024	-15,555	-20,212
Financing activities					
Dividends paid	-	-	-	-	-
Option premiums received	-	-	-	-	-
Cash flow from financing activities	-	-	-	-	-
CASH FLOW FOR THE PERIOD	-4,397	-5,223	-15,024	-15,555	-20,212
Cash and cash equivalents at the beginning of the period	18,771	39,276	29,398	49,609	49,609
Exchange rate differences in cash and cash equivalents	-	-	-	-	2
Cash and cash equivalents at the end of the period	14,374	34,053	14,374	34,053	29,398

Statement of changes in equity – Group

KSEK (unless otherwise stated)	Share capital	Other contributed capital	Other equity incl. profit/loss for the period	Total equity
Opening balance 2025-01-01	**9,158**	**96,106**	**-48,544**	**56,720**
Profit/loss for the period			-19,487	-19,487
Closing balance 2025-09-30	**9,158**	**96,106**	**-68,031**	**37,233**

	Share capital	Other contributed capital	Other equity incl. profit/loss for the period	Total equity
Opening balance 2026-01-01	**9,158**	**96,106**	**-74,427**	**30,837**
Profit/loss for the period			-13,975	-13,975
Closing balance 2026-09-30	**9,158**	**96,106**	**-88,402**	**16,862**

Financial performance – Parent Company

KSEK (unless otherwise stated)	1 Jul–30 Sep 2026	1 Jul–30 Sep 2025	1 Jan–30 Sep 2026	1 Jan–30 Sep 2025	1 Jan–31 Dec 2025
Net sales	4,030	3,757	11,388	13,854	17,990
Capitalised work for own account	-	-	-	-	-
Operating expenses	-6,522	-9,133	-25,758	-35,031	-45,623
EBITDA	-2,354	-3,895	-13,282	-14,517	-19,938
Operating profit/loss	-2,444	-5,275	-14,229	-19,623	-26,078
Profit/loss after financial items	-2,344	-5,125	-13,975	-19,487	-25,883
Profit/loss after tax	-2,344	-5,125	-13,975	-19,487	-25,883
Net cash flow after investments	-4,397	-5,223	-15,074	-15,555	-20,212
Cash flow from financing activities	-	-	-	-	-
Cash and cash equivalents at the balance sheet date	14,324	34,053	14,324	34,053	29,398
Equity at the balance sheet date	16,862	37,233	16,862	37,233	30,837

Key figures	1 Jul–30 Sep 2026	1 Jul–30 Sep 2025	1 Jan–30 Sep 2026	1 Jan–30 Sep 2025	1 Jan–31 Dec 2025
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Equity ratio	79%	88%	79%	88%	82%
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Net investments in intangible assets	-	-	263	-	-
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Cash flow from operating activities per share, SEK	-0.95	-1.14	-3.20	-3.44	-4.44
Cash flow after investments per share, SEK	-0.96	-1.14	-3.29	-3.40	-4.41
Cash flow per share, SEK	-0.96	-1.14	-3.29	-3.40	-4.41

Income statement – Parent Company

Income statement KSEK (unless otherwise stated)	1 Jul–30 Sep 2026	1 Jul–30 Sep 2025	1 Jan–30 Sep 2026	1 Jan–30 Sep 2025	1 Jan–31 Dec 2025
Operating revenue					
Net sales	4,030	3,757	11,388	13,854	17,990
Other operating income	49	101	141	1,553	1,555
Capitalised work for own account	-	-	-	-	-
Total	**4,078**	**3,858**	**11,529**	**15,407**	**19,545**
Operating expenses					
Other external expenses	-2,911	-3,409	-10,463	-12,079	-16,356
Personnel expenses	-3,521	-4,344	-14,348	-17,845	-23,127
Depreciation, amortisation and impairment losses	-91	-1,380	-947	-5,106	-6,141
Total operating expenses	**-6,522**	**-9,133**	**-25,758**	**-35,031**	**-45,623**
Operating profit/loss	**-2,444**	**-5,275**	**-14,229**	**-19,623**	**-26,078**
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Other interest income and similar items	100	150	255	582	686
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Profit/loss after financial items	**-2,344**	**-5,125**	**-13,975**	**-19,487**	**-25,883**
Tax on profit/loss for the year	-	-	-	-	-
Profit/loss for the period	**-2,344**	**-5,125**	**-13,975**	**-19,487**	**-25,883**
Weighted average number of shares, thousands, before dilution	4,579	4,579	4,579	4,579	4,579
Weighted average number of shares, thousands, after dilution	4,579	4,579	4,579	4,579	4,579
Number of shares outstanding at the balance sheet date, thousands	4,579	4,579	4,579	4,579	4,579
Basic earnings per share, SEK	-0.51	-1.12	-3.05	-4.26	-5.65
Diluted earnings per share, SEK	-0.51	-1.12	-3.05	-4.26	-5.65

Balance sheet – Parent Company

Balance sheet KSEK (unless otherwise stated)	30 Sep 2026	30 Sep 2025	31 Dec 2025
Assets			
Non-current assets			
Intangible assets			
Capitalised development expenditure and patent costs	214	1,619	699
Property, plant and equipment			
Machinery and equipment	339	461	433
Non-current financial assets			
Shares in Group companies	50	-	-
Non-current receivables	1,322	1,322	1,322
Total non-current assets	**1,925**	**3,402**	2,454
Current assets			
Trade and other receivables	5,164	4,627	5,750
Cash and cash equivalents	14,324	34,053	29,398
Total current assets	**19,488**	**38,680**	**35,149**
TOTAL ASSETS	**21,413**	**42,082**	**37,603**
Equity and liabilities			
Equity			
Share capital	9,158	9,158	9,158
Reserve for development expenditure	-	1,619	699
Profit/loss for the period	-13,975	-19,487	-25,883
Other unrestricted equity	21,679	45,943	46,863
Total equity	**16,862**	**37,233**	30,837
Provisions and liabilities			
Current liabilities	4,551	4,849	6,766
Total provisions and liabilities	**4,551**	**4,849**	**6,766**
TOTAL EQUITY AND LIABILITIES	**21,413**	**42,082**	**37,603**

Cash flow statement – Parent Company

Cash flow statement KSEK (unless otherwise stated)	1 Jul–30 Sep 2026	1 Jul–30 Sep 2025	1 Jan–30 Sep 2026	1 Jan–30 Sep 2025	1 Jan–31 Dec 2025
Operating activities					
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Adjustments for non-cash items					
Depreciation and amortisation	91	1,380	947	5,106	6,141
Interest received	100	148	255	582	686
Interest paid	-	1	-1	-446	-490
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Investing activities					
Investments in property, plant and equipment	-33	-	-104	-202	-291
Investments in intangible assets	-	-	-263	-	-
Change in non-current financial assets	-	-	-50	409	409
Cash flow from investing activities	-33	-	-417	207	118
Cash flow after investments	-4,397	-5,223	-15,074	-15,555	-20,212
Financing activities					
Dividends paid	-	-	-	-	-
Option premiums received	-	-	-	-	-
Cash flow from financing activities	-	-	-	-	-
CASH FLOW FOR THE PERIOD	-4,397	-5,223	-15,074	-15,555	-20,212
Cash and cash equivalents at the beginning of the period	18,721	39,276	29,398	49,609	49,609
Exchange rate differences in cash and cash equivalents	-	-	-	-	2
Cash and cash equivalents at the end of the period	14,324	34,053	14,324	34,053	29,398

Statement of changes in equity – Parent Company

KSEK (unless otherwise stated)	Share capital	Reserve for development expenditure	Share premium reserve	Accumulated losses	Total shareholders' equity
Opening balance 2025-01-01	**9,158**	**6,328**	**96,106**	**-54,872**	**56,720**
Earnings					
Profit/loss for the period				-19,487	-19,487
Change in reserve for development expenditure		-4,708		4,708	-
Transactions with shareholders					
Dividends paid					-
Share issue costs					-
Closing balance 2025-09-30	**9,158**	**1,619**	**96,106**	**-69,650**	**37,233**

	Share capital	Reserve for development expenditure	Share premium reserve	Accumulated losses	Total shareholders' equity
Opening balance 2026-01-01	**9,158**	**699**	**96,106**	**-75,126**	**30,837**
Earnings					
Profit/loss for the period				-13,975	-13,975
Change in reserve for development expenditure		-699		699	-
Transactions with shareholders					
Dividends paid					-
Share issue costs					-
Closing balance 2026-09-30	**9,158**	**0**	**96,106**	**-88,402**	**16,862**

Accounting policies and notes

Note 1: Accounting policies

This interim report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general guidance BFNAR 2012:1 Annual Accounts and Consolidated Accounts (K3), and in accordance with Spotlight's financial reporting rules. The accounting policies are otherwise unchanged from the previous period.

The financial information covers the Group and the Parent Company, Vidhance AB (publ). The Group comprises the Parent Company and its wholly owned subsidiaries Vidhance Consumer Technologies AB and Vidhance Defence and Vision Systems AB, which were incorporated on 9 February 2026. The subsidiaries are consolidated from the date on which control was obtained. Intragroup assets, liabilities, income, expenses and cash flows are eliminated in full. The subsidiaries had no operations as at the balance sheet date.

The comparative figures for 2025 relate to the Parent Company, Vidhance AB (publ), as no group with subsidiaries existed during the comparative periods.

Going concern assumption: The Board has carried out an updated assessment of the financial position and liquidity of the Group and the Parent Company and considers that sufficient cash and cash equivalents and financing options are available for the Group and the Parent Company to meet their payment obligations for at least twelve months from the balance sheet date. This assessment is unchanged from that presented in the latest annual report.

Note 2: Related party transactions

No related party transactions requiring disclosure took place during the period.

Note 3: Other external expenses

Other external expenses include, among other items, costs for consultants, personnel in China through Business Sweden, patents, marketing, IT and telecommunications, withholding taxes in China, rent and travel.

Note 4: Royalty revenue

Part of the Company's revenue consists of royalties based on the number of units sold. In some cases, agreements with manufacturers contain parameters under which revenue per unit sold depends on sales volume. The Company estimates the number of units that will be sold, and its average revenue per unit is based on this estimated volume. Actual volumes may differ from the Company's estimates, which means that the average revenue per unit sold may also differ.

Note 5: Definitions and key performance indicators

- **Return on equity:** Profit/loss after financial items in relation to equity.
- **Return on capital employed:** Profit/loss after financial items in relation to capital employed. Since Vidhance has no interest-bearing liabilities, capital employed equals equity, which means that this key figure is identical to return on equity.
- **Equity per share:** Equity divided by the number of shares at the balance sheet date.
- **EBITDA:** Calculated as operating profit/loss plus depreciation, amortisation and impairment losses on non-current assets, less capitalised work for own account.
- **Weighted average number of shares:** The weighted average number of shares in Vidhance has been calculated by weighting the historical number of outstanding shares in Vidhance following each new share issue by the number of days for which the respective number of shares was outstanding.
- **Cash flow from operating activities per share:** Cash flow from operating activities divided by the weighted average number of shares.
- **Cash flow after investments:** Cash flow from operating activities plus cash flow from investing activities.
- **Cash flow per share**: Cash flow for the period divided by the weighted average number of shares.
- **Earnings per share:** Net profit/loss divided by the weighted average number of shares.
- **Equity ratio:** Equity in relation to total assets.
- **Capital employed:** Total assets less non-interest-bearing liabilities.

The Board of Directors and the Chief Executive Officer have approved this interim report and consider that it gives a true and fair view of the operations, financial position and results of the Group and the Parent Company and describes the significant risks and uncertainties facing the Group and the Parent Company. This interim report has not been reviewed by the Company's auditor.

Uppsala, 18 November 2026
Johan Bolin, Chief Executive Officer



Financial calendar

2027-02-24 Year-end report 2026

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