



Nederman

We shape
the future
for clean air

The Clean
Air Company

Annual and Sustainability
Report 2022

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DIRECTORS' REPORT

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INFORMATION ON DATA IN THIS REPORT

Figures in brackets refer to business activities in 2021 unless otherwise stated. The currency used throughout is Swedish krona (SEK). Millions of Swedish kronor is abbreviated to SEKm and thousands of Swedish kronor to SEKt. The information presented in the Annual Report concerning markets, competition and future growth are Nederman's assessments based primarily on material compiled internally within the group.

Nederman's sustainability report for 2022 has been prepared in accordance with GRI Standards, see GRI index on page 72. The sustainability report, with the exception of the information according to the EU taxonomy regulation on page 64, has been reviewed by Ernst & Young.

World-leading position for continued growth

More than 75 years ago, Nederman was already a pioneer within working environments and clean air. Our determination to address the environmental challenges of industry through innovative solutions and cost-effective production has led to continuous expansion and a world-leading position in industrial air filtration. Today, expansion and value creation is achieved through digitalisation and servicification, and we are still at the forefront of development. This is how Nederman as an environmental technology company and global leader, creates value and growth – for our customers, for our operating environment and for our owners.

We protect people, planet and production

BETTER AIR QUALITY

Ensuring improved and sustainable air quality for more people.

BETTER USE OF RESOURCES

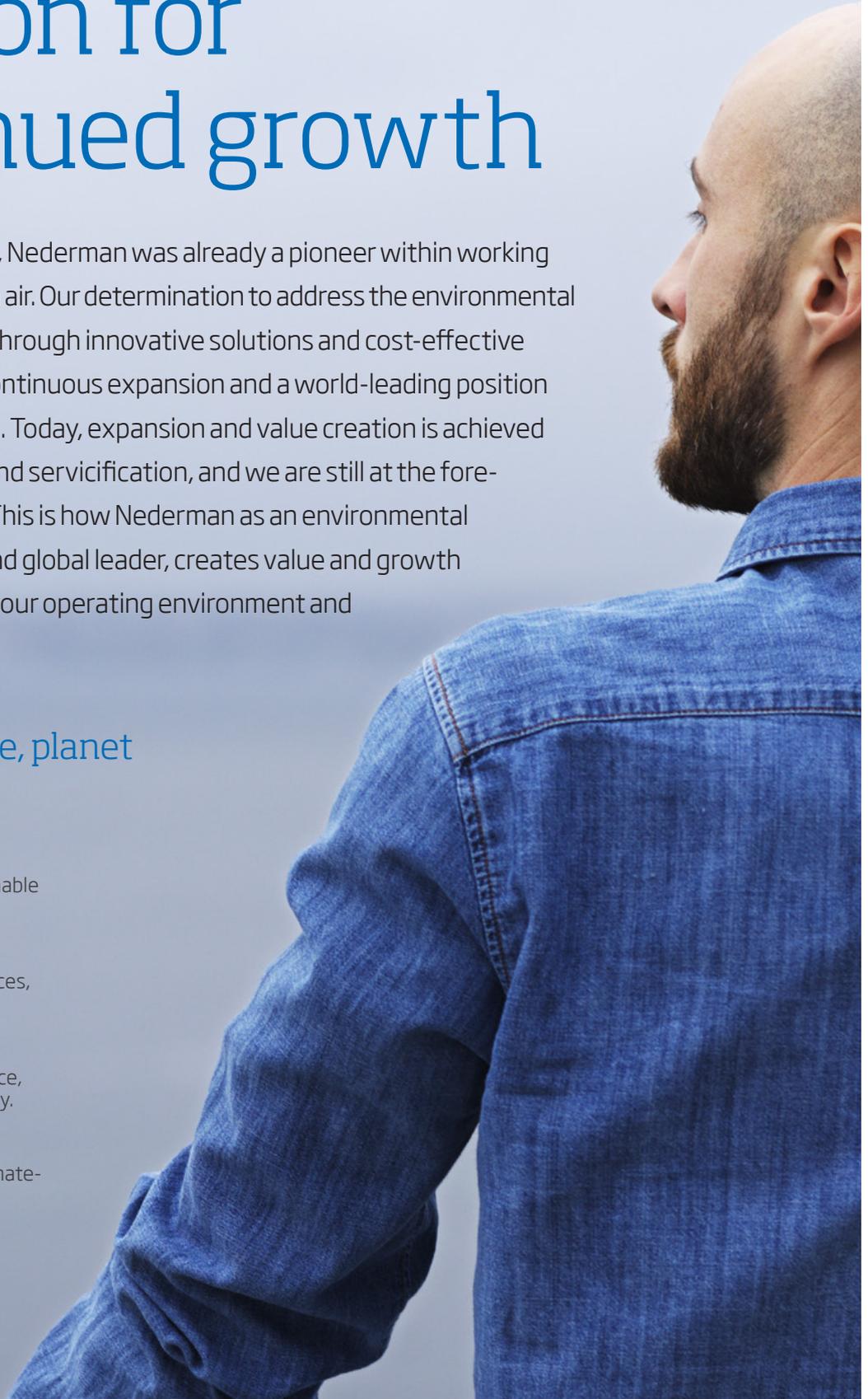
Improving utilisation of resources, achieving more with less.

BETTER WORK ENVIRONMENT

Enhancing product performance, guaranteeing health and safety.

BETTER COMPANIES

Creating sustainability and climate-neutral operations.



We are growing profitably and continue to shape the future for clean air

Important milestones in 2022

Nederman's journey of success continues. During a particularly challenging year, we further strengthened our record-level order backlog and reported a strong increase in both sales and earnings. Investments to increase production efficiency were combined with a continued high pace of product development. Three acquisitions were completed that strengthen Nederman in various ways, including the establishment of a leading position in the welding segment in North America. The outlook for 2023 is uncertain, but we have a high level of readiness to adapt and adjust our operations and to continue to strengthen our global position in industrial air filtration.

- High sales growth and record earnings.
- Three strategic acquisitions on three different continents.
- Comprehensive investments in operational efficiency.
- Launch of new energy-saving customer solutions.
- Strengthened market positions in new industrial segments.

Performance measures 2022

SEKm	2022	2021	2020
Orders received	5,424.8	4,622.9	3,480.2
Net sales	5,178.9	4,041.8	3,674.8
Adjusted EBITA	566.6	494.6	352.3
Adjusted EBITA margin	10.9%	12.2%	9.6%
Adjusted EBITDA	690.4	605.5	461.2
Adjusted EBITDA margin	13.3%	15.0%	12.6%
Operating profit	480.2	458.9	219.0
Operating margin	9.3%	11.4%	6.0%
Adjusted operating profit	488.6	431.2	295.6
Adjusted operating margin	9.4%	10.7%	8.0%
Profit before tax	438.8	417.1	148.5
Net profit	328.7	305.3	110.4
Earnings per share, SEK	9.37	8.70	3.15
Return on equity	16.8%	20.2%	8.2%
Return on operating capital	15.2%	15.6%	10.4%
Net debt	1,477.1	1,067.8	1,450.5
Net debt/equity ratio	67.6%	62.2%	111.5%
Net debt/adjusted EBITDA, multiple	2.1	1.8	3.1
Interest cover ratio, multiple	7.9	9.6	4.1



Sven Kristensson
President and CEO

On Monday, 30 May, I had the honour of opening the photo exhibition, The Breath, in Helsingborg, a collaboration between Nederman and Dunkers Cultural Centre. Together with one of the participating photographers, Olof Jarlbro, we talked a little about some of the images displayed in the park outside the cultural centre. Images in which the photographers were free to interpret "the breath." It was fascinating and occasionally eye-opening to regard these observations of one of the most important things for humans – clean air. What could be found in several of the images, and something that we often highlight in our own communications, is how few people in the world actually have access to clean air on a daily basis.

According to the WHO's new estimates, as much as 99 percent of the Earth's population breathes polluted air every day. Of course, the situation is worst in many of the densely populated and rapidly growing developing countries, but Europe and North America also have a problem with poor air quality. Industrialisation throughout the world is, naturally, a reason for the poorer air quality, primarily if manufacturing processes and transport are based on fossil energy, and in many countries, regulation and supervision of pollution are far from optimal. At the same time, the trend cannot be stopped, the world evolves and more people take the step into the welfare society. But this is also accompanied by heightened awareness of health and well-being, which in turn, drives change. This is actually occurring most rapidly in industry, with initiatives including better utilisation of resources and reduced energy consumption. New technical solutions, the possibility to digitalise processes and monitoring, and not least the introduction of smart systems for analysis and optimisation, also further strengthen the prerequisites for clean air in our industrial environments. And at the forefront of this development is the environmental technology company Nederman.

At the end of the January 2023, I attended another inauguration. Once again in Helsingborg, but at another venue and something completely different, but just as important. Together with representatives from the municipality and construction company, I put the first spade in the ground for Nederman's new, ultra-modern facility, which will be the new Nederman head office, manufacturing and logistics unit for one of our divisions, but also a group-wide innovation and experience centre for the air filtration solutions of today and the future. This demonstrates our ambitions in the area and displays our strong focus on increasing awareness of the importance of breathing clean air, in all types of environments, not least in industry. As the market leader, we are resolute in driving development in industrial air filtration globally, as The Clean Air Company. This is a long-term effort that builds on a close dialogue with customers in a number of different industries to find the most effective and profitable solutions. Every industry and customer is unique. With their particular challenges. ▶

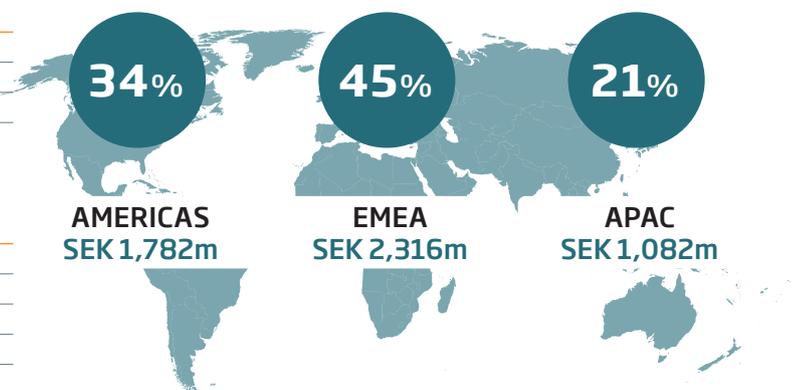
"As the market leader, we are resolute in driving development in industrial air filtration globally, as The Clean Air Company."

Market trend

REGIONS, externalsales				Growth
SEKm	2022	2021	2020	2022-2021
AMERICAS	1,782	1,220	1,129	46%
EMEA	2,316	2,020	1,916	15%
APAC	1,082	802	631	35%

MAINMARKETS, externalsales				Growth
SEKm	2022	2021	2020	2022-2021
USA	1,453	996	883	46%
Germany	414	342	356	21%
China	364	378	307	-4%
India	300	143	78	110%
UK	267	207	184	29%
Sweden	135	126	207	7%

Sales by region



Global divisions with clear customer focus

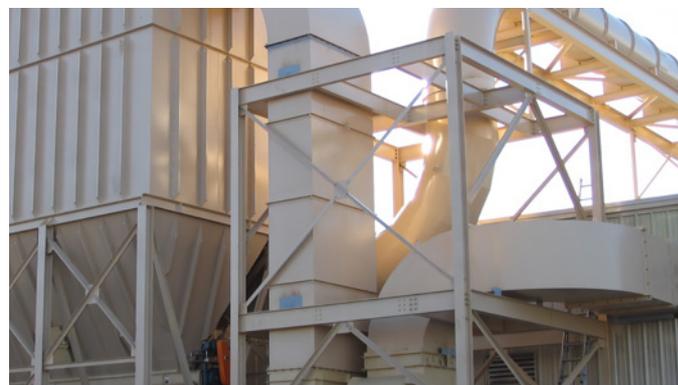
Nederman is organised in four divisions, based on differences in business logic, customer structure and technology. The organisation is driven by simplicity and has the group's brands as its starting point. This means that the divisions are global and have an explicit focus on the customer.



Nederman Extraction & Filtration Technology

Nederman Extraction & Filtration Technology develops and sells a broad range of filters and monitoring services, capturing devices, fans, high-vacuum products and reels for the distribution of a variety of liquids and compressed air.

SEKm	2022	2021	2020
External orders received	2,238	1,781	1,589
Sales	2,165	1,763	1,649
Adjusted EBITA	357	309	222
Adjusted EBITA margin	16.5%	17.5%	13.4%



Nederman Process Technology

Nederman Process Technology offers services and advanced filter solutions that are integrated into the customers' production processes where they catch harmful particles and gases.

SEKm	2022	2021	2020
External orders received	1,825	1,785	993
Sales	1,722	1,292	1,137
Adjusted EBITA	100	51	58
Adjusted EBITA margin	5.8%	3.9%	5.1%



Nederman Duct & Filter Technology

Nederman Duct & Filter Technology markets different types of ducting systems, valves and filter elements to ensure good air quality in a number of industries.

SEKm	2022	2021	2020
External orders received	704	495	403
Sales	791	541	458
Adjusted EBITA	127	104	64
Adjusted EBITA margin	16.1%	19.2%	14.0%



Nederman Monitoring & Control Technology

Nederman Monitoring & Control Technology's digital offering includes advanced measurement technology and an IoT platform that consists of hardware and software that provide customers with information and insight into critical parameters and processes.

SEKm	2022	2021	2020
External orders received	657	562	496
Sales	606	537	507
Adjusted EBITA	97	121	95
Adjusted EBITA margin	15.9%	22.5%	18.7%

Acquisitions advance positions

Acquisitions are a key part of Nederman's strategy to strengthen its positions in prioritised segments, technologies and markets. During the year, three acquisitions were completed on three continents and of varying sizes, but with the same ambition - to continue developing our ability to protect people, planet and production from the harmful effects of industrial processes - and become a global market leader.

Leader in North America

Nederman's largest and most strategic acquisition in 2022 was conducted in August in the US. This was the Extraction & Filtration Technology division's acquisition of the company RoboVent, a North American leader in air filtration technology and solutions for the control and filtration of industrial fumes, dust and oil mist. RoboVent is headquartered in Sterling Heights, Michigan, and has more than 100 employees in the US, Canada and Mexico. Its unique sales approach, strong equipment range and turnkey capabilities have built a strong brand and global reputation. Through the acquisition of RoboVent, Nederman further improves its growth possibilities by becoming the foremost supplier of industrial air filtration and air filtration in the US welding market. As the established leader in this segment in Europe, this means that Nederman also takes a global leading position in the welding segment, fully in line with the group's strategy. RoboVent and the Extraction & Filtration Technology division will have combined sales of more than SEK 1,000m in North America, which is also a prioritised market for all divisions to increase their presence. Since RoboVent became part of Nederman in August, comprehensive cooperation has been initiated. This comprises activities to further strengthen product development, investments in increased production and logistics automation, as well as initiatives to continue development of collective and leading applications expertise.

"By combining RoboVent's strengths with Nederman's global presence, complimentary products, solutions and digital technology, Nederman can further strengthen its ability to deliver solutions for clean air in the industrial segments that the company supplies," says Hans Dahlén, SVP & Head of Extraction & Filtration Technology Division.

Strengthened sales channel in Australia

Australia is a market in which Nederman foresees favourable growth prospects. In April, Nederman, through its Duct & Filter Technology division, acquired the operations of the Australian company Ezi-Duct Pty Ltd. Ezi-Duct manufactures and supplies ducting, fume extraction and industrial air filtration equipment. Directly after the acquisition, Nordfab Australia was formed to organise the assets and employees included in the acquisition with the existing organisation, and to highlight even more clearly the ambitions in the Australian market. Since then, the integration work has progressed at a high pace, with the establishment of the organisation, joint reporting, training of employees in air filtration and Nederman's and Nordfab's products, coordination of the websites and adaptation of the product portfolio, not to mention comprehensive work to install a new ERP system. With an increased awareness that delivery times and transport costs are decisive in the duct segment, this acquisition contributes to increased market penetration and a possibility to come closer to the customer base.

"We have achieved a great deal since April and are now seeing the results of our customer activities. In the long term, we anticipate being able to increase our market shares considerably and also serving as a channel for other divisions to grow in Australia," says Jeppe Rasmussen, SVP & Head of Duct & Filter Technology Division.



Increased presence in Switzerland

In November, Nederman acquired the Swiss company MBE AG to strengthen the Monitoring & Control Technology division and its subsidiary Gasmet's presence and sales in Switzerland and Europe. For more than 35 years, MBE has sold gas measurement instruments and services for gas detection technology and continuous monitoring of liquid processes to the Swiss market. With its know-how, market presence and customer base, it has built a strong brand and a robust market position. For many years, the company has been a key distributor for Gasmet, which, as a result of the acquisition, can establish direct sales with the customer base and strengthen the conditions for growth in Switzerland. Together, MBE and Gasmet can become even better at meeting the needs of the local market for systems for monitoring emissions and continue to offer excellent service and aftermarket support.

"MBE has been a partner and customer to Gasmet for many years and I now look forward to jointly developing and strengthening our ability to deliver technology and solutions for the monitoring and control of gases in the Swiss market," says Ketil Gorm Paulsen, SVP & Head of the Monitoring & Control Technology Division.

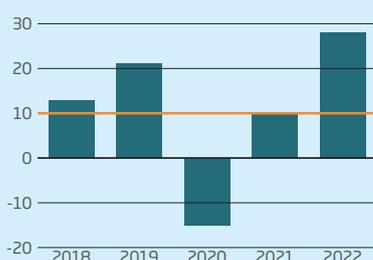
► At the same time, there are shared challenges that we all need to address and these have been plentiful in recent years. The pandemic resulted in huge complications for global transport and supply chains, with accompanying component shortages. Before we could find a solution to this, a war on European soil grabbed the world's focus. With major consequences for energy supply, inflation and security policy. Unfortunately, we are forced to recognise that the world has changed. Globalisation and free trade have been replaced by regionalism and protectionism. At the same time, we need to continue to address challenges related to the climate and the environment. On a global scale.

"The result is that Nederman is now the leader in the segment in both Europe and North America and one of the largest globally."

In our own operations, we have naturally placed major focus on managing all of the challenges. Nederman is a global company that needs to address and adapt to various local conditions, at the same time as we develop solutions that can be implemented throughout the world in a number of industries. During 2022, our four divisions successfully managed component problems and rising raw materials and transport costs. We improved efficiency and adapted, even in product development, to be able to keep our promises, namely, deliver. In certain instances, such as in China, where we already have significant production and many customer relationships, the challenges have sometimes been of a slightly different nature and difficult to address for an international company such as Nederman. We have done what we can, but have also initiated a review of our operations in the country to strengthen our position.

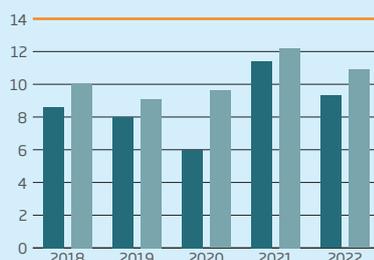
A completely different trend was displayed by our operations in North America and it is on this continent that we have made the largest investments and progress during the year. Nederman Duct & Filter Technology has become an important supplier to the ►

SALES GROWTH, %



Annual sales growth over a business cycle is to amount to 10 percent. During 2022, sales increased by 28.1 percent. Average annual growth during the past five years was 9.9 percent.

OPERATING MARGIN AND ADJUSTED EBITA MARGIN, %



Adjusted EBITA margin is to amount to a minimum of 14 percent. In 2022, the adjusted EBITA margin was 10.9 percent. The average for the past five years was 10.4 percent.

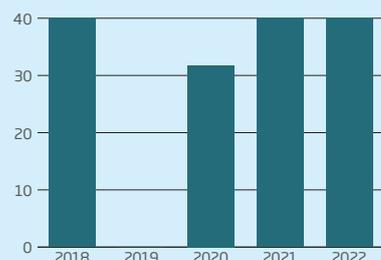
■ Operating margin
■ Adjusted EBITA margin

RETURN ON OPERATING CAPITAL, %



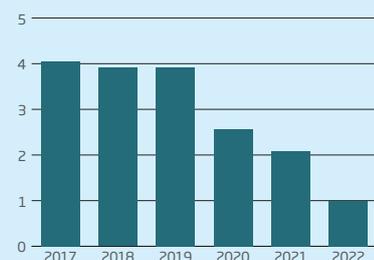
The return on operating capital is to be at least 15 percent. In 2022, the return was 15.2 percent. The average annual return during the past five years was 14.4 percent.

DIVIDEND POLICY, %



Dividends are to amount to between 30 and 50 percent of net profit after tax with consideration given to the capital structure and acquisition plans.

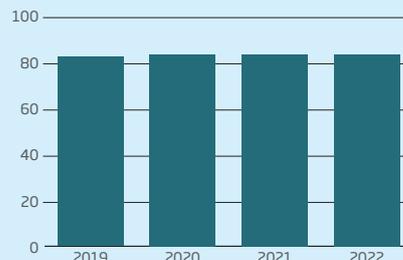
GHG EMISSIONS* IN RELATION TO SALES, KG CO₂e/SEKt



With the goal of halving the climate impact measured in carbon dioxide equivalents related to energy use and electricity purchased for the group's manufacturing units by 2023, in relation to 2014 (base year), the outcome for 2022 was 75 percent. In 2023, we will continue to analyse the goals and measures to be implemented by 2024.

*Scope 1+2

EMPLOYEE ENGAGEMENT, %



In 2022, 85 percent of all group employees responded to the survey. The overall Engagement Index was 83 (on a scale of 100), which is higher than the corresponding index for the comparative groups, Global Benchmark and Industry.

Shuai will strengthen Nederman's position in China

Shuai was born and grew up in Shandong in China. When the time came for university studies in 2009, she chose Lund, in Sweden, where she subsequently remained, partly because she was offered a job with Nederman. She has now returned to China, and is on the threshold of the exciting challenge of helping Nederman to strengthen its position in a market with huge needs for clean air solutions.

What do you currently do at Nederman?

Since the beginning of 2022, I have been Director of Business Development for Nederman in China, with my office in Shanghai. My work here involves developing the division's business in direct contact with the customers. It is a gigantic market with intense competition, and everything needs to be done with speed. It is this speed in the way business is conducted that stands out compared with Sweden, for example. This is where my other role comes in, coaching Nederman's organisation in how best to enter the Chinese market. Since I was born and raised in China, I have experience that can help me in my various roles.

Tell us about the journey that brought you here.

After studying economics in Lund, I was ready to apply for a job in 2012. It was difficult. My lack of knowledge of Swedish was a huge barrier at most of the companies I applied to. But Nederman took a different view and gave me the chance of a position in Helsingborg. Since then, I have grown within the organisation. Initially within business support as a business analyst and then as a market intelligence manager. I then took on the role of product marketing manager and learned about individual products and technical parts, before I was offered the position of M&A manager

and to try to find opportunities for Nederman to grow through acquisitions, for example. All of this led me to the role that I have today, in which I can benefit from all of the knowledge I have gathered over the years and I can meet the customers directly in one of the world's largest economies. Now, in my daily work, I also have the support of all of the colleagues who have the positions I held earlier.

What do you value most about working here?

I am proud of what I do. We contribute something important. In China, I see and read about many places with poor air, which is what Nederman has the solutions to. It is great to be a part of The Clean Air Company. I also appreciate that Nederman had confidence in me from the start. I have had the privilege of growing with the company and have had managers who have strengthened and pushed me.

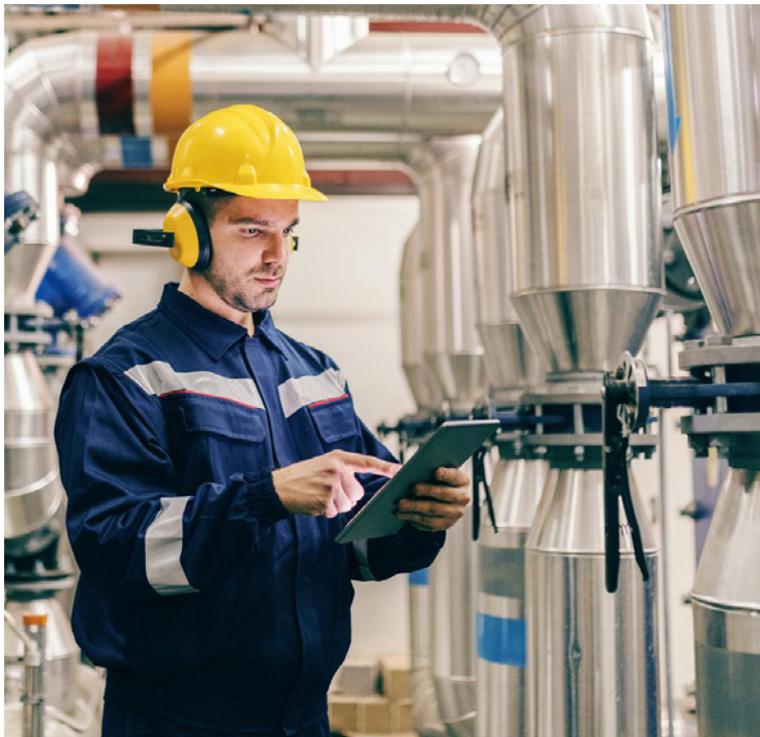
With the experience that you have now, what advice do you have for current and future employees?

The best advice I can give is to adopt one of the company's values - Courage to do. I have carried that throughout my journey and it has resulted in me learning a great deal.



"Nederman took a different view and gave me the chance of a position in Helsingborg. Since then, I have grown within the organisation."

Shuai Liu, Director of Business Development, Shanghai, China



Digitalised monitoring for lower energy consumption

During 2022, energy was more in focus than it had been for some time. Since industry needs to be efficient and sustainable, new approaches to work are required to minimise energy consumption without jeopardising quality or safety. Studies show that up to 70 percent of the electricity used in the manufacturing industry goes to industrial motor systems such as fans, compressors and materials handling equipment. Although the air filtration plant is production-critical, many businesses do not have full control over how it should be managed for optimal effect. Active monitoring of these processes can prevent problems that not only prevent efficient operation but also contribute to reducing energy consumption. The conditions have changed as a result of digitalisation. Among other things, the Industry Internet of Things (IIoT) enables effective real-time communication that facilitates increased control. We have developed Nederman Insight and combined with Nederman SmartFilters, it is possible to actively monitor various processes and take rapid action in the event of deviations, also related to energy consumption. The result is quite simply automated energy savings. During the year, the sale and launch of energy-saving products and services were further intensified.

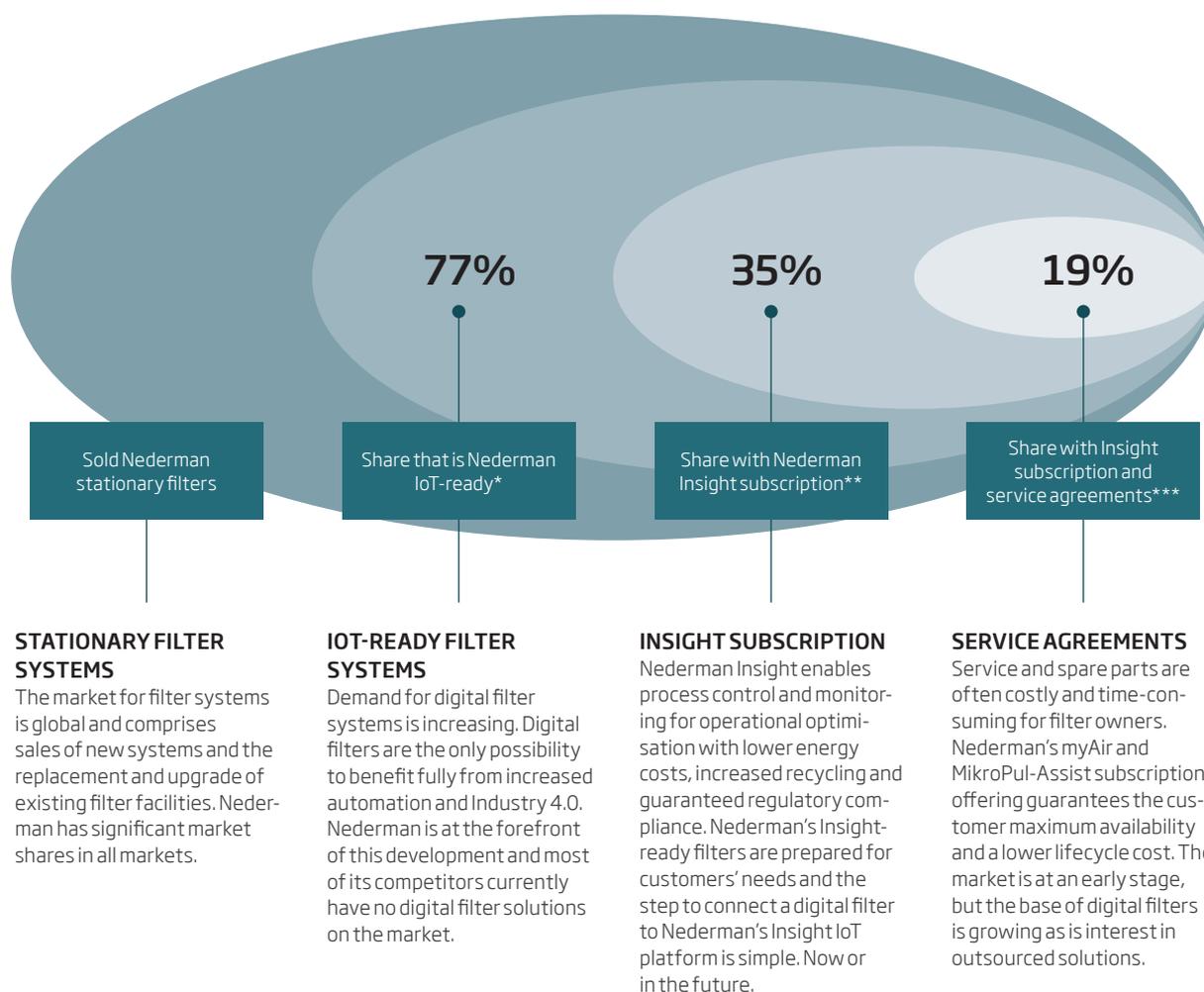


Nederman's LBR SmartFilter and SAVE technology launched in the US

Nederman's SmartFilter is a multifunctional air filtration filter that is suitable for industrial waste, such as fumes, wood shavings and other combustible dust. In addition to filtering industrial air, it collects data that provides the user with valuable information on immediate and potential future maintenance requirements. In the most advanced smart filters, the plant is steered automatically toward as low energy use as possible using internally developed algorithms. During 2022, Nederman launched its LBR SmartFilter and Nederman SAVE for manufacturers of woodworking machines in the US market in conjunction with the IWF woodworking fair in Atlanta. The SmartFilter technology combines the brand's pioneering Insight IoT (Internet of Things) platform with Nederman's reliable and energy-efficient baghouse technology to create a unique offering that renders customers ready for a future that is more automated and connected.

Sales of IoT-ready filter systems continue to grow

Each year, Nederman sells and installs a four-figure number of stationary filter systems. In 2021, the share of IoT-ready systems grew from 23 percent to 40 percent of sales, and during 2022, the share increased to 77 percent. With higher numbers of digital filter systems, the installed base for sales of IoT subscriptions and subscription services, such as myAir and MikroPul-Assist, is also growing.



* An Insight-ready filter is a stationary filter to which an IOT gateway can be fitted
 ** Active Insight subscriptions in relation to number of insight enabled filters sold
 *** Active Insight subscriptions including service agreements, in relation to number of Insight-enabled filters sold

An Insight-enabled filter is a stationary filter to which an IOT gateway is fitted.

The air you breathe



According to WHO guidelines, 99 percent of the Earth's population lives in areas with poor air quality.

700,000,000

In seven hundred million sensitive lung sacs (alveoli), the blood absorbs the oxygen from inhaled air and emits the carbon dioxide that has formed in the body. Tiny particles from dust, fumes, etc., can get caught and cause damage. Damage that makes humans sick and shortens life expectancy.

The collective surface of the alveoli corresponds to half a tennis court

100m²

Pulmonary function is a requirement for life and good quality of life. The lung is divided into lobes. The left lung has two lobes and the right one has three.

Poor air contributes to Alzheimer's, Parkinson's and other **dementia diseases**

Poor air
4th
most common
cause of death

It's a matter of life

Approximately 8 million people globally die prematurely due to air pollution. Approximately 300,000 die prematurely per year in the EU. The number of traffic deaths in the EU is 20,000 per year.

15-20

BREATHS PER MINUTE

The first breath

Approximately 10 seconds after birth, a human takes its first breath. Over a lifetime, we inhale ambient air approximately 600 million times.

Air pollution

A large number of different activities in society contribute to the occurrence of air pollutants. They are formed, for example, by combustion or arise in process emissions from industries.

10,000 litres

the amount of air we breathe per day

Largest single health risk

Air pollutants are the single largest health risk worldwide.

Air quality index (AQI)

Did you know that air pollutants are measured using the air quality index (AQI). An AQI of more than 100 is about the same as inhaling car exhaust fumes all day! See the current AQI status on waqi.info

The number of premature deaths resulting from exposure to fine particles is to be more than halved in the EU by 2030.

55%

- ▶ manufacturers of lithium ion batteries, a significant and rapidly growing segment in the US, and soon also in Europe. Nederman Monitoring & Control Technology has established good momentum for its process-related operations, driven by such factors as US investments to reduce dependence on imported energy. To date, Nederman Process & Technology has a limited portion of its operations in North America, but has begun to secure an increasing number of orders for customised solutions, including for metal recycling and in the energy sector. Nederman Extraction & Filtration Technology, our largest division, became even bigger in 2022 following the acquisition of RoboVent, a North American leader in industrial air filtration in the welding segment. The result is that Nederman is now the leader in the segment in both Europe and North America. During the year, we also strengthened our sales channel in Australia through the acquisition of Ezi-Duct Pty Ltd. To begin with, we will increase our presence in the country using our ducting systems under the Nordfab brand, part of Nederman Duct & Filter Technology. We also acquired Gasmets distributor in Switzerland, making it possible to come into direct contact with customers in this region and to accelerate the sale of Gasmets technology and solutions for the monitoring and control of gases.

The acquisitions are part of our long-term strategy to grow in prioritised markets and segments with the objective of becoming the largest or second largest. Sometimes this involves making a small acquisition that can contribute the know-how and technology that is perhaps required to accelerate growth in a particular industry. A good example of this is the acquisition we made at the end of 2021 of UK company Energy Save Systems. Close cooperation between this company and two of our divisions resulted in the launch of the Nederman SAVE energy-saving concept for filter systems during the year. We have always known that the issue of energy is important for our industrial customers and it has been one of our focus areas, but naturally, we could not have foreseen that it would attract such strong attention in 2022 in the wake of sharply rising energy prices and concerns about energy shortages. But it meant that our new system solution had a particularly good start. A digital and smart system that contributes to reducing energy consumption for air filtration by up to 70 percent. To begin with, we are offering the solution to customers in woodworking and the reception was very positive. Naturally, a system that generates considerably lower energy costs and clean air for employees is important to many people and demonstrates Nederman's capacity for innovation and decisiveness.

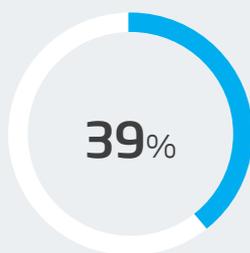
The fact that Nederman SAVE is based on sensor technology and digital management is, of course, a natural result of developments and needs in the market, as well as Nederman's focus on product development. For a number of years, we have raised the technology level for industrial air filtration and carried it into the future. Our digital SmartFilters will soon be a standard feature of many industries and we are constantly developing our digital offering based on our IoT platform, Nederman Insight. Digital subscription services such as myAir and MikroPul-Assist are increasingly in demand and we are continuing to make progress in our efforts to offer customers Clean Air as a Service. The technology and structures are there already, and we have contracts in place. The successive maturity and insight into the benefits among customers in most industries, and globally, mean that I am convinced that in the not-too-distant future, a large portion of our business will be based on fully digitally controlled air flows.

Our development of technology and new solutions cleans the air, protects employees and enhances production efficiency for our customers. Helping our customer industries to become more competitive is, of course, at our core, and includes receiving support and tools for analysis and reporting of various emissions data to meet regulations and requirements. Legislation is becoming increasingly strict, which is important if air quality is to improve in society, but at Nederman, we are impatient and can see that much more could be done more rapidly. However, I am certain that this will come, and then the demand for smart, connected and competitive solutions will gather additional momentum. Development will be, to some extent, similar to what has occurred in the area of climate in recent years. There are strict requirements for the collection and reporting of data which, by extension, will serve as support for a company in meeting the definition of a sustainable business, which is becoming increasingly important for investors and other financiers. At Nederman, we also have intense focus on these areas. Our sustainable business not only comprises our leading products, but also operations with high ambitions for energy-efficient production and logistics based on renewable energy and a strong focus on diversity and inclusion. We also stepped up our ambitions during the year. The investments made and in progress at new plants and warehouse premises are subject to strict requirements to minimise the environmental footprint. Something that is also gaining ground with us is the installation of solar panels to increase our green share of energy consumption and to secure our own energy supply to a greater degree. We were already far advanced in the area of energy and the target we established in 2019 to halve our direct climate impact not later than 2023 has already been achieved. We will now establish new ambitious goals for our sustainability work in line with our strategy.

“During 2022, we secured a large number of orders in waste management, battery production and green energy production”

Another part of our strategy – which is also connected with the green transition that is under way globally – is to grow the share of our sales in the relatively new industrial segments that have emerged from a growing demand in society for environmental adaptation. For Nederman, this involves an expanded market, in which we have already noted sales successes with our technically advanced solutions. During 2022, we secured a large number of orders in waste management, battery production and green energy production. Energy is generated from the incineration of waste, but this is also a source of hazardous air pollution, such as flue gases that need to be managed in a safe manner. High-capacity batteries are completely necessary if we are to be able to transition to electrification, and the number of plants that manufacture them has multiplied many times over in recent years. The manufacturing process is energy-intensive and requires the handling of metals, flue gases and heat that are a threat to health, and we have the best solutions for these. Finally, the investments must be accelerated in green and renewable energy sources, such as wind power, where the requirements for cleanliness and precision are extremely high and thus require effective systems that capture particles and gases from grinding, welding and metalworking. We serve all of these segments and this applies to all of our divisions, which also collaborate to be able to meet customer requirements in the most effective manner. ▶

Nederman's sales model - A good mix for increased value generation

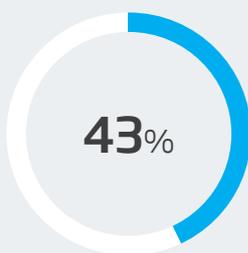


Percentage of the group's sales 2022

SALES, SEKm	
2022	2,024
2018	1,397
Annual growth (ø)	+10%

Product sales

The basis of Nederman's business. A broad range of standard products that solve common problems. Sales are made primarily via distributors and resellers.

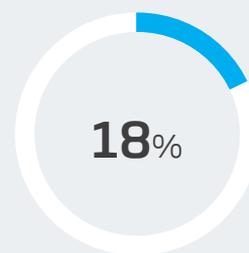


Percentage of the group's sales 2022

SALES, SEKm	
2022	2,228
2018	1,516
Annual growth (ø)	+10%

Solutions

Resolve complex tasks. Individual standard products that are assembled together to form small, mid-sized systems, or large-scale system solutions with a high element of customisation. All sales are conducted through own sales organisation.



Percentage of the group's sales 2022

SALES, SEKm	
2022	927
2018	641
Annual growth (ø)	+10%

Service and aftermarket

Qualified service with a high availability to ensure continuous operation without costly interruptions in production. Sales are conducted through our own organisation or via authorised subcontractors.

Nederman ranks highly as a sustainable investment in Sustainalytics

Nederman works in a goal-oriented and consistent manner with activities and follow-up of the company's sustainability work. Accordingly, Nederman is highly ranked by organisations including Sustainalytics (a Morningstar Company), which is an independent ESG and corporate governance research, ratings and analytics firm, which supports investors around the world with responsible investment strategies.

Sustainability rating

Weak: 0-25 points
 Medium: 25-50 points
 Strong: 50-100 points

sustainalytics.com



Sven Kristensson, vd och koncernchef,
Nederman

Peter Fellman, chefredaktör,
Dagens industri

Under the heading "How can Sweden become world-leading in a new sustainable industrial society?", Nederman and Dagens industri hosted an investors' lunch in Stockholm at the beginning of November. In front of an audience of nearly a hundred people, panel debates on current topics were alternated with presentations by Nederman, and these concluded with lunch.

► **The acquisitions, innovations and successes** of growing in new industries are among the reasons that Nederman was able to report a new record for sales and profit in 2022. Another reason is that our divisions have quite simply been effective at meeting customer needs, keeping their promises and being proactive and smart in tackling all challenges. We have captured market shares and have been able to benefit from our ability to grow in existing industries using new solutions or bringing existing solutions to adjacent segments and thereby growing our overall market – an initiative in addition to our sales successes in critical sectors for the green transition. For example, Nederman Process Technology was able to take know-how and solutions developed for its textile customers and apply these in nonwoven (hygiene products) and win orders and also contribute to better air in the production of these products. Another example is Nederman Extraction & Filtration Technology, which, with its broad product offering, successively increased its presence within such areas as the food industry and the defence industry. These types of initiatives and activities mean that we can grow more rapidly than the market and that we can drive the development of energy-efficient solutions for clean air for increasing numbers of industries and customers.

Behind all successes there are skilled people. This applies to our operations to the highest degree. It is all of our employees who have developed Nederman from a company with a concentrated product portfolio and regional focus to a position with the market's most advanced product and service offering and representation in all key industrial markets. There is incredible talent within the group, with specialist knowledge in such fields as digitalisation, mechanics and air filtration, both as strategic resources and driven sales representatives who can quickly identify the customers' needs and can adapt solutions for them. We want to continue to develop our talents and, at the same time, be able to attract new ones, and are working conscientiously to be able to create the best

environment for them. Our new centre in Helsingborg is intended to be a state-of-the-art facility that enables employees of Nederman to learn more about what we can offer global industrial customers today and at the same time, continue to develop within, for example, innovation and sustainability. We have eleven other competence and product development centres throughout the world and new ones are being added, including in conjunction with acquisitions and establishment in new markets. It is clear that we intend to retain and strengthen our market leadership.

It is also important that we contribute to developing solutions that give people around the world the opportunity to breathe clean air, also when they are at work. A human inhales approximately 10,000 litres of air each day and to reduce the probability of being affected by various respiratory diseases, dementia and the risk of dying prematurely, the world's governments must place greater focus on the air quality in our communities. Greater awareness of health among people, the WHO's new and alarming report and the competition for talent are some of the aspects that will turn air quality into an ever-more prioritised issue going forward. The best thing is that solutions for better air already exist, primarily in industry, and rapid technological development means that they are becoming accessible to more people, and are improving and becoming increasingly effective. Naturally, we at Nederman are playing a part in shaping this positive future for clean air. Our strategy stands firm and I look forward with confidence to the years ahead with all 2,400 employees who do their utmost every day to protect people, planet and production from the damaging effect of industrial processes. Take a deep breath and join us on our continued journey. ■

Sven Kristensson
President and CEO



▶ **The Breath was nominated in February 2023 for the Swedish Art and Business Award.**

The jury includes HRH Prince Carl Philip and the association's CEO Anders Boman. The winner will be presented in May.

The Breath

An exhibition initiated by Nederman in collaboration with Dunkers Culture House in Helsingborg and Curator Veronica Wiman.

We believe that creativity and successful enterprise are closely related. Creativity provides the ability to address and resolve unforeseen challenges and new needs created in the market.

Creativity is the key that unlocks the ability to adapt to short and long-term changes, to constantly evolve and be one step ahead. We have always challenged the market and our contemporaries and want to be challenging and inspiring. This wish has helped us to become the company we are today and to be able to address and lead the future we look forward to. This is one of the reasons that, during the year, we took a leap into the unknown and decided to invest in something as unusual, for us, as a photo exhibition. A photo exhibition with international photographers, activists and others in the summer of 2022 in central Helsingborg.

It was a fantastic success. With tens of thousands of visitors, it attracted attention and generated discussion, reflection and engagement regarding the air that we breathe.

While you read these words, you have taken about 50 breaths. During your life, you will breath about 600 million times. But clean air is not a given. 99 percent of the world's population breathes poor air according to the WHO and poor air has an enormous impact on our health and our lives. Clean air requires insight, engagement and action. Accordingly, we have dedicated ourselves to creating a future for clean air. This is why our employees do their utmost every day to protect people, planet and production from the damaging effect of industrial processes.

Nederman - The Clean Air Company

www.thebreath.se

Photographers and participating exhibitors in Nederman's photo exhibition

Adriane de Souza, Brazil
Aida Silvestri, USA/Eritrea
Anna Ådahl, Sweden
Cecilia Germain, Sweden
Fosters + Partners
Francois Dolmetsch, Colombia

Hans Malmberg, Sweden
Jasmin Mittag, Germany
Jonas Classon, Sweden
Judit Hersko, USA/Hungary
Justyna Mielnikiewicz, Poland
Kseniya Golubovich, Russia/Ukraine

Naeem Mohaiemen, Bangladesh/USA
Olof Jarlbro, Sweden
Zena Holloway, UK
Sophie Green, UK
Yan Wang Preston, UK/China





**THE DIRTY BUSINESS OF GOLD,
PHILIPPINES**

Photographer: Olof Jarlbro

The Dirty Business of Gold documents the everyday life of gold workers in the Philippines. A unique approach, so-called compressor mining, in which the workers are supplied with air via a hose and an air compressor in excavated pits, where the narrow tunnels are at risk of collapse. In addition, the air compressor can stop working. Compressor mining also entails health risks. The diesel generator is next to the air compressor, meaning that diesel gases and carbon monoxide are mixed with other pollutants in the plastic hose that supplies the diver with air.

www.thebreath.se

THE SULFUR CLOUD

Photographer: Olof Jarlbro

In The Sulfur Cloud - photographer Olof Jarlbro documents the workers at the Kawah Ijen sulphur mine in Indonesia. The mine was opened in 1968 and remains the only sulphur mine in the world to use manual mining. The toxic gases from the mining comprise concentrated sulphur dioxide and hydrogen sulphide that are 40 times higher than the acceptable limits for human exposure. Constant coughing attacks, followed by runny noses and eyes, are everyday occurrences for the workers. The local population calls it the "world's most hellish job" because so many workers die prematurely, often before they have reached the age of 40.

www.thebreath.se





INDIAN CORMORANT IN BHARATPUR

Photographer: Jonas Classon

In Bharatpur, in northern India, there are marshes and wetland interspersed with plains, offering an optimal environment, where nesting birds live under difficult conditions. The birds are Indian cormorants that fish early in the morning and then dry on dead branches.

Air pollution that manifests in thick smog is the reality in which these birds live. The sun sets in a heavy smog and sunsets are grey. People often wear masks to protect themselves from the toxic air pollution. The contrast between these birds' air and the natural conditions for life are breathtaking.

www.thebreath.se





World-leading global partner

The production industry the world over is facing a revolutionary challenge – to transition to long-term, sustainable operations. Environmental technology has a central role to play when it comes to developing new, advanced solutions to achieve this transition and thereby ensuring that, together, we manage energy, metals and other production resources in a manner that entails continued growth and efficient operation, and that does not jeopardise the future for our shared needs of air, water and land.

Nederman has a key role as the world-leading global partner in industrial air filtration. We define the market challenges and deliver innovation and more sustainable products and solutions that meet our customers' needs.

Environmental technology that contributes to the green transition

Energy efficiency

Energy efficiency is largely generated through technological development. In Sweden, industry accounts for approximately one third of total energy consumption and a significant share comprises various support processes, of which air filtration is one. Increased digitalisation and automation contribute to more efficient air filtration processes.

Lower healthcare costs

Studies indicate a connection between air pollution and certain diseases, and with a growing and ageing population, society's healthcare costs are becoming a heavy burden. Industry's share has gradually declined to approximately 25 percent of today's emission levels. Improved control and treatment of industry's emissions to air contribute to reducing the effects.

Increased recycling

To ensure a sustainable global economy moving forward, a shift towards a more circular economy is required, with eco-efficient resource management. New air filtration technology means increased recycling of, for example, metal shavings, wood fibre and paper fibre that reduces the need for the introduction of new material.

Productivity gains

Within the process industry, air filtration is often integrated in the main process, with high demands for availability and safety to ensure that production runs as efficiently as possible. New possibilities for digitally based measurement, monitoring and control not only entail cleaner and safer air quality, but also increased productivity and production efficiency.



Clean air more than a health problem

The struggle for clean air is about having the possibility to breathe healthy air every day. Unfortunately, according to the WHO's guideline limits, this is not the reality for 99 percent of the world's population. Poor air is one of the most common causes of premature deaths throughout the world and industry is one of the largest sources of emissions. At the same time, industry, together with legislators, is the driving force behind several initiatives to improve the situation. And at the same time, save energy, increase recycling and enhance production efficiency.

Poor air comprises a combination of gases and particles and is often expressed in the form of PM_{2.5}, meaning particles that are so small that they can pass through a human lung and thus have consequences that are damaging to health or are deadly. Indoor and outdoor air pollution is estimated to contribute to approximately seven million premature deaths each year. This corresponds to nearly 12 percent of all deaths globally.

ASIA WORST AFFECTED BUT THERE ARE BRIGHT SPOTS

Although the facts are gloomy, there are bright spots. China, the world's most populous country and historically one of the largest sources of emissions that is also worst affected by poor air, is steadily introducing stricter regulations with significant improvements as a result.

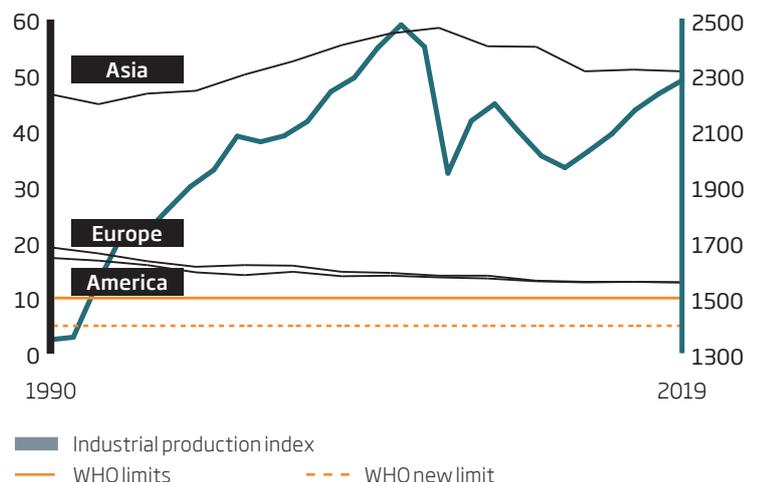
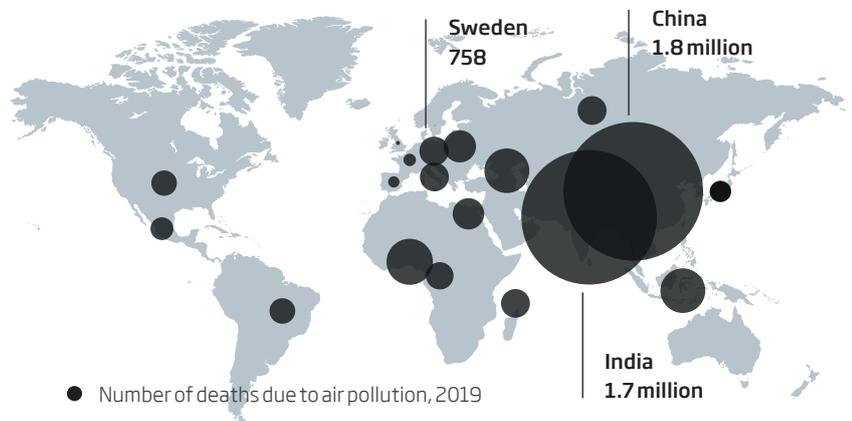
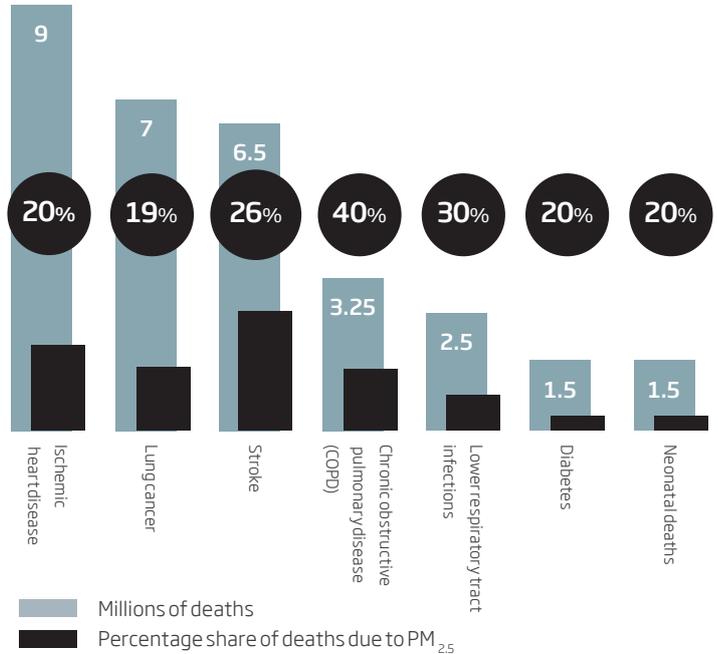
Since 1990, the EU area's overall industrial production increased by 65 percent. At the same time, industry's emissions to air are in a downward trend. Intensified legislation, technical innovations and increased environmental awareness are some of the driving forces behind this. For example, in 2020, the EU launched a new taxonomy to clarify the importance of environmental and climate work and to define what is to be considered sustainable.

INCREASED PRODUCTION - REDUCED ENVIRONMENTAL IMPACT

In parallel with tighter regulatory requirements, industry's own initiatives to ensure environmentally sound production, better use of resources and reduced energy use are driving developments forward. Today, it is generally accepted global practice to include sustainability in a company's business model. Contaminated emissions also often incur a cost for the emitter, which provides further incentives to make an active effort for cleaner production.

On account of stricter regulatory requirements, combined with, for example, industry initiatives, the emissions trend for polluted air has essentially stagnated, despite increased production.

The demand and need for environmental technology that resolves the challenges of society and industry are increasing. Within Nederman, we consider it our role to offer solutions and actively inform and exert influence to ensure that industrial production reduces its share of emissions. The technology already exists to make it possible to conduct full-scale industrial production without a negative impact on the environment.



Sources: Health Effects Institute, State of Global Air 2020; National Geographic Q4, 2021
 Sources: Health Effects Institute, State of Global Air 2020, Economy facts/Statistics Sweden, 2022

WHO halves guideline limits for emissions to air

In September 2021, WHO strengthened its guideline limits for emissions to air of particles, ozone, nitric oxide and sulphur dioxide. The occurrence of particles is often measured as PM_{2.5}, which is a mix of particles that are hazardous to health and so small that they can enter the body's blood flow and cause heart and lung diseases, including lung cancer. According to WHO, the earlier recommendations from 2005 have not achieved sufficient effects to break the pattern of poor air throughout the world.

10% OF SWEDEN'S POPULATION BREATHE POOR AIR

A study by IVL Swedish Environmental Research Institute from 2021 identified 6,700 premature deaths annually, and that about 10 percent of Sweden's population lives in areas where the concentrations of PM_{2.5} exceed the WHO recommendation. The institute estimates the annual socio-economic costs at SEK 168 billion. Particles in the air impact the environment and people more than any other pollution.

SO WHAT HAPPENS NOW?

The WHO guidelines are recommendations and not legally binding for member states, but are a key driver and represent an important basis for the work to reduce air pollution and at the same time, tackle climate change. The legally binding limits in Europe (In Sweden, Environmental Quality Standards) are now higher than the WHO recommendations, but can be expected to be adjusted in accordance with the new findings.

HOW IS INDUSTRY AFFECTED?

There are multiple sources of emissions and work needs to be done in many areas; transport, city planning and energy production, but industry also contributes to the high concentrations. Intensified control of emissions from incineration and improved waste management (including increased recycling) are some of the areas in which industry can improve. Products and services for such activities as continuous measurement and automated production monitoring are available for implementation in new or existing installations. Lack of regularity compliance can lead to penalties or, in the worst case, closure of production units, with substantial economic and social consequences.

WHO guideline limits for PM in indoor and outdoor environments, microgramme/m³

		New	Earlier	Change
PM _{2.5}	Annual average	5	10	-50%
	Daily average	15	25	-40%
PM ₁₀	Annual average	15	20	-25%
	Daily average	45	50	-10%

Would you like to know more?

During the year, Nederman, in collaboration with Dagens Industri, arranged a well-attended webinar on air pollution and the WHO's new recommendations.

You can find the webinar here:



"We have waited a long-time for new guideline limits based on current knowledge that has demonstrated that serious health effects are also present from concentrations permitted under the earlier guidelines; concentrations that we also usually have in Sweden. In actual fact, the WHO recommendation means that even the government's clarification of the environmental target for fresh air is not sufficient to fully protect the Swedish population, despite these values being considerably stronger than the current Environmental Quality Standards."

Petter Ljungman

Associate Professor at the Institute of Environmental Medicine, Karolinska Institutet Senior Consultant of Cardiology at the Department of Cardiology, Danderyd Hospital

Green transition increases need for Nederman's solutions

Since the start in 1944, Nederman has evolved into one of the foremost environmental technology companies with a focus on industrial air filtration. We have grown with new products, applications, segments and markets. A growing population, consumption, globalisation and regulatory requirements have driven the market for the segments we serve, the size of which is currently estimated at approximately EUR 5 billion, with Nederman's market share estimated at approximately 10 percent.

The global market is growing in pace with more advanced needs and a greater focus on environmental and health issues. Increased industrial production as a result of a growing population with better economic conditions creates continued general market growth. A clearer focus on environmental and health issues with increased political will to impose demands on the control and transition towards a more streamlined and environmentally friendly production industry is impacting the willingness and capacity of industry to invest in new, effective environmental technology solutions.

FRAGMENTED MARKET AND GLOBAL LEADERSHIP

The market for industrial air filtration is fragmented and its size can be estimated on several different levels. For Nederman, it is relevant to define the market on the basis of the product segments and geographical markets that are addressable and profitably accessible with the current range.

The relevant market for Nederman amounts to approximately EUR 5 billion in annual investments, but inadequate statistics make this estimate uncertain. While we broaden our product offering, developing new digital services and strengthening our international presence in new markets, we gain access to a larger market.

STRONG TRADEMARKS

Nederman addresses the market with a strong portfolio of trademarks. The strategy is for each individual trademark to give the group a lead in a well-defined product area, technology or market segment. In this way, we are able to meet many different customer requirements and market segments, in both mature markets and emerging markets.

AGENDA FOR CONTINUED MARKET DEVELOPMENT

Nederman has developed from a company with a concentrated product portfolio and regional focus to today's position with the market's most advanced product and service offering and representation in all key industrial markets. Progress is made in accordance with a market-driven agenda:

Market-driven organisation

Four global divisions pursued on the basis of the group's trademarks and customer focus. Own sales companies in approximately 30 countries, and distributors in more than 30 others (2022). A strong local presence is vital when it comes to responding to changes in the market and delivering comprehensive solutions.

Global key customers

Central centres of expertise in combination with local presence enable us, in a way that is unique for the industry, to serve multinational customers in, for example, wind power and battery recycling, with everything from centrally developed technologies and products for local installation, deployment, training and service.

Product development with digital focus

Market-driven product development and utilisation of all opportunities offered by digitalisation – internally and externally. Increased digitalisation and automation of products, process solutions, service and monitoring open new markets. Digitalisation is also accompanied by new business models.

Active acquisition strategy

Acquisitions have been a key part of the group's development to effectively establish leading positions within attractive market or product segments. Size and market penetration give us a head start in the market that many smaller players find difficult to challenge.

Market definitions and estimated sizes

Total market

Global market for products and services in industrial air filtration.

Total addressable market

Total market for products and services in Nederman's current segments.

Potential addressable market

Product segments and geographic markets addressed by Nederman with its current products and services, and through existing sales and service channels.

	Product segment	Geographic market
21 EUR billion*	All	Global
7 EUR billion*	Addressable	Global
5 EUR billion*	Addressable	Addressable

*Estimated market value 2019, internal calculations

Strong positions in all important markets

AMERICAS



34% of the group's sales 2022

EMEA

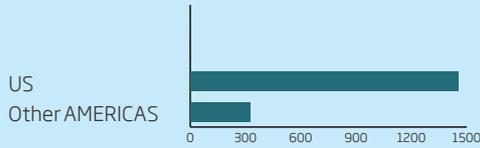


45% the group's sales 2022

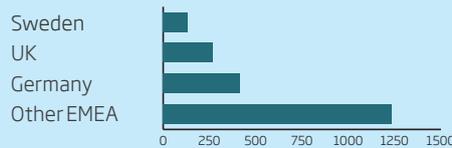
APAC



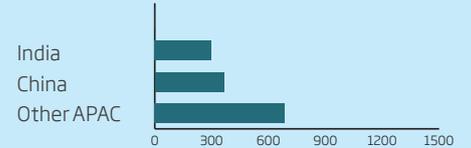
21% of the group's sales 2022



Sales per main markets, SEKm



Sales per main markets, SEKm



Sales per main markets, SEKm

New industries grow rapidly

The need for, and requirements on, clean air are universal for all manufacturing industries. Today, Nederman essentially serves all industries with generic and customised products and solutions. Meanwhile, new demands for environmental adaptation have driven the development of industrial segments, some of which are entirely new. For Nederman, this entails an expanded market, where we have had major sales successes with our technically advanced solutions.

WASTE-TO-ENERGY

The amounts of waste continue to increase steadily worldwide and place demands on, for example, efficient recycling and the necessary incineration of residual waste. The incineration process is used for energy recovery (waste-to-energy), but is also a source of air pollution in the form of, for example, flue gases.

Market requirements

- continuous process control
- energy recovery
- emissions monitoring in real time

BATTERY PRODUCTION

The need for high-capacity batteries is a key ingredient in the electrification of the vehicle fleet, the increased need for energy storage and the green transition of industrial processes. New manufacture and recycling of batteries is an energy-intensive process that also requires the handling of metals, flue gases and heat that are hazardous to health.

Market requirements

- energy efficiency
- materials recycling
- emissions monitoring

WIND POWER

Wind power is progressing robustly and the manufacturing process for new wind turbines is advanced and places high demands on cleanliness and precision in, for example, grinding of composites, welding and metalworking, with an accompanying set of requirements for a clean production environment.

Market requirements

- process control
- extraction and filtration of process air
- emissions monitoring

Environmental, social and economic trends drive development

Greater prosperity, in every sense of the word, demands that we weigh the environmental impact and use of society's finite resources into our economic models. A growing population will give rise to more consumption and, consequently, demand for

higher production capacity. As a direct result, the air in and around the production environments risks being affected. Nederman's solutions are adapted for Industry 4.0 and aim to minimise negative environmental impact.

Digitalisation and technological development	Increased consumer awareness	Stricter environmental legislation	Health and safety	Environmental threats and resource shortages
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Advance & Connect – strategy for continued growth

For more than 75 years, we have contributed to a better society by developing products and solutions that protect not only the industrial production process itself, but also the people who participate in it or are affected by it. As a leading player in the world market, we are shaping the future for clean air. With a stable foundation, we will take the next step.

Today, the need for more efficient industrial production and reduced emissions is more relevant than ever. Nederman's role is to develop products, solutions and various types of service offerings to protect people, planet and production from the harmful effects of industrial processes. As a leading player in the world market, we are shaping the future for clean air, and thus contributing to a green transition with a focus on long-term sustainability.

Nederman's Advance & Connect strategy combines today's strong positions with new opportunities and technologies that will allow us to take the next step in shaping the future for clean air. The foundation for continued growth is Advance & Connect.

ADVANCE

The strategy component, Advance, aims to exploit the full potential of our current markets. By continuing to optimise and develop our current strengths, we can grow from the very core of who we are and what we do, while gaining a stronger foothold in the markets we know.

CONNECT

Connect involves integrating new opportunities and digital technologies with our current product offering. This allows us to extend our core business, explore new markets and offer complete solutions to our customers by delivering Clean Air as a Service.

Advance & Connect is the base that enables Nederman to develop its operations towards the goal of global market leadership and is based on five distinct focus areas:

- Business focus
- Operational efficiency
- Market leading
- Transformation
- Globalisation

Advance

Exploiting the full potential of our current markets



Connect

Integrating new opportunities and digital technologies with our current product offering.

1

Business focus

Nederman's business is industrial air filtration. The continued focus is here, as well as on adjacent market segments.

2

Operational efficiency

Efficient and flexible production. Continuous process optimisation with the use of economies of scale, secure supply chains and digital platforms.

3

Market leading

Strengthened market positions with the objective of becoming a global market leader. Position as number 1 or 2 in cultivated segments and markets.

4

Transformation

Develop Nederman from a product-based engineering company to an outcome-based environmental technology company.

5

Globalisation

Expand in customer segments and geographic markets with growth potential. Develop technologies and secure knowledge transfer between regions and divisions, and optimise our supply chain.

OPERATIONAL EFFICIENCY 2022

New centre for manufacturing, logistics and innovation in Helsingborg

The new establishment will result in efficiency enhancements in manufacturing and logistics and at the same time, reduce the group's environmental footprint. The investment in test centres and innovation hubs will bring competence to such areas as digitalisation, mechanics, dust collection and air filtration. Occupancy 2024.

MARKET LEADING 2022

Market leader in the welding segment in the US

The acquisition of the US company RoboVent means that Nederman is considerably strengthening its position in North America, where we are now the foremost player in the US in industrial air filtration for the welding segment.

The Clean Air Company

Our mission

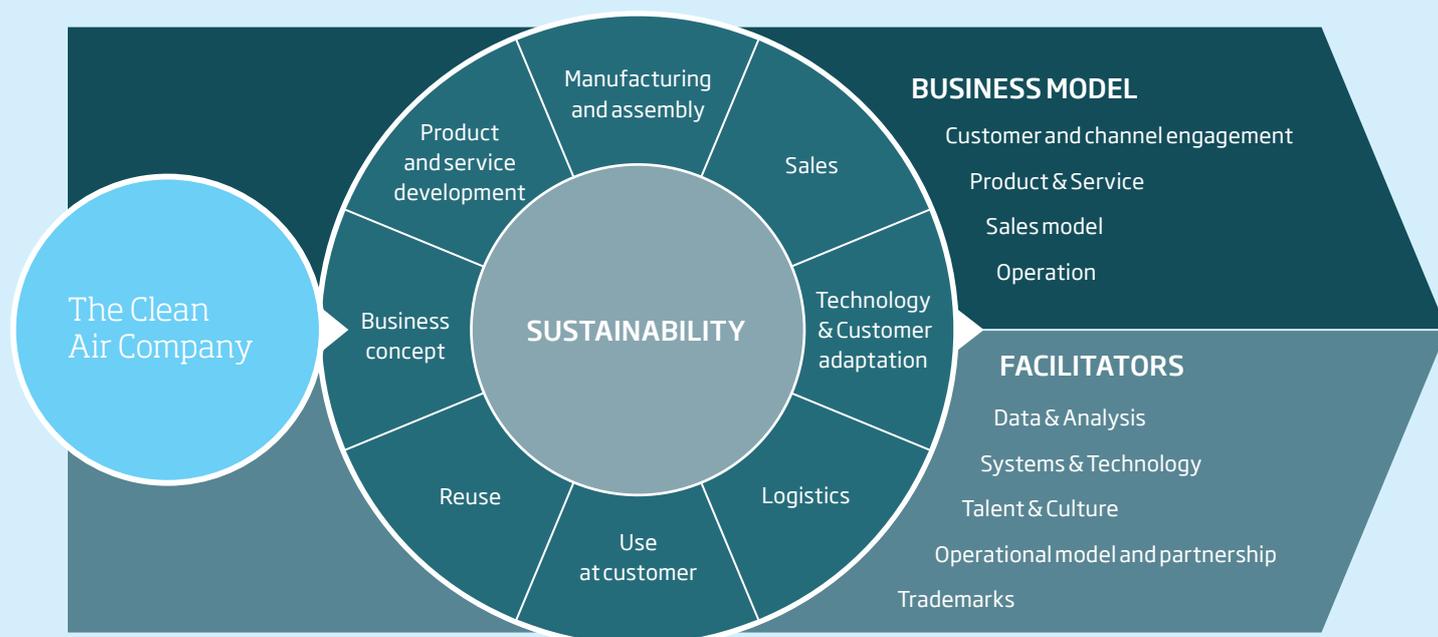
We shape the future for clean air

Our promise

We protect people, planet and production from the harmful effects of industrial processes.

Our values

- Sustainable customer relations
- Respect for the environment and each other
- The courage to act



Financial objectives

- 10 percent annual sales growth over a business cycle
- 14 percent adjusted EBITA margin
- 15 percent return on operating capital
- Dividend corresponding to 30-50 percent of net profit after tax

Social and environmental goals

- Employee engagement in excess of benchmark
- Energy: Halve the group's climate impact by 2023
- Digitalisation: All stationary filters IoT-ready by 2023
- Sourcing: All suppliers have signed the Nederman Code of Conduct
- Recycling: 100 percent recyclability of new products

Development goals

- Implement digitalisation strategy throughout the group
- Integrate all sustainability activities in the business plan
- Implement global key account concept
- Increase the customer value in our offering
- Improve process efficiency throughout the operations

TRANSFORMATION 2022

Nederman SAVE: software and service package for energy efficiency

The acquisition of the software developer Energy Save System Ltd at the end of 2021 added expertise in the control and management of filter systems which, for example, reduce energy consumption. During the year, the integration of Energy Save System was strengthened, the Nederman SAVE energy saving solution for the woodworking industry – which was further developed – was launched, and customer solutions were sold.

GLOBALISATION 2022

Strengthened position in expansive Australia

During the year, Nederman acquired the operations of the Australian company Ezi-Duct Pty Ltd, which manufactures and supplies ducting, fume extraction and industrial air filtration equipment. This acquisition strengthens Nederman's position and product range in the Australian market.

Air filtration of the future: Digital and servicified

Servicification is one of the key words as the world's industry transitions to increasingly greener production. The winners are those who understand and leverage the potential in the digitalisation of products and processes. Increased pressure from government agencies and the capital market have driven developments forward at high pace and the transition requires initial customer investments. Nederman is well on its way to completely digitally controlled air flow, with a very high market potential and new revenue opportunities.

Nederman's digital market offering now comprises products and services for the entire air filtration process. With the internally developed Insight IoT platform as a base, a market offering is created that provides:

- process control
- particle monitoring
- filtration and extraction
- emission control

SIGNIFICANT MARKET POTENTIAL

As market leader, Nederman now has expertise, filter systems and solutions in all core industrial markets. Established customer relationships and existing installations give us a natural advantage when the customer needs to develop or change the air filtration process. The potential for new sales and upgrades of digital products and services is considerable.

The other possibility for increased market shares is to grow the addressable market and thus increase the installed base. Many new, rapidly growing industrial branches, such as battery recycling, wind power and waste incineration, largely involve completely new plants, where the customer sees a completely digital process and outsourced operation, as self-evident. In this respect, our complete product programme and high degree of digitalisation are a clear competitive advantage.

NEDERMAN CLEAN AIR CONCEPT - FUTURE-PROOFS AIR FILTRATION

Nederman Clean Air Concept is the market's first complete service concept for industrial air filtration. The model revolves around our Insight IoT platform and is based on the completely decisive option of being able to measure and collect data from the customer's process. Based on this knowledge, we then have the opportunity to:

- clean and extract particles
- optimise the process
- validate the process results
- report according to regulatory requirements

The concept is based on existing and well-proven products. In principle, the process is generic, but with decisive customer-specific application built on initiated know-how of the customer's individual process.

Hardware, combined with advanced software services and significant applications expertise, gives us a unique position in terms of benefiting from the opportunities offered by increased servicification.

NEDERMAN INSIGHT - DATA-DRIVEN EFFICIENCY

In recent years, the need for clean air in industry has focused on more effective filtration through hardware development, with Nederman at the forefront for digital filters. In turn, digitalisation has led to greater opportunities to monitor and control operation and improve the possibilities for proactive service and maintenance work.

The next step comprises data-driven efficiency - mainly driven by demands for increased availability, energy optimisation, resource use and recycling.

The IoT platform Nederman Insight manages a large amount of data for process optimisation in real time, but also collects historical data that forms the basis for the configuration of new systems and processes.

ECOSYSTEM OF DIGITAL SALES TOOLS STRENGTHEN EFFICIENCY

In addition to a digitalised market offering, Nederman also works continuously to develop digital tools that strengthen customer relationships and enhance the efficiency of operations in a number of different areas.

Direct sales to end customers are strengthened and streamlined through developed and centralised quotation systems and system configurators, which ensure quality, efficiency and the best customer solution. For example, new quotation tools, digitalised quotation processes, system configurator, web optimisation and CRM are developed.

In indirect sales via distributors and resellers, increased sales, streamlining and improved customer service for resellers are created by developing digitalised product information, product configurators, digitalised ordering and training. PartnerWebShop/EDI, the product information system (PIM), nPower training portal and on-line chat are examples of this.

Further developed and digitalised tools and processes for optimisation and quality assurance also take place within production and delivery, from ordering to delivery and invoicing, business system development, ordering via EDI, e-invoices, etc.

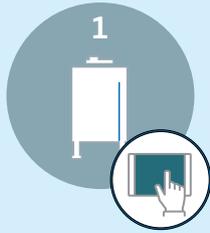


Clean Air as a Service

Aside from making it possible to control and optimise industrial airflows with a high level of efficiency, digitalisation also creates new business models for Nederman. When we can fully measure and control the customers' process, we can also offer operation, service and maintenance as an integrated service. This enables us to offer our customers "clean air" as a subscription service.

Smart filters

Product-based offering



Control systems

Smart connected filters

Solution-based offering



Connectivity & Service commitment

Filtration as a service

Function-based offering



Uptime commitment

Clean air as a service

Results-based offering



Compliance agreement

Nederman Clean Air Concept



REPORT



Clean air



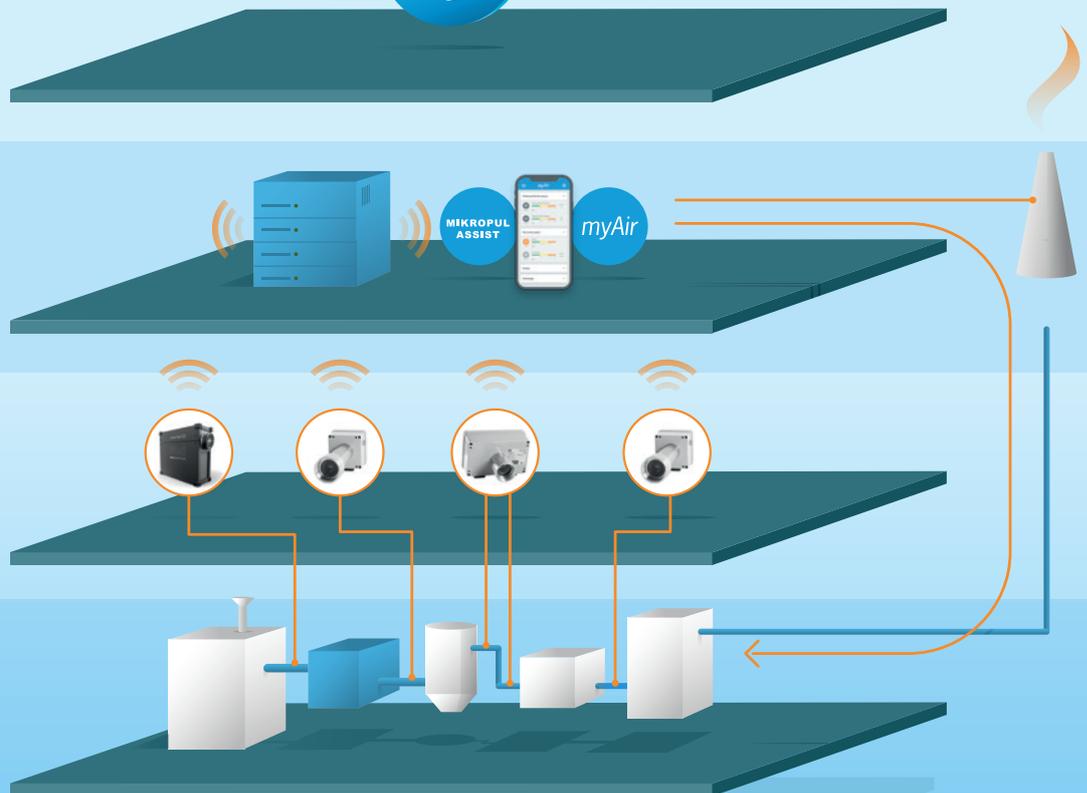
VALIDATE



OPTIMISE



EXTRACT

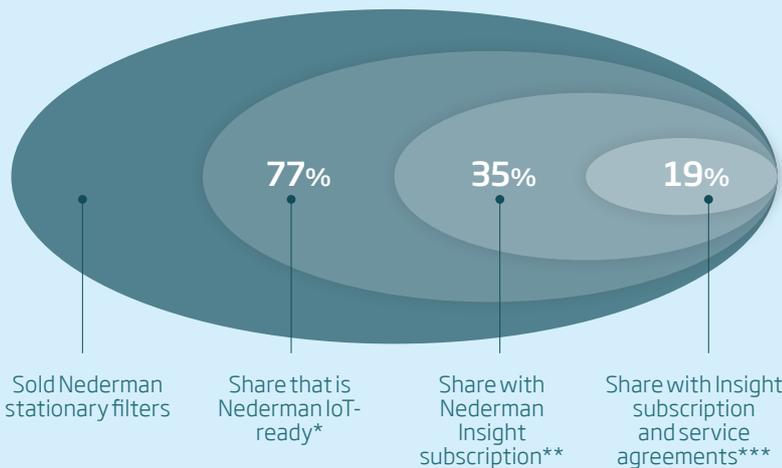


Continued development toward Clean Air as a Service

Digital filters are a requirement for customers to be able to invest further in the next step of air filtration: systems and services for monitoring and process control. During 2022, the sales trend continued and several orders were placed for various types of subscription services, and the trend is expected to be even stronger in the years to come.

DIGITAL FILTER SYSTEMS ARE ON THE WAY TO BECOMING STANDARD

Each year, Nederman sells and installs a four-figure number of stationary filter systems. In 2021, the share of IoT-ready systems grew from 23 percent to 40 percent of sales. During 2022, the trend continued and the share of IoT-ready filter systems grew to 77 percent. With higher numbers of digital filter systems, the installed base for sales of IoT subscriptions and subscription services, such as myAir and MikroPul-Assist, is also growing. The market is thus undergoing significant change and Nederman is at the forefront.



GOAL 2023

100%

IoT-ready filter systems

OUTCOME 2022

77%

* An Insight-ready filter is a stationary filter to which an IoT gateway can be fitted
 ** Active Insight subscriptions in relation to number of Insight-enabled filters sold
 *** Active Insight subscriptions including service agreements, in relation to number of Insight-enabled filters sold

An Insight-enabled filter is a stationary filter to which an IoT gateway is fitted

Nederman's offering is digitalised and servicified

Nederman continues to increase and develop its digitalised customer offering with a higher proportion of connected filters, connected system optimisation, and new sales and the extension of agreements for connected service monitoring and process control. A further step was taken during the year and Nederman SAVE - energy optimisation for filter systems - was launched.

<p>Filtration</p> <p> SMARTFILTER IoT-ready stationary filters</p> <p> SERVICE AGREEMENTS myAir, MikroPul-Assist</p> <p>NEW 2022 NEDERMAN SAVE energy optimisation for filter systems</p>	<p>Monitoring</p> <p> NEDERMAN INSIGHT IoT platform</p> <p> EMISSION CONTROL</p> <p> PARTICLE MONITORING</p>	<p>Process optimisation</p> <p> PROCESS CONTROL FOR INDUSTRY</p> <p> PROCESS CONTROL FOR THE TEXTILE INDUSTRY Luwa Digi Control 7</p>
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Nederman “Clean-Air-as-a-Service” (CaaS) guarantees E-MAX maximum operating time

Dutch company E-MAX manufactures and sells aluminium profiles and aluminium bars with a strong focus on recycling and sustainability. A key part of the concept is the company's smelter in Kerkrade, which each year produces about 60,000 tonnes of ready-for-delivery aluminium from recycled scrap, such as window frames and construction profiles. Nederman has equipped the filter facility for E-MAX's new smelter with the latest in digital monitoring, which guarantees E-MAX maximum operating time and reliable filter performance.

Aluminium production is extremely energy-intensive and thus has a large carbon footprint. E-MAX has committed to conducting sustainable aluminium production with low carbon emissions and since the smelter in Kerkrade uses locally recycled scrap, carbon emissions are reduced by 90 percent in the production of recycled aluminium with a low carbon content.

PARALLEL PRODUCTION LINES

The furnaces are connected to two large Nederman MikroPul FS-filter units. By dividing the filter line into two identical lines, the production level can be retained, even if a line must be taken out of production for service. The smelting line is equipped with a Nederman air filtration system that guarantees that the statutory emission levels are not exceeded.

DIGITALISATION STAGE 1

Following several years of successful cooperation, E-MAX and Nederman decided to fit the new filter system with digital sensors. The sensors measure relevant raw gas data to protect the filter, for example, temperatures, pressure levels and such data as vibrations and the position of rotating or movable equipment, to establish the real-time status in order to determine wear before it has a negative effect on the filter's operating time. The sensors deliver data to Nederman's IoT Insight hub, where E-MAX's maintenance team and Nederman's experts can monitor the process, share data and communicate action.

UPTIME COMMITMENT WITH SERVICE AND SPARE PARTS

With Nederman, which has access to all process data, E-MAX has chosen to sign a full-range Clean-Air-as-a-Service agreement (CaaS), by which Nederman's service team, in close cooperation with the customer, manages service, maintenance and spare parts supply for a fixed monthly fee for a ten-year period. E-MAX is guaranteed operating time for the plant, without unscheduled production stops, and can also estimate the operating costs in advance.



10-year guarantee - with data from Insight

The recycling of aluminium is a harsh industrial process that exposes the process equipment and the wear parts, including the air filtration system, to major stresses. Lucky Star, one of the leading aluminium producers in Qatar, knows this.

Lucky Star is very quality aware and required a ten-year guarantee for the air filtration equipment, as opposed to the usual 2-3 years, as a basis for the new cooperation with Nederman MikroPul.

To optimise the air filtration system in the best way and provide a guarantee as requested by Lucky Star, Nederman's Insight platform was installed and enables a comprehensive web-based monitoring and data analysis system. Combined with regularly scheduled physical inspections, this gives the opportunity to continuously assess the operating condition of the equipment and the reasons for and status of the wear. In addition to recommendations for process improvements, the capacity to provide regular recommendations on the replacement of spare parts and maintenance activities is decisive for operation that is as devoid of problems and secure as possible without unscheduled stoppages.

Energy optimisation with enormous savings potential

Woodworking is a large industrial sector, mainly in Eastern Europe. Due to the large amount of air that is managed in the dust extraction system, the need for energy is great, and at today's prices, the energy issue has made its way to the boardroom of an increasing numbers of producers. At BRW, one of Europe's largest companies in the industry, it was decided to minimise the effects, and Nederman delivered a solution that radically changed the situation.

The wood industry is important for Poland, with most going on export, and the plants employ many people, directly and indirectly. The energy issue has become a problem that threatens prices and competitiveness. It is satisfying for us at Nederman to have ready solutions to offer our customers," says Piotr Krysztofik, CEO of Nederman Poland.

NEDERMAN SAVE

BRW is the woodworking industry leader in Europe. Woodworking is a continuous process, often with two or three shifts up to 16 hours a day and energy consumption is a significant cost item.

The filtration plant in Biłgoraj was installed 15 years ago and their existing control system means it was impossible to adapt the air extraction to the current use of the machines and thereby minimise energy use. It was quite simple for us to resolve this using our Nederman SAVE energy saving concept, by which we supplemented the existing equipment with digital sensors, equipped the system with additional dampers and inverters, as well as an intelligent

control system for these. Nederman SAVE knows which machine or part of the machine that is in use and the extraction requirement, and based on this, the entire system is adjusted to minimise energy consumption. This new system is a much more effective solution compared with a differential pressure monitoring system that is otherwise used in most systems in the market.

WHITE CERTIFICATE REDUCES INVESTMENT COSTS

The Polish government agencies offer an energy-saving programme, by which industries can apply for investment contributions to implement energy-saving solutions. An approved White certificate cuts the investment bill and makes the investment even more attractive. Nederman SAVE has a built-in reporting function and demonstrates the energy efficiency, making the application for a White certificate simple. The project starts with an audit of the plant, with proposals for measures, a cost calculation and theoretical energy saving. After the application is approved, the project moves on to a pilot installation to confirm the calculations before proceeding to full-scale installation.

The BRW project commenced with an audit of the plant, with a proposal of measures for a selected production line. Based on measurements from the audit and actual use of the woodworking machines, the potential energy savings and investment costs are calculated for the line reviewed and the entire plant. Energy consumption and the energy costs enabled a repayment period of less than seven months for the investment in the Nederman SAVE system.



Nederman SmartFilter cuts 1/3 of the energy requirement

The choice of filter also clearly impacts the operation's energy consumption, costs and environmental impact. Nederman LCP and MCP SmartFilters yield reduced energy costs and lower environmental impact

We based the example below on a filter application that is common throughout the world and compared Nederman's LCP or MCP SmartFilter with a corresponding filter solution in the market.

SAVE SAVES AS MUCH AS 70% OF ENERGY

The result is astonishing and demonstrates an enormous potential from digitalisation alone, with the support of complex algorithms that cover industrial production processes. Alongside of this, there are several other benefits of Nederman SAVE, according to Piotr Krysztofik:

- guaranteed uptime
- preventive maintenance
- simple calibration and adaptation of the system after replacement of machines
- use of surplus capacity in the system to connect further machines
- more efficient staffing and use of resources
- increased explosion safety (ATEX)
- continuous filter optimisation with lower wear
- remote monitoring/data collection
- improved reporting

BRW is only one of many businesses in the woodworking segment that are now reviewing their energy situation. In the same industry, there is, for example, the well-known company IKEA and in welding and smelters, for example, there are many players facing the same challenges. We know that we can offer market-leading solutions and 2023 looks like being a real breakthrough year for our energy-saving solutions, Piotr Krysztofik concludes.



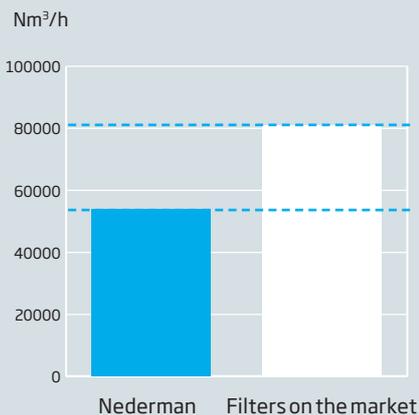
Piotr Krysztofik
CEO Nederman Poland

NEDERMAN SAVE ENERGY OPTIMISATION

- Nederman SAVE software
- 16 SAVER Boxes
- 64 sensors
- inverter/speed control
- control damper
- Nordfab duct inlet

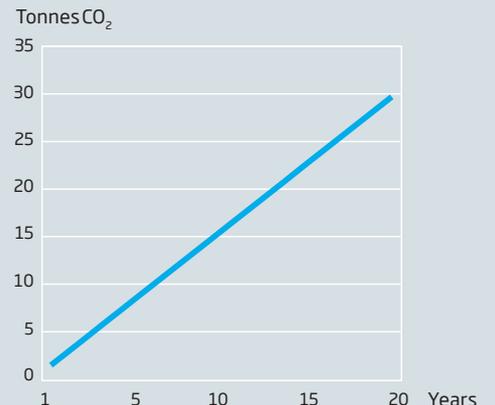
ENERGY SAVING PER FILTER AND YEAR

33%



SAVING CO₂ PER FILTER

30 tonnes
CO₂ over 20 years



Investments in efficient production and logistics

Nederman's global presence places demands on high efficiency and reliability in all production-related areas of operation. Due to strong demand during 2022 and continued healthy growth prospects, we increased our investments in more sustainable production and logistics.

CONTINUED CHALLENGES

After a strong pandemic-related decline in demand during 2020, an equally strong upturn followed in 2021, but with new challenges as a result: component shortages, freight problems and price adjustments that complicated the supply chain, with longer delivery times and rising prices. Demand continued its strong trend during 2022, but many challenges remained in the market. This was at the same time as the geopolitical unrest, mainly connected with the war in Ukraine, further complicated the supply chain in the form of rising energy prices and increased risk of energy shortages. Overall developments have also led to inflation taking hold throughout the economy and has led to rapid interest rate hikes by the world's central banks. In this macro environment, Nederman was early in adapting and developing its supplier and production organisation to meet the customers' needs for secure and reliable deliveries, for example by investing in extended capacity and increased automation. Another success factor is our strategy of regionally adapted production close to the customer, which generates reliable supplies and a competitive offering.

GROUP-WIDE STRATEGIES

Nederman's four divisions are active in markets with partly separate business logics and thereby differences in their supply chains. This requires that we manage the supply of materials and production based on each division's profile, at the same time as we try to develop synergies wherever possible. The emphasis is on the need for a strong and reliable supply chain. Shared principles are:

- Final assembly close to the customer - creates increased availability.
- Vertical integration and increased insourcing - reduces the dependence on external suppliers and shipments and increases Nederman's value creation in the value chain.
- Classification of inventory and selectively adapted inventory levels closer to the customer market - yields shorter and more reliable customer deliveries.
- Alternative supply chains - increase reliability and reduce delivery times.
- Partnership with key suppliers for more reliable delivery and more efficient product development
- Greater digitalisation - increases reliability and efficiency

MORE EFFICIENT, CLEARER, STRONGER ORGANISATION

With operations in approximately 30 markets and production and assembly units in 13 countries, there is already a need for clear coordination. An improved supply chain and a manufacturing process based on streamlined processes and economies of scale reduce production costs and generate cost advantages. Group-wide platforms for automation and energy optimisation have been established to serve all divisions. Our organisation for Combustible Dust supports further skills development in this area, which is important for the group and its customers. In the areas of Sourcing as well as Production and logistics, there is a strong

focus on continuous improvements and reinforcing resources in all divisions.

FOCUS AREAS

Sourcing

An overall goal is to secure supply chains on all continents where we operate. The focus is on our main materials areas of steel (availability and price volatility), semi-conductors (dependent on small number of manufacturers) as well as motors and unique components necessary for our products.

Production and Logistics

Optimise the group's global industrial climate impact, while securing global availability and quality, as well as optimising cost, as goals. Such factors as increased volatility in the global freight market impact supply and cost. Nederman continuously reviews and adapts the group's supply strategies to optimise costs and availability.

As part of developing a culture of customer focus and efficiency, we have strengthened the work to measure, follow up and continuously improve activities in the Operations area of all units.

Sustainability

Within product development, there is particular focus on analysing the current product offering to determine energy use in operation, at the same time as new products are to be designed with the lowest possible energy consumption as the goal. Increased modularisation and a reduction in the number of components are other areas where projects are in progress aimed at reducing the group's environmental impact.



Key activities 2022

Nederman Extraction & Filtration Technology

- Preparation of improved plant layout in Poland.
- Investment in paintwork line with new paintwork technology in Poland.
- Planning for new, ultra-modern production and logistics plant in Sweden.
- Implementation of ERP system in our production facility in Poland.

Nederman Process Technology

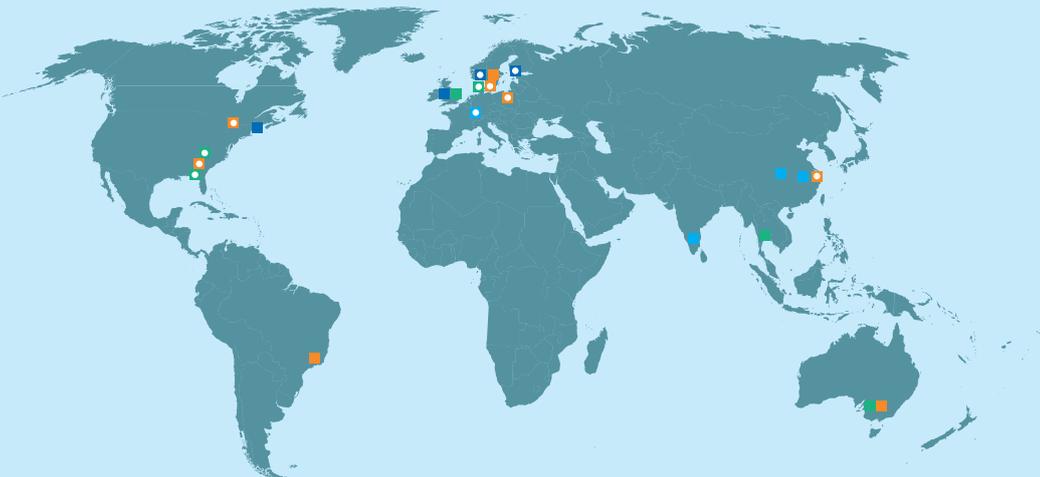
- Installation of an 16-tonne crane at the unit in Friesenheim.
- Expanded supply chain in India for CS and FS filters.
- Installation of an integrated fire alarm system for the units in Friesenheim.

Nederman Duct & Filter Technology

- Production start for automated duct lasers with robot handling of finished ducts in Nordfab EU, Assens Denmark.
- Construction start for expansion of the finished goods warehouse in Nordfab US, Thomasville.
- Doubled capacity - investment in semi-automatic flanging machine, remodelling of warehouse with expanded storage spaces in Nordfab UK, Leeds.
- Upgrade of machine park for higher efficiency, reduced maintenance and minimised operational outages in Nordfab Thailand.

Nederman Monitoring & Control Technology

- Changes in product design to offset challenges in the supply chain and components shortages.
- Increased production efficiency and throughput in all business units.
- Strengthened service organisation and structure for Neo Monitors' operations in the US.



Manufacturing and assembly units

Australia / Melbourne	Extraction & Filtration Technology
Australia / Melbourne	Duct & Filter Technology
Brazil / Sao Paulo	Extraction & Filtration Technology
Denmark / Assens	Duct & Filter Technology
Finland / Helsinki	Monitoring & Control Technology
India / Bangalore	Process Technology
China / Shanghai	Extraction & Filtration Technology
China / Shanghai	Process Technology
China / Suzhou	Process Technology
Norway / Oslo	Monitoring & Control Technology
Poland / Marki	Extraction & Filtration Technology
UK / Kettering	Extraction & Filtration Technology
UK / Leeds	Duct & Filter Technology
Sweden / Helsingborg	Extraction & Filtration Technology
Sweden / Töredal	Extraction & Filtration Technology
Thailand / Chonburi	Duct & Filter Technology
Germany / Friesenheim	Process Technology
USA / Boston	Monitoring & Control Technology
USA / Charlotte	Extraction & Filtration Technology
USA / Detroit	Extraction & Filtration Technology
USA / Thomasville	Duct & Filter Technology
USA / Trenton	Duct & Filter Technology

Competence and product development centres

Denmark / Assens	Duct & Filter Technology
Finland / Helsinki	Monitoring & Control Technology
China / Shanghai	Extraction & Filtration Technology
Norway / Oslo	Monitoring & Control Technology
Poland / Marki	Extraction & Filtration Technology
Sweden / Helsingborg	Extraction & Filtration Technology
Switzerland / Uster	Process Technology
USA / Boston	Monitoring & Control Technology
USA / Charlotte	Extraction & Filtration Technology
USA / Charlotte	Process Technology
USA / Detroit	Extraction & Filtration Technology
USA / Thomasville	Duct & Filter Technology

- Extraction & Filtration Technology
- Process Technology
- Duct & Filter Technology
- Monitoring & Control Technology

○ Competence and product development centre



New unit for manufacturing, testing and experience in Helsingborg

In the autumn of 2022, work commenced on Nederman's new manufacturing and logistics facility in Helsingborg, and the establishment of an innovation hub, with a global innovation, development and testing centre (Nederman IDT Center) and an experience centre (Nederman Experience Center).

In addition to a robustly strengthened manufacturing unit, the new Nederman IDT Center comprises a group-wide innovation centre with a focus on product development and innovation for industrial air filtration. Competence and resources will be added in such areas as digitalisation, mechanics, dust extraction, analysis and energy optimisation. The aim is also to contribute to collaboration and knowledge-sharing between the region's innovation-oriented companies, engineers and universities. Part of the investment comprises a new group-wide test centre to further strengthen Nederman's test capacity and position within, for example, air filtration, dust extraction, oil mist filtration and digital technologies for process control and emissions monitoring. The centre comprises indoor and outdoor test spaces, laboratories for full-scale testing and a prototype workshop where ideas and products can be tested at an early stage and evaluated. The objective is to ensure the products' performance, efficient product development and recyclable materials choices, as well as a shorter time-to-market.

"Through this investment, we are enhancing the efficiency of product development within all of the group's areas - a future-proofing of Nederman's position in the global industrial air filtration market."

Dan Rousseau, Director of Filtration Innovation.

Directly adjacent to the test centre, there will be the establishment of the Nederman Experience Center, an ultra-modern and interactive experience centre, where Nederman's products and solutions and the company's competence and experience will be demonstrated. The Nederman group's Clean Air Concept, including products, solutions and IoT offering, will be showcased using physical products and digital solutions, as well as the possibility of remote connectivity. The experience centre will be a vibrant meeting place for events in innovation and sustainability, customer meetings, training and much more. The general purpose is to enhance insight into why clean air is important and to show the offering of Nederman's comprehensive solutions for industrial air filtration, which contribute to protecting people, planet and production throughout the world.

"Our new Experience Center provides us with a fantastic opportunity to create something beyond a traditional showroom. It is to be an informative, creative and social place, where we can collaborate to shape the future for clean air."

Anki Leeman, head of Nederman Experience Center,
Marketing Manager Extraction & Filtration Technology.

Overall, the establishment of a new manufacturing unit, Nederman IDT Center and Nederman Experience Center will contribute to Nederman standing strong in its development and positioning. Occupancy is scheduled for summer 2024.



Solar panels in investment for more rapid deliveries in the US

When one of Nederman's large plants in the US needed to be expanded, the decision was taken to combine this with an investment in clean energy. The result is more efficient production, faster and more reliable deliveries to customers, a better work environment and not least, positive climate effects.

In the US, Nordfab, part of the Duct & Filter Technology division, has a production plant of approximately 10,000 square metres in Thomasville, North Carolina. The strong demand in recent years led to the operation outgrowing its premises, which led to delivery problems and thus reduced growth possibilities. For example, the warehouse was too small in relation to the production volume, while the limited manufacturing space resulted in disruption to production.

Accordingly, Nederman is investing in an extended warehouse and more space for more efficient and reliable production. The investment project contributes to the division's vision, Nordfab Now®, with next-day delivery of standard duct systems in dust extraction systems. To a greater extent, products manufactured will go directly to inventory instead of directly to the customer. In total, the investment entails that the floor area will increase to 17,000 m². In addition, the rooftop space of new and existing buildings will be used for the installation of 10,000 m² of solar panels. The combination of Nordfab Now® and the award-winning design software, Quick-Fit Visual®, will contribute to a broadened market offering and a strengthened position for Nordfab.

"To me, it is natural to invest in an already successful operation to continue its positive trajectory with superior customer service, while at the same time, reducing our CO₂ emissions"

Jeppe Rasmussen, SVP & Head of Division Duct & Filter Technology.

The solar panels on the roof will produce approximately 1,400 megawatt hours of electricity per year, which covers about half of the anticipated energy consumption for the plant. This will reduce Nordfab's carbon footprint by 1,004 tonnes, corresponding to the energy to meet the needs of 121 homes for a year. Climate impact is also becoming such a significant issue because current energy sources mainly comprise coal.

"We not only sell a duct product that is easy to be re-used, but we will now also produce it much more sustainably."

Jeppe Rasmussen.

Construction commenced in April 2022 and the new building is expected to be in full use during the spring of 2023.



Supplying clean and safe air to vehicle workshops

Mercedes-Benz is one of the largest manufacturers of premium cars and the world's largest manufacturer of commercial vehicles. To ensure a safe work environment for its employees, improve productivity and create a cleaner environment, Mercedes-Benz Turkey chose to install Nederman's system for exhaust hose reels in its workshops. Without a proper exhaust system, employees are exposed to dangerous health risks as they risk inhaling harmful gases such as carbon monoxide, carbon dioxide and nitrogen oxide. Nederman's system is easy to manage and entails extraction at source, the most effective method of capturing and removing vehicle exhaust fumes and to create a clean, safe and healthy environment.

Complete solution for measurement and dust control

The world's largest supplier of car batteries, Johnson Controls, has more than a century of tradition of producing batteries, with a strong focus on health and safety in its production.

Johnson Controls do Brasil, located in Sorocaba - SP, contacted Nederman in search of a new solution for cleaning on their production line. The main aim was to replace the old cleaning method that was employed, with portable vacuum cleaners, brooms and scrapers which, apart from being time-consuming, involve the risk that employees will come into contact with hazardous substances. Nederman installed a centralised system for cleaning, including the measurement of particles released into the atmosphere, which meets the high levels of demand applied by Brazilian legislation to this type of business. Approximately 120 tonnes of lead oxides are used in manufacturing each day and dirt is unavoidable. With Nederman's system, employees' contact with dust is eliminated. Nederman was the only company that offered a complete solution that meets Johnson Controls' requirements, including design, installation, guarantee, maintenance service and spare parts - all local, which contributed to the decision.

Launch of portable dust collector and fume extractor with new technology

Nederman has updated its portable dust collector and fume extractor with an optimised nanofibre filter and ePTFE technology. Airborne dust and fumes are generated in most industrial processes and affect both the production and the people who work there. To protect people and production, it is important to have a robust dust collector or fume extractor that removes the pollutant at source before it reaches the worker's breathing zone. In many workshops, a mobile unit is the best and most flexible choice. With the updated nanofibre and the ePTFE technology's filter media in Nederman's mobile dust and fume extractor, the mobile units are now more effective than ever. It provides cleaner air with reduced emissions and a healthier work environment. The optimised filter technology generates even higher efficiency and cost-savings thanks to longer filter life and reduced energy consumption, as well as higher productivity due to longer cleaning intervals and shorter downtime.

Ensuring environmental responsibility and productivity

Gasmet is world-leading in system solutions for continuous emissions monitoring and where the latest technology is always used. One plant that has had major success with Gasmet's system is the HanWha solutions plant in Yeosu, Korea. HanWha is a major Korean chemicals manufacturer with a strong commitment to more sustainable solutions. They are involved in the manufacture of many green technologies, such as solar panels, high-quality batteries for electric vehicles and high-strength, ultra-light materials for cars.

HanWha's earlier system could not keep pace with the plant's increasing needs and the adaptation to new legislation. Furthermore, in Korea, all emissions from industry are also monitored in real time by government agencies.

This also means that a small excess emission could cause major problems for the company. The Gasmet system meets the requirements and offers, for example, the most precise readings available in the market. HanWha installed the advanced multi-component CEMS II eFTIR system, which is particularly modular and can be upgraded for future needs, including a system for mercury monitoring and continuous dioxin sampling. If regulations are changed, it is possible to simply add more measured gas components or to change their ranges, thereby creating reliability and securing the plant's productivity. Gasmet's combination of global know-how and local support was another factor that contributed to the successful cooperation.





Nederman's divisions

Nederman is organised in four divisions, based on differences in business logic, customer structure and technology. The organisation is driven by simplicity and has the group's brands as its starting point. The operating segments are global and have an explicit focus on the customer. The year was characterised by continued recovery of demand and healthy profitability, but also by challenges in the supply chain, rising energy prices and strong inflationary pressure.



Nederman Extraction & Filtration Technology

Develops and sells a broad range of filters and digital monitoring services, capturing devices, fans, high-vacuum products and reels for the distribution of a variety of liquids and compressed air.



Nederman Process Technology

Offers process equipment, filter solutions and digital services that are integrated into the customers' production processes, where they capture and measure harmful particles and gases.



Nederman Duct & Filter Technology

Markets and sells different types of ducting systems, valves and filter elements to ensure good air quality in a number of industries.



Nederman Monitoring & Control Technology

Offers advanced measurement technology for gases and dust, and an IoT platform that provides customers with information and insight into critical parameters and processes.

Division Nederman Extraction & Filtration Technology

Market position

Sales are conducted globally through our own sales companies and through an extensive network of partners. The division has significant aftermarket sales in the form of spare parts and service. The sales organisation and offerings are gradually being expanded into new markets, segments and applications in order to strengthen competitiveness. Tougher regulatory requirements and increased environmental awareness drive the demand for new products and solutions.

Customers

Customers comprise industries and operations with air contamination that must be managed effectively and safely, including metal working, fibre-based industry (wood and composites), vehicle workshops and industries exposed to dust particles that - if not handled correctly - are liable to cause explosions and could lead to diseases and premature death if they enter the lungs and bloodstream.

Offering

The division offers its customers clean air optimised in terms of energy, process efficiency, health and safety, while ensuring regulatory compliance. The products comprise a broad assortment of capturing devices, digital IoT-based monitoring systems, ducting systems, fans, high-vacuum and low-vacuum filters, and reels for the distribution of a variety of liquids or compressed air. Digitalisation enables an advanced service offering and increased aftermarket sales.

EXTRACTION & FILTRATION TECHNOLOGY IN BRIEF

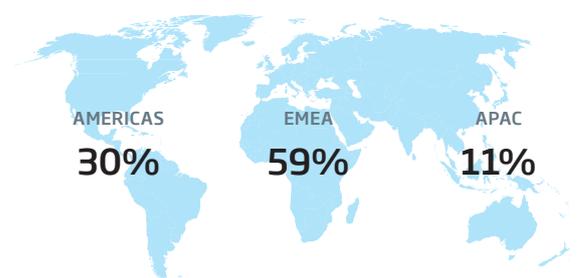
Head of Division: Hans Dahlén

Brands: Nederman, RoboVent

Average number of employees: 946

SEKm	2022	2021	2020
External orders received	2,238	1,781	1,589
Sales	2,165	1,763	1,649
Adjusted EBITA	357	309	222
Adjusted EBITA margin	16.5%	17.5%	13.4%

External sales by region



Key acquisition and new market concept

It was another good year for Nederman Extraction & Filtration Technology. Sales and orders received increased to new record levels at the same time as the division made a major strategic acquisition, launched a new market concept and secured large orders from new customer industries.

To be better able to present the various benefits of the division's offering, a new concept, Clean Air Optimised, was launched during the year. This communicates that the division offers solutions for clean air in various environments that also optimise the conditions for employees' health and safety, fulfil various laws and regulations, and offer the highest process and energy efficiency. Solutions that contribute to keeping down energy consumption have attracted great attention during the year against a background of large hikes in energy and electricity prices. Based on technology from Energy Save System, acquired in 2021, combined with existing filter systems, the division can now offer a system solution under the name of Nederman SAVE, which can cut energy consumption by as much as 70 percent compared with conventional systems.

Another important event during the year that strengthens the division's position was the acquisition of US company RoboVent, a North American leader in air filtration technology and solutions for the control and filtration of industrial fumes, dust and oil mist. Through this acquisition, the division significantly strengthens its position in North America by becoming the foremost player in the US in industrial air filtration in the welding segment. Welding is a traditional key application for the division's offering, where it already has a leading position in Europe and becomes global leader through the acquisition of RoboVent.

Although the division generally reported healthy growth, the trend in service and aftermarket stands out and encompassed all regions. The division broadened the offering in various application areas and built strong loyalty among customers using different initiatives. The long-term ambition is to continue increasing the segment's share of the division's total sales, contributing to a more stable sales trend over time and higher profitability since service often has higher margins.

The market sentiment has changed. The formerly consumer-driven growth declined, which affects demand in the wood products industry, to which the division has large exposure. The continued problems in the automotive industry also impacted demand for the division's solutions. To address this development, the division increased its sales activities targeting other industries. During the year, orders were secured within the food industry, recycling, the energy sector, the defence industry and not least, in operations connected with electrification. So-called green industries' share of the division's exposure increased considerably during the year and this is a trend that is expected to continue in the coming years.

At the same time as the division noted a record in the number of orders, the basic business of product sales through, for example,

the division's webshop, reported continued positive development. During the year, the division continued to roll out its webshop to increase efficiency and accessibility ("Easy to do business with"), including to a number of partners in five countries in Asia. Performance in APAC was otherwise negatively impacted by the extensive covid-19-related lockdowns in China, which continued for a large part of the year. Other markets in the region displayed healthy growth, particularly in Australia.

"Green industries' share of the division's exposure has increased considerably"

Hans Dahlén, Head of Division

Digitalisation is a natural part of the offering, including the division's new concept, Clean Air Optimised. Digitalisation in the product development area continued and the launch of digital filters with complementary IoT hardware and subscription services, such as myAir, is central to retaining strong positions in EMEA and to be able to grow more rapidly in the US, among other countries. During the year, LBR SmartFilters were launched in North America. There was also an upgrade of the division's Insight solutions, which includes digital monitoring, with launches in several markets.

The business was affected to a certain extent by problems in the logistics chain, mainly related to purchasing of electronics, and by rising prices of raw materials and the general increase in inflation in the economy. During the year, actions to optimise the logistical and manufacturing structure continued, and, for example, construction of a completely new site commenced in Helsingborg. This will create a more rapid logistics flow, strengthen production capacity and drive innovation. Read more on page 40.

SALES OCH MARKET TREND

The division's orders received increased currency neutrally by 18.7 percent to SEK 2,238m (1,781) and sales increased currency neutrally by 16.0 percent to SEK 2,165m (1,763). All regions and sales areas displayed growth during the year, with the strongest trend in the Americas. The division's sales in Service and aftermarket were strengthened in all regions.

MILESTONES IN 2022

- Continued strong performance for sales and orders received.
- Acquisition of RoboVent, North American leader in air filtration technology for welding.
- Launch of the new Clean Air Optimised market concept.
- Launch of Nederman SAVE, energy optimisation for filter systems.
- Construction commenced of a new production and logistics facility in Helsingborg.
- Several large orders in green industries and the defence and energy sector.
- Strong development within service and aftermarket.

Division Nederman Process Technology

Market position

The customer base mainly comprises large multinational companies that are integrating and optimising the efficiency of their global production operations, which increases the need for suppliers that can provide services for the entire life cycle of the product in all parts of the world. All of the division's systems can be delivered with the option of remote control and monitoring which, in combination with our service offering, enables us to establish a long-term relationship with our customers.

Customers

The customers comprise companies in a large number of industries, of which the textile industry is the largest. The division also offers air filtration solutions used in metal recycling to leading companies active in the recycling of lead, aluminium, tin and other metals, as well as for incineration and heat recovery. Foundries and smelters, with the automotive industry as the engine, are another key segment, as well as the chemicals industry.

Offering

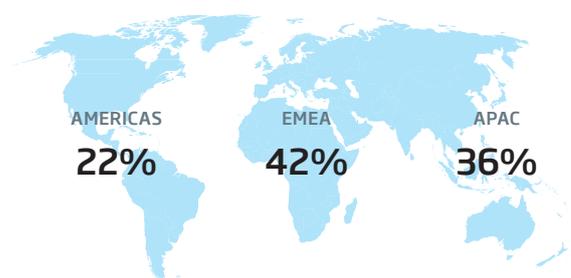
The division's solutions comprise an integrated part of the customer's manufacturing process and are decisive in creating safe work environments, stable production conditions and managing emissions to the local environment. The offering comprises advanced filter solutions that also include hardware and software, as well as digital monitoring and control.

PROCESS TECHNOLOGY IN BRIEF

Head of Division: Tomas Hagström
Brands: MikroPul, Luwa, Pneumafil, LCI
Average number of employees: 734

SEKm	2022	2021	2020
External orders received	1,825	1,785	993
Sales	1,722	1,292	1,137
Adjusted EBITA	100	51	58
Adjusted EBITA margin	5.8%	3.9%	5.1%

External sales by region



Delivery on a record order backlog

With strong support from a record order backlog, the division achieved new successes in 2022. Sales and profitability improved considerably and cash flow was strong, at the same time as the division was successful in growing in both new segments and in new markets.

The strong orders received in recent years, which encompassed all of the division's segments and all of its markets, apart from China, have generated steadily higher sales and profitability. During the year, certain challenges remained in the supply chain for key components, which increased the complexity of the implementation of projects, as well as costs. Despite these challenges, the division was able to deliver on all of its projects in line with or in excess of the budgeted margins. In addition, the division managed processes effectively and generated strong cash flow, while also successfully implementing price initiatives to offset inflation and other price increases.

The division's ambition is to be either largest or second largest in a market to achieve critical mass in all functions and thus be able to generate sustainable profit. Progress in the division's globalisation effort was made during the year with the launch of solutions in new geographic markets and use of technology in new applications. The division has, for example, a worldleading position in the textile industry and has seen growing successes by applying this technology in the adjacent non-woven segment (hygiene products). In addition, new successes were achieved by bringing configurable system solutions to new regions and to new applications, where the aim is to be a strong and leading player in the future. For example, progress was made in solutions for metal recycling in Americas.

"We were able to deliver on all of our projects in line with or in excess of the budgeted margins."

Tomas Hagström, Head of Division

The business benefits from being well-positioned in markets that are favoured by strong global megatrends. Several of the solutions are used, for example, in the recycling of metals, textiles and chemicals. For instance, the division is world leader in air filtration control in the recycling of aluminium. In addition, the division's non-woven operations (hygiene products) are benefiting from the rising health trend and increased economic prosperity in developing countries. Other industries, such as green steel and chemicals, can also use the division's solutions, thus yielding long-term opportunities. Projects related to such trends can be found throughout the solutions portfolio. The ambition is to continue to identify growth opportunities in recycling, non-woven and possibly incineration, while also leveraging opportunities driven by demand from "green industries."

The division's strategy is to be a partner for customer needs to ensure clean air for the full and often long service life of equipment. This entails a strong focus on the service portion of the offering, where a number of advances were achieved during the year to meet the needs of the rapidly growing installed base of

systems around the world. The service operations grew strongly and the division had success with its advanced service offerings and sold more long-term service contracts, including remote monitoring and IoT solutions that contribute to new, more advanced business models. The "Clean Air as a Service" offering reached a breakthrough, with several projects sold during the year.

The division continued to integrate its operations globally and in the various regions, through digital work and collaboration. The focus was also on coordinating purchasing by using its global strength to reduce costs and localise purchasing of certain items. The goal is to integrate various activities to achieve a critical mass within all functions, which contributes to lower costs and higher efficiency. The result will be continuous improvements to processes and quality.

There was also strong performance by the division's fibre operations. The textile segment continued to perform well, driven by increased market shares and a recovery in demand after several years of the pandemic. The division's operations in the adjacent non-woven (hygiene) segment displayed significant growth, including by way of a breakthrough order from a company in the US active in the hygiene sector. In the foundry and smelter segment, the focus on more sustainable production is contributing to a long-term increase in demand for the division's solutions in, for example, aluminium recycling. In the short term, high energy prices have a dampening effect on producers' propensity to invest. Increased defence spending could lead to higher demand among foundries and, by extension, the division's solutions. During the year, progress was made in new markets, including Turkey, through large orders of systems for foundry customers.

The segment for customised solutions is the most cyclical and often comprises large and complex projects. During 2022, some large and several medium-sized orders were registered and there is a continued strong pipeline.

SALES AND MARKET TREND

The division's orders received decreased currency neutrally by 4.3 percent to SEK 1,825m (1,785) and sales increased currency neutrally by 23.4 percent to SEK 1,722m (1,292). In APAC, which is dominated by the textiles segment, the segment performed well with the division delivered a record order book. In EMEA, where the division is a leader in foundry and smelter systems, demand increased with several large projects booked. In the Americas, where the division's largest projects are located, order intake increased while project execution has been accelerated, contributing to the division's improved profitability. Service sales have developed strongly during the year.

Milestones in 2022

- High sales growth and strengthened profitability.
- Continued record order backlog and strong cash flow.
- Breakthrough in new segments, such as non-woven, and in new markets.
- Strong trend for service operations.
- Breakthrough in "Clean Air as a Service" with several projects sold.

Division Nederman Duct & Filter Technology

Market position

The division is market leader for ducting systems under the Nordfab brand. Market shares in Europe grew in the past year, but the US remains the dominant market. In filter elements, under the Menardi brand, the US is also the most important market. The division's strong position is based on the continuous development of products, design and configuration tools, and logistics solutions paired with in-depth application and engineering expertise.

Customers

Customers are found in a wide range of industries, such as woodworking, metalworking, cement and concrete production, recycling, energy production, the automotive industry, plastics manufacturing and the chemicals industry. Sales are made through distributors and OEM customers, but there are also significant intra-group sales.

Offering

The division's concept for ducting systems includes product programmes, design, dimensioning and installation support for dust, fume, gas and smoke extraction as well as industrial ventilation, headed by its proprietary Quick-Fit system. The division's filter solutions are based on technology solutions that generate documented longer lifetimes and reduced maintenance requirements compared with competing products, resulting in the best possible lifecycle cost.

DUCT & FILTER TECHNOLOGY IN BRIEF

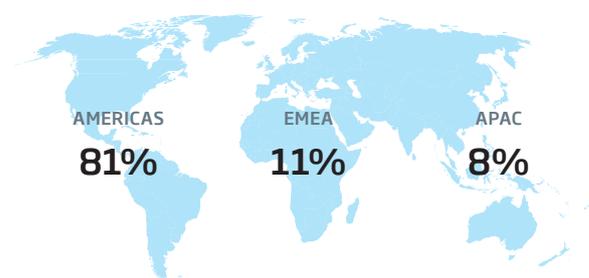
Head of Division: Jeppe Rasmussen

Brands: Nordfab, Menardi

Average number of employees: 303

SEKm	2022	2021	2020
External orders received	704	495	403
Sales	791	541	458
Adjusted EBITA	127	104	64
Adjusted EBITA margin	16.1%	19.2%	14.0%

External sales by region



Strong growth and new customer segments

It was once again a successful year for Nederman Duct & Filter Technology. With full focus on developing value creation around the "Fast, Friendly and Reliable" concept, the division strengthened its customer base and market-leading position, leading to both sales and earnings reaching new, record levels.

Ducting and filters, as individual components or parts of a system, are often considered to be standard products, with price pressure and high demands for availability and service as a result. To be able to develop sales and retain healthy margins, the division works with the concept of "Fast, Friendly and Reliable," including digitalisation of processes for a higher degree of service and efficiency.

The need to upgrade the division's production plants has increased in parallel with the strong development of demand in recent years. During 2022, a major extension of the plant in Thomasville, NC, in the US, was initiated, which will enable the new concept Nordfab Now®, with the delivery of standardised ducting products to customers within 24 hours. The extension will bring a larger warehouse and spaces better adapted for manufacturing, thereby reducing the risk of disruptions to production. In addition, solar panels will be installed on the roof that will generate energy corresponding to about half of the plant's consumption.

During the year, investments were also made to increase the warehouse capacity at the plants in Leeds, in the UK, and Assens, in Denmark. In addition, the machinery is being continuously upgraded, with, for example, Menardi in the US investing in a new laser cutter, which has created the chance for growth in new segments including food and pharmaceuticals. Regardless of the operations, the investments are about strengthening the "Fast, Friendly and Reliable" concept, with priority assigned to continued automation of production and logistics.

"In the US, several major orders were secured for the delivery of ducting systems to new battery plants."

Jeppe Rasmussen, Head of Division

Creating synergies to be able to enhance delivery reliability is a key area within the division. Our presence with our own production in, for example, North America, has generated competitive advantages for both Nordfab and Menardi, and created additional business. The new, fully automated pipeline in the Assens plant has entered full production, with a large number of deliveries to customer projects in the UK. Sales in the UK market more than doubled during the year and comprised large orders and new framework agreements. Both Nordfab and Menardi focused on proactive work to monitor and adapt prices to meet and manage volatile material costs that are rising over the long term.

The division's easy-to-use and interactive 3D tool, Quick-Fit Visual® (QFV®) which was successfully launched earlier in the Americas was rolled out during the year in Europe and was well received.

The QFV programme enables Nordfab's resellers to quickly create 3D designs for the installation of ducting systems for dust extraction. In addition, there was continued development of Nordfab's customer portal and digital order management tool, QTO™, in which customers can choose from among thousands of standard products for various ducting systems. Menardi also continued the development of digital tools for better configuration of its filter solutions and calculation of cost savings.

The division's strong focus on delivery reliability and high product quality led to several important breakthroughs on the customer side during the year. In the US, several major orders were secured for the delivery of ducting systems to new battery plants. The division delivered to all five of the lithium-ion plants established in the country and is able to deliver to all of the further approximately 20 plants that are under construction or in planning. Although ducting systems for the separation of dust and smoke comprise a small part of the total plant investment, they are of major importance for manufacturing with strict cleanliness requirements.

The position that has been built up in the area also increases business opportunities in Europe, where planning is under way to develop battery plants to nearly the same extent as in the US.

The division continuously evaluates the possibility of expanding into new markets. During the year, the assets of Ezi-Duct Pty Ltd were acquired and Nordfab Australia was formed, resulting in a platform to grow operations in ducting systems in the Australian market. Another part of the strategy involves creating the right communication and, during the year, websites were launched in Spanish and French with the aim of increasing business activity in Latin America and Canada.

SALES AND MARKET TREND

The division's external orders received increased currency neutrally by 24.6 percent to SEK 704m (495) and sales increased currency neutrally by 28.4 percent to SEK 791m (541). In Americas and EMEA, orders received grew. Ducting systems, which account for approximately 80 percent of the division's sales, continued their strong trend in all regions. The division's filter solutions displayed a strong improvement in sales and profitability, driven by high demand in the US and the ability to meet a high level of delivery reliability in a market with global supply challenges.

MILESTONES IN 2022

- Strong performance for sales and orders received.
- The acquisition of the operations of Ezi-Duct Pty Ltd and the formation of Nordfab Australia.
- Commencement of the extension of Nordfab's plant in Thomasville, NC, USA.
- Large orders for battery plants in the US, a new and rapidly growing segment.
- Strong increase in sales in the UK, with a major order for a kitchen manufacturer.
- Launch of the Quick-Fit Visual® (QFV®) 3D tool in Europe.

Division

Nederman Monitoring & Control Technology

Market position

With its solid application and technology know-how, the division has gained a market-leading position in the transformation that has commenced in the industry. Sales are conducted through the division's own companies, their networks of distributors and other divisions within Nederman. Product development, increased integration with other divisions and further acquisitions are priorities for continued expansion.

Customers

The division works with a broad spectrum of industries that need to continuously monitor and control their production, processes and emissions. Waste incineration, power production and oil/gas extraction, as well as steel, aluminium and chemicals are industries with major needs and potential. The product programme is being continuously developed, and together with Insight, now covers a large part of the group's overall customer and industry segments.

Offering

The division develops and sells products and systems for laser-based measurement of gases (NEO Monitors), products and systems for emissions analysis based on infrared measuring technology (Gasmet) and continuous particle monitoring systems (Auburn FilterSense). The digital offering is based on a proprietary IoT platform (Nederman Insight), which provides customers with information on critical parameters and processes.

MONITORING & CONTROL TECHNOLOGY IN BRIEF

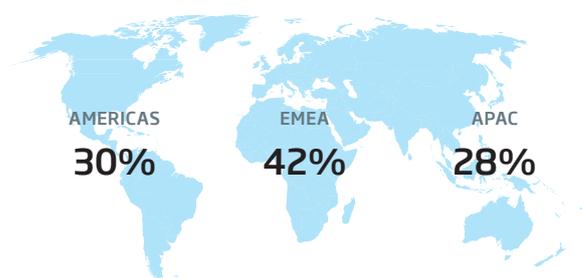
Head of Division: Ketil Gorm Paulsen

Brands: NEO Monitors, Auburn FilterSense, Gasmet, Insight

Average number of employees: 234

SEKm	2022	2021	2020
External orders received	657	562	496
Sales	606	537	507
Adjusted EBITA	97	121	95
Adjusted EBITA margin	15.9%	22.5%	18.7%

External sales by region



High level of activity in a challenging market

Following an initial phase of strengthened interest in digital monitoring and control of production processes during the pandemic, the trend was somewhat more challenging in 2022. The business displayed continued growth and a high rate of product development, but challenges in obtaining finished goods and components in normal time had a negative impact on business activity and profitability.

The division displayed healthy growth and profitability during the entire pandemic, but the most recent year was characterised by some challenges, primarily obtaining components and finished goods in normal time. Accordingly, the division has placed additional focus on ensuring that customers' needs are met. The shortage of components also led to increased costs for input goods, as well as for personnel fully occupied with supply issues. In addition, the continued extensive covid-19-related lockdowns in China affected sales activities and resulted in delays to the projects being supplied by the division.

During the year, activities were initiated to enhance production efficiency in all business units and to be able to implement changes in product design to counteract the challenges in the supply chain.

At the same time, new orders were secured with major international customers in, for example, the energy and process industry, and primarily in the US. Gasmet demonstrated a robust strengthening of the operations in Germany, in terms of both organisation and business activities. Through the acquisition of the Swiss distributor MBE AG, Gasmet's presence and sales in Switzerland were also strengthened. NEO Monitors' operations in the US continued to display stable growth and large orders were secured in, for example, the gas and chemicals sector. At the same time, a joint activity is under way to encourage the growth of all brands in the US, for example, by increasing the number of direct transactions with end customers.

Another long-term activity is to increase service sales. The service offering and local support were strengthened in the US and several new service agreements were signed. The division also worked to establish a platform for growth in service and support in China, which is a requirement, for example, when tendering for green-field projects with large customers in the country.

“The division is pursuing several development projects aimed at accelerating the green transition”

Ketil Gorm Paulsen, Head of Division

The division is pursuing several development projects aimed at accelerating the green transition – such as Gasmet's mercury monitoring system and NEO Monitors' hydrogen monitoring system to support customers' investments in new green energy sources.

The system offering in both emissions monitoring and filtration monitoring has improved, as has the functionality for remote monitoring of installed systems and maintenance functions, which reduces the need for travel by service personnel to installation sites. In addition, several sustainability initiatives were launched, such as “plant a tree” for each system sold, and a project for more environmentally friendly packaging and transport materials.

The pace of development of new solutions was high during the year. A new technology solution for the measurement of hydrogen and carbon dioxide based on the LaserGas™ III platform was launched for applications in green industries and other sectors with a strong focus on reducing their greenhouse gas emissions. At the major ACHEMA fair in Germany, the Nederman Insight IIoT platform was presented to the European market. During the year, new certification and audits/re-certification of the current portfolio were carried out by international certification bodies, including UKCA and TÜV. For Nederman Insight IIoT, Insight Cloud was certified for Cloud Security Alliance Level I, and Level II is under evaluation, demonstrating Nederman's commitment to prioritise security in IIoT. Insight Cloud was also released with the integration of Nederman's energy-optimised SAVE technology at the IWF fair in Atlanta, in the US. Finally, Insight Control was certified for hardware for sale to the US, Brazil and China.

To keep the division's three offerings together and conduct effective sales and service work, a great deal of effort has been put into building up digital processes, tools and market presence. The roll-out of digital tools for operations monitoring and control, such as IFS ERP in AFS, continued. The use of digital tools in sales meetings, web seminars and training courses also continued to increase. In addition, a project is in progress to create a shared go-to-market strategy with Nederman's other divisions, based on digital sales and marketing channels.

SALES AND MARKET TREND

The division's orders received increased currency neutrally by 7.2 percent to SEK 657m (562), while sales increased currency neutrally by 3.1 percent to SEK 606m (537). Americas led the trend, with an increasing amount of customer activity in the region. Orders received and sales were also strengthened in EMEA, although the activity in some markets was negatively affected by the war in Ukraine. In APAC, the extensive covid-19-related restrictions in China dampened demand.

MILESTONES IN 2022

- Continued healthy orders received and sales growth.
- Challenges in the supply chain impacted profitability and supplies.
- Acquisition of Swiss distributor MBE AG.
- Large orders in energy and process industry.
- Stronger service offering in US and China.
- Joint effort to grow in the US with all three brands.
- High pace of product development with several launches.
- Growing offering with focus on sustainability.



Sustainability initiative

Integrated sustainability work

Sustainability and initiatives in the area comprise an integrated and important part of Nederman's business activities. We work proactively to improve our own impact, while our products and solutions help our customers to reduce their air pollution and environmental impact. Nederman's promise - to protect people, planet and production - is the foundation of our sustainability agenda. The objective is to minimise negative social, environmental and financial effects from industrial production within our own business activities and those of our stakeholders.

Milestones in 2022

- Sustainability-related financing agreements with extended credit facilities were signed.
- Expanded reporting in line with applicable guidelines in the EU taxonomy was implemented.
- The goal of halving our climate impact from energy use by 2023 was already achieved in 2022.
- Installation of solar cell system on the largest production unit was initiated.
- The sustainability report for 2022 has been reviewed by Nederman's auditors.

We focus on

- Reduced environmental impact, page 57 (environmental sustainability)
- Compliance with laws and regulations, page 58 (financial sustainability)
- Efficiency in manufacturing and operation, page 60 (financial & environmental sustainability)
- Health and safety, page 69 (social sustainability)

There are measurable goals in every area.

Sustainability structure

Energy

-75%

Reduction of greenhouse gas (GHG) emissions Scope 1&2 in relation to sales. Base year 2014.
Goal: -50% by 2023

Digitalisation

77%

Share of sold stationary Nederman filters that are IoT-ready.
Goal: 100% in 2023

Sourcing

94%

Share of our suppliers of materials and goods who have signed our Code of Conduct.
Goal: 100% in 2023

Recyclability of products launched as of 2024
Target: 100%

FINANCIAL

SOCIAL

ENVIRONMENT

Climate goals in accordance with Science Based Targets

SBT Scope 1 & 2

Reduce our production units' direct and **indirect climate impact related** to energy use and purchased electricity.

SBT Scope 3

Reduce our **indirect climate impact**, by which we initially focus on our goods transport relating to suppliers of material.

The UN Sustainable Development Goals

The 17 UN Sustainable Development Goals comprise the base for Nederman's sustainability work. Nederman contributes mainly to the following goals.



The Clean Air Company

We protect people, planet and production
Mission, vision and values

UN SUSTAINABLE DEVELOPMENT GOALS - OUR FRAMEWORK FOR SUSTAINABILITY ACTIVITIES

The group has applied the UN Sustainable Development Goals and the ten principles for sustainable development according to the UN Global Compact initiative since 2015. The UN Agenda 2030 for sustainable development is the framework for our initiatives in efforts to meet future social, environmental and economic challenges. The results are presented in accordance with the Global Reporting Initiative (GRI).



THE GLOBAL GOALS
For Sustainable Development

Nederman's sustainability work is based on responsible business practices, high transparency and good business ethics, with the UN Sustainable Development Goals providing a framework for this work. Through resource-efficient production and innovative solutions in clean air, we contribute to creating growth and value for all stakeholder groups throughout the value chain. Continuously improving our products' environmental performance and minimising the negative effect from our own operations is key. We focus, for example, on digital solutions that increase opportunities for measurement and optimisation, thus enabling the customer to take full control of the air filtration process. This generates a strong increase in the effectiveness of resource management as well as compliance with legislation and regulations.

GOVERNANCE, AREAS OF RESPONSIBILITY AND MEASURABLE TARGETS

The Board of Directors has ultimate responsibility for Nederman's sustainability work, and decides on long-term goals as part of the group's strategic objectives. Group management is responsible for follow-up and development based on the group's governance model, which comprises an integrated part of the group's strategy and business processes. These processes apply to all divisions and customer offerings, and aim to create long-term values for all stakeholders. Long-term objectives and performance measures are established for each division and are included in the business plan for each division.

SUSTAINABILITY-LINKED CREDIT FACILITY

Sustainability is an integrated part of Nederman's strategy, from products that capture air contamination and digital solutions that save energy to a business that constantly strives to reduce energy use and to conduct business in a responsible manner.

During 2022, Nederman took another step in the direction of securing the concern's financing via a Sustainability-linked Credit Facility. This means that interest on the facility is now linked to the performance of key sustainability data that is continuously monitored.

Accordingly, Nederman's financing is in line with our sustainability activities and a key factor in driving Nederman's sustainability agenda.

DATA COLLECTION, REPORTING AND AUDITING

Internal data collection is mandatory and concerns all production units (however, acquired production companies in 2022 such as RoboVent and Ezi-Duct are excluded) for all sustainability indicators except data on health and safety, anti-corruption and on employees where all companies are included in the reporting process. Collection takes place quarterly for the most part (see page 39 for a list of the production units). Sustainability reporting based on systems for environmental management and certification (ISO 14001), and quality control and certification (ISO 9001), is conducted in the same system as the financial reporting. Sustainability reporting has been clarified in accordance with the applicable GRI standards.

Methods and categories for Scope 3 emissions were reorganised in accordance with the Greenhouse Gas protocol (GHG Protocol) with boundaries and a focus on upstream and downstream goods transport, which reflects the actual conditions instead of the standard method. Reporting in line with applicable guidelines in the EU taxonomy was implemented.

External reports on sustainability activities are published on nedermangroup.com. Summarised reporting is provided internally quarterly.

This sustainability report, prepared in accordance with GRI Standards, can be found on pages 54-72 and also constitutes Nederman's statutory sustainability report in accordance with the requirements of the Annual Accounts Act. The sustainability report, with the exception of disclosures according to the EU's taxonomy regulation on pages 64-66, has been reviewed. See the auditor's report on page 73.

Reduced environmental impact

Nederman wants to contribute to reducing the climate footprint and environmental impact in the world, which is primarily achieved through our products. Although our production is not energy-intensive, we are working to increase energy efficiency and converting operations to renewable energy. We strive to use all resources more efficiently by standardising and optimising internal processes. We work actively to maximise positive effects and minimise the negative environmental impact throughout the value chain. In order to implement changes where they make the most difference, it is important to have meaningful collaboration with business partners and other stakeholders. These collaborations also make us better prepared for potentially higher taxes and fees on activities that contribute to a greater climate and environmental impact.

CLIMATE FOOTPRINT AND REDUCED ENERGY CONSUMPTION

In line with the Science Based Target initiative (SBTi), Nederman intends to reduce the group's climate footprint in terms of Scope 1 and 2 by 50 percent by 2023 compared with 2014. This target was already achieved in 2022 and in 2023, Nederman's sustainability work will be further reviewed.

A general analysis of Scope 3 emissions along Nederman's value chain indicates that the sourcing of materials and components comprises the group's single largest emissions category. This is followed by purchased goods transportation, business travel and waste from worn-out products. To date, Nederman has only included purchased goods transport in its Scope 3 report.

Data on energy and emissions from energy use are reported and followed up quarterly by Nederman's group management. Our production units work with locally adapted, measurable target values and performance measurements. All units must present activity plans, such as for reduced energy consumption.

MATERIAL, MANAGEMENT OF HAZARDOUS WASTE AND RECYCLING

The energy efficiency of products, ecologically sustainable materials handling, circular economy and recycling are key areas for Nederman. Use of materials means risks, such as containing undesirable substances, and opportunities, such as innovative material that has a positive effect on energy performance. In addition, the focus among our stakeholders is increasingly on the importance of traceability of materials in the supply chain and knowledge of product content to facilitate a more circular economy on a daily basis.

The details can differ between different types of environmental impact, but overall, Nederman has a similar management strategy for materials, water and waste. These areas are significant, primarily for the group's production units. The largest environmental impact from materials use is in the value chain and is related to energy and waste. Nederman can influence this mainly through a greater share of recycled materials in our production and improved materials efficiency in design and development, which, in turn, reduces energy consumption and emissions, upstream and downstream.

Nederman's objective is for the amount of waste to continuously decline in relation to net sales, the share of recycled waste should increase and the practice of sending waste to landfill should be eliminated by 2023. This objective is included in the work on regulatory compliance and constant improvements and has no "sell-by date". All of the group's production units conduct measurement and monitoring based on goals and plans for scrapping and the management of waste, including hazardous waste.

Nederman's production only generates a marginal amount of hazardous waste. Hazardous waste comprises, for example, used spray cans and electrical waste, as well as residual materials from property maintenance work, such as the replacement of fittings and lighting tubes. The amount of hazardous waste is monitored regularly for the group's production units and the goal is included in the work to eliminate hazardous substances from the loop. Material recovery from hazardous waste is achieved by hazardous substances being separated and the remainder then being recycled.

The group does not use chemicals in its production, apart from small amounts of lubricant and surface finishing for products, for example, and accordingly, has no negative impact whatsoever on waste water.

Since 2021, Nederman has measured the share of used material derived from recycled sources for aluminium, steel and plastic at its four largest production plants. During 2022, this amounted to 14.9 percent (12) of the purchasing spend. The estimate follows the definition of GRI 301-2. However, note that the share of recycled material in one of our plants in the US is still based on the preceding year's figure.

WATER CONSUMPTION

Nederman has a general policy of enhancing the efficiency of use of resources, which includes water. Direct water usage is of little importance at Nederman's plants, since water is not used to any large extent for production, but only for hygiene and kitchen purposes. Water consumption is checked regularly to ensure that initiatives aimed at reducing the use of fresh water have the desired effect. Water usage is relevant due to the close relationship with energy use and for this reason, the group endeavours to use renewable electricity.

GREEN CONSTRUCTION GENERATES ENERGY SAVINGS

Nederman actively promotes energy efficiency at its production units. Energy efficiency is achieved through technology measures and behavioural changes. The areas of improvement include insulation of buildings, optimising compressors and more energy-efficient installations and equipment for lighting, ventilation, heating and cooling.

Other measures comprise transitioning to renewable energy sources for the electricity that is purchased or to install solar pan-

els directly on-site. The training of personnel is also important to ensure that equipment is used in an energy-efficient manner. Improvement measures also contribute to better indoor air quality and greater satisfaction among employees.

MORE SUSTAINABLE PRODUCTS AND PRODUCT DEVELOPMENT

Nederman works actively to develop products and solutions that are as efficient as possible, with a reduced environmental impact and the lowest total ownership cost over the product's entire service life. Digitalisation and innovation represent a priority area. Digital technology and solutions simplify active monitoring of various processes so that operations can take rapid action in the event of deviations. This makes it possible to work more sustainably and energy efficiently. Environmental impact is to be evaluated and minimised for all new products in accordance with the group's product strategy plan. All launches are evaluated in line with this and checked against the goals for reduced environmental impact.

With the circular economy as a growing necessity, the group is investigating the possibilities for continuing to contribute to low environmental impact through a high degree of recyclability in products, one of the targets for 2023.

Compliance with laws and regulations

Our business principles are characterised by integrity, responsibility and sound ethics - fundamental principles that we share with our employees, suppliers, customers and investors. We prioritise the prevention of corruption. For many years now, the UN Global Compact initiative has served as our ethical compass. We became a member of this initiative in 2020 and have continued to work and develop our sustainability activities in accordance with it. Our operations are encompassed by environmental legislation, regulations and conditions governing such aspects as the handling of hazardous or undesirable substances in our products.

NEDERMAN GROUP'S CORPORATE GOVERNANCE DOCUMENTS

Our corporate governance documents regulate the principles and values that guide our operations in general and, in particular, our sustainability work. Policies and plans are reviewed regularly and updated and communicated as required.

Code of Conduct

Our corporate governance documents regulate the principles and values that guide our operations in general and, in particular, our sustainability work. Our Code of Conduct and equality and diversity plan were updated in 2022.

Code of Conduct for Suppliers

Our Code of Conduct for Suppliers is based on the international guidelines and is harmonised in line with our internal Code of Conduct. The Code applies to all persons or legal entities that supply products and/or services to or on behalf of Nederman and its subsidiaries.

Nederman requires that all suppliers meet the specifications in the code, and have ensured that their subcontractors are aware of and meet standards that are at least as strict. Nederman urges all

suppliers to establish their own codes of conduct or written policy documents based on the above international guidelines. It is available for download from nedermangroup.com.

Nederman's goal is to work only with suppliers who comply with the relevant sections of the Code. At the close of 2022, the share of suppliers that had ascribed to the Code was 94 percent (91). The suppliers' compliance with this requirement is checked by way of audits and other measures. 89 (73) supplier audits were conducted during the year. Existing methods are under development to assess the suppliers' sustainability efforts in order to promote responsibility throughout the value chain.

Policy for sustainability and quality

Our sustainability and quality policy, which also includes our environmental policy, is our benchmark when we develop products and systems solutions that are all designed to improve the work environment and reduce the environmental impact of our customers.

Nederman monitors the share of new suppliers that have undergone evaluation based on environmental criteria according to the GRI 308-1 definition. During 2022, the share was 16.8 percent (4.1).

Policy for anti-corruption and fraud

Our policy against corruption and fraud is aimed at describing and improving the rules to be applied at Nederman to prevent corruption and fraud in all activities that are under Nederman's control. All of Nederman's employees must comply with this policy and detailed procedures in their respective local companies, as well as all applicable legislation on bribery. We conduct interactive and recurring training on the policy for all employees every second year.

Nederman monitors the number of companies audited for corruption in accordance with the GRI 205-1 definition. The audit is conducted by way of self-assessment by the companies. The number of audited companies in 2022 was 68 (66), representing 97 percent share of the operating companies. Note that two of the three companies newly acquired in 2022 were exempt from audit. In the acquired company that was audited, the need was uncovered to upgrade the control processes to Nederman's standard. This action is in progress.

Anti-trust policy

Nederman's anti-trust policy comprises all companies and employees of Nederman. No employee is permitted to act in any way that suppresses the free market. The policy also stipulates that Nederman and its employees must not abuse a given position in the market to exclude competitors or exploit customers. Employees are urged to report any suspected irregularities, illegal activity or failure to act, such that they perceive as a breach of applicable legislation, Nederman's internal policies or the group's IT security policy.

Policy for export control and sanctions

Nederman strives and works proactively to conduct operations according to applicable legislation and the export controls and sanctions (Export laws) that are passed by countries throughout the world, including the US, the EU and the UN. For example, our Russian operations were put on hold and all new orders to the operations were halted directly following the Russian invasion of Ukraine.

Nederman must comply with all relevant export legislation in the jurisdictions in which the company operates. We must always follow export legislation, regardless of the origins of the rules or

where the operations are conducted. Compliance is important and to ensure awareness, training is compulsory for the relevant personnel, as well as robust communication processes.

Whistleblower policy

Nederman has a clear reporting process for employees and other stakeholders in accordance with our whistleblower policy. Employees are urged to report to their immediate manager or a third party any suspected irregularities, illegal activity or failure to act, such that they perceive as a breach of applicable legislation, Nederman's internal policies or the group's IT security policy.

An employee can submit a report in two ways:

- Contact their immediate superior or the manager of the department involved. Depending on the issue and the person being reported, the superior will decide if the issue is to be passed on to Nederman's management.
- Report anonymously by e-mail/letter to a third party, headed by an external lawyer.

Persons other than employees, such as partners, contractors, suppliers and distributors, who have commitments through Nederman, can make a report to the same external third-party lawyer.

Reports can be made anonymously and are processed confidentially. Appropriate action is taken for each report. Nederman's whistleblower policy and associated principles, including the reporting process, are in place to protect the whistleblower. The policy is available to employees and other stakeholders via nedermangroup.com, and via the intranet and other channels. The policy is available on all websites, is translated to local languages and is also provided to new employees as part of introductory training. The EU's new legal requirements related to whistleblowing comprise the basis for Nederman's constant improvements. In turn, this leads to further analysis and formation of opinions on refining the existing system and associated policy, with the purpose of protecting persons who report irregularities.

Diversity policy

We are convinced that diversity strengthens innovation and is a source of competitiveness and profitability. Promoting diversity is decisive for our business successes – and is fully in line with that described in Nederman's core values and Code of Conduct.

We:

- Strive to fulfil all local diversity legislation and regulations, proactively and responsibly.
- Tolerate no discrimination – not on the basis of gender, race, religion, age, sexual orientation, nationality, political views, trade union membership, disability, socially or ethnic origin.
- Have zero tolerance of harassment and bullying.
- Focus on diversity during the recruitment process and endeavour to have at least one candidate of the under-represented gender for every three candidates.

In addition to the update of the diversity policy during the year, Nederman conducts annual employee surveys to measure such aspects as work environment and discrimination, with active follow-up of the results at management level, in employee groups and in other networks. Our Understanding Diversity training programme is available to all employees.

Health and safety policy

Providing a safe and healthy environment is decisive for our company's successes. We work proactively to create physical and mental health among our employees.

The daily work on issues that affect health and safety and employees is decentralised. Every single company and unit has a responsibility to conduct training in and address these issues so that they comply with the group's policy and with each country's legislation and regulations.

Efficiency in manufacturing and operations

Nederman works actively to maximise positive effects and minimise the negative impact throughout the value chain. Implementing changes where they make the most impact is conducted in collaboration with business partners and other stakeholders.

QUALITY IMPROVEMENT

We strive to reduce the costs and environmental impact that are connected with quality problems in production. The goal for quality

failure costs in production, in relation to sales, was <0.3 percent up until 2023. The result was 0.18 percent (0.22). Focus during the year: Goals that are not achieved have a negative effect on factors such as increased electricity consumption as a result of reworking, increased carbon dioxide emissions from air transport to correct the error and longer delivery times. We focus on efficiency of operations and on resolving problems where they arise.

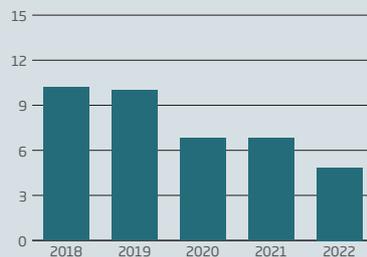
GLOBAL MANAGEMENT SYSTEM

The parent company and all production units must have a management system that is certified in accordance with ISO 9001 (international standard for quality management systems) and ISO 14001 (international standard for environmental management systems). Acquired companies are to be certified within two years. At the end of 2022, 17 out of 21 production units were certified according to ISO 9001 and 16 of 21 units were certified according to ISO 14001, including the most recent acquisitions. Certification of the further units is planned for 2023.

Nederman's global management system, GuideUs, is a framework of rules and requirements for Nederman's operations and is based on ISO 9001 and ISO 14001. The management system is used to ensure that the operations are managed in a way that means that:



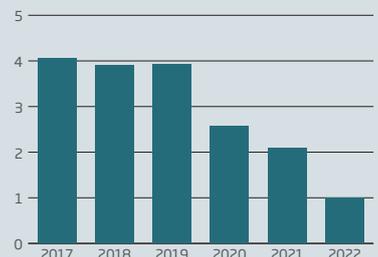
ENERGY INTENSITY, MWH/SEKM



The goal is to reduce energy use in relation to sales.

Outcome 2022: The measures for energy efficiency and increased sales generated good results. The 2022 outcome was 4.85 (6.82). Apart from the 2022 acquisitions, all production units were included: Energy use amounted to 14 105 MWh and the turnover amounted to 2 906 SEKm.

GREENHOUSE GAS EMISSIONS IN RELATION TO SALES, KG CO₂e/SEKT



The goal is to halve the greenhouse gas emissions related to energy use and purchased electricity for the group's production units, in relation to sales, by 2023 (base year 2014).

Outcome 2022: The goal for 2023 was already achieved in 2022, with a reduction of 75 percent. The outcome was 1.00 (2.06).

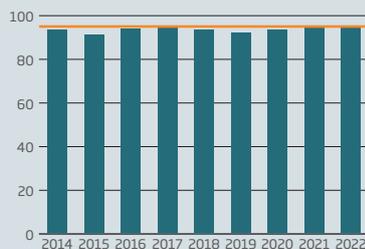
WASTE GENERATED, TONNES



The amount of waste is to continuously decline in relation to net sales. In the same way, the amount of hazardous waste is being continuously reduced, with goals set at a local level.

Outcome 2022: The total amount of waste generated increased by approximately 49 percent due to the expansion of operations in the US. The 2022 outcome was 3,288 tons (2,207).

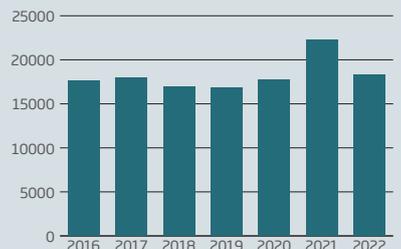
WASTE RECYCLING, %



The goal is to achieve 95 percent recycling of waste in production compared with the average for 2014. Recycling is conducted through external partners.

Outcome 2022: At the end of 2022, recycling amounted to 94.7 percent (95).

WATER CONSUMPTION, M³



Measurement of water consumption pertains to fresh water for kitchen, hygiene and sanitary purposes at our production units. Water is not used for production purposes.

Outcome 2022: 18,306 m³ (22,247).

- The most important stakeholders' (customers, employees, suppliers and shareholders) goals are fulfilled.
- The operations are conducted within established frameworks for risk taking and with reliable internal control.
- Applicable legislation, listing requirements and corporate governance codes are followed and that the company fulfils its social responsibility.

The revitalisation of Nederman's global management system with a new platform commenced during 2022.

CLIMATE REPORTING IN ACCORDANCE WITH SCIENCE BASED TARGETS

Nederman reports emissions for Scope 1 and 2 and for goods transport in Scope 3. Scope 1, 2 are based on actual consumption data. The method for Scope 3 was changed from a standard value to now being based on actual consumption data from the largest transport providers in our four largest production plants.

Basis for calculation of Scope 1 and 2

To calculate Scope 1 and 2 emissions, a location-based method (pursuant to the GHG Protocol, 2015) is used wherever possible. The reported data for Scope 1 is based on energy use and related emission factors.

Generally accepted country and region-specific emission factors are used in the calculation of Scope 2 emission data. These factors reflect each country's average energy mix: sun, wind, hydro and nuclear power generate lower emissions, while higher use of fossil fuel, such as coal and oil, generates higher emissions.

Basis for calculation of Scope 3

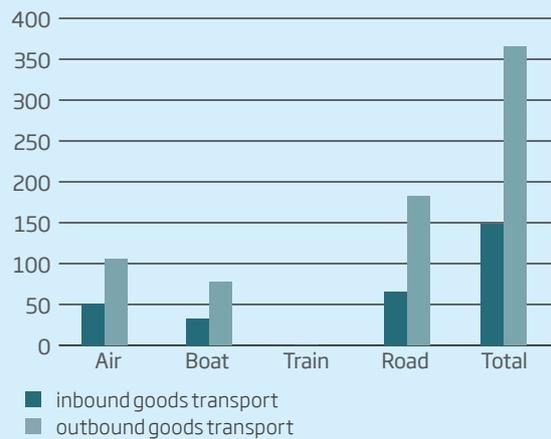
A general analysis of Scope 3 emissions along Nederman's value chain indicates that the sourcing of materials and components is the single largest emissions category. Other significant areas are deemed to be purchased goods transport, business travel and waste related to worn-out products. The analysis is based on the group's own estimates and not on data from suppliers; the error margins are considerable. The group has therefore decided as an initial step to limit reporting of Scope 3 emissions to actual consumption data from goods transport, and to develop the method from there.

Climate impact according to Science Based Targets

Emissions to air, tonnes	Out-come 2022	Out-come 2021	Out-come 2020	Out-come 2019	Out-come 2018
CO ₂ e Scope 1 ¹	745	1,197	908	810	571
CO ₂ e Scope 2 ²	2,152	3,761	4,297	5,023	5,054
CO ₂ e Scope 3 ³	804 ⁵	1,020 ⁴	8,907	8,186	6,982
Emissions, Scope 1+2	2,897	4,958	5,205	5,833	5,625

1 Scope 1: Total greenhouse gas emissions from fuel combustion in manufacturing, tonnes. Apart from the 2022 acquisitions, all production units were included.
 2 Scope 2: Total greenhouse gas emissions from purchased electricity in manufacturing, tonnes. Apart from the 2022 acquisitions, all production units were included.
 3 For Scope 3 emissions, greenhouse gas emissions from goods transport for our four largest production plants are reported. This is only part of Nederman's Scope 3 emissions. A significant share of the emissions comes from materials. These emissions cannot currently be reported due to difficulties in collecting exact data.
 4 The calculation method for Scope 3 was changed in 2021 from a standard value to being based on actual consumption data from the largest transport providers in our four largest production plants. Accordingly, it is not comparable with earlier years.
 5 The proportion of total transport that the reported emissions represent is calculated at approx. 26%, based on the turnover of the four largest production facilities in relation to total turnover.

CLIMATE IMPACT FROM GOODS TRANSPORT ACCORDING TO SCIENCE BASED TARGETS SCOPE 3 - FOR AB PH NEDERMAN & CO - EMISSIONS TO AIR, TONNES CO₂e



The above example shows the climate impact of AB Ph Nederman & Co's plants for each mode of transport during 2022.

Nederman will reduce energy consumption in production in relation to sales and growth. Energy intensity is a measure of efficiency. The outcome for 2022 confirms the positive trend.

Energy intensity

MWh/SEKm	2022	2021	2020	2019	2018
Total energy use (MWh)	14,105	16,228	13,794	14,870	14,694
Net sales (SEKm)	2,906	2,381	2,021	1,489	1,438
Energy intensity (MWh/SEKm)	4.85	6.82	6.83	9.99	10.22

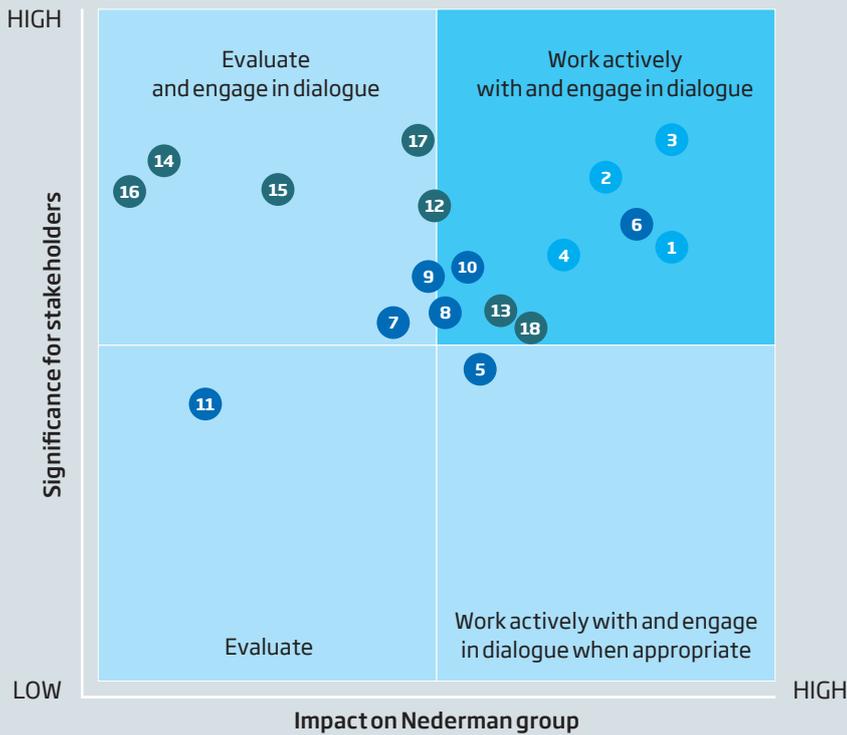
The energy intensity is monitored thoroughly and during 2023, we will continue to analyse goals and measures that need to be implemented for the establishment of new goals to apply as of 2024.

In this section, fuel consumption refers to direct energy use and energy consumption refers to indirect energy use. Fuel consumption from renewable energy was 0 (zero) in 2022. Fuel consumption from non-renewable energy was 3,981 MWh (14,333 GJ) in 2022. Total fuel consumption comprised 42 MWh (153 GJ) from diesel, 220 MWh (792 GJ) from oil and 3,719 MWh (13,387 GJ) from natural gas. Total energy consumption was 10,123 MWh (36,444 GJ). Consumption comprised 8,270 MWh (29,772 GJ) of electricity (of which 3,273 MWh (11,785 GJ) was renewable) and 1,853 MWh (6,672 GJ) in heating (of which 1,287 MWh (4,632 GJ) was renewable). Production from solar panels amounted to 218 MWh (785 GJ), of which 68 MWh (244 GJ) was sold to third parties.

Data was gathered from the companies' actual consumption.

The source of the conversion factors used to restate kilowatt hours to joules and litres to cubic metres was Chemical Principles 6th edition (January 1, 2013).

Materiality analysis and results 2022



The materiality analysis is a core part of the strategy and goal formulation, risk management and reporting. The assessment is conducted regularly with two combined perspectives: to investigate the impact of the company's operations on financial, environmental and social issues, as well as the importance these issues have for stakeholders. Each area is defined in accordance with the Global Reporting Initiative (GRI). The following four areas are deemed most important: Customers' sustainability work, Anti-corruption and competitive behaviour, Health and safety at work and Information security and user integrity.

ECONOMIC SUSTAINABILITY

1. Financial result
2. Anti-corruption and competitive behaviour
3. Customers' sustainability work
4. Information security and user integrity

SOCIAL SUSTAINABILITY

5. Employment and employee relations
6. Health and safety at work
7. Training
8. Diversity and equal opportunities
9. Non-discrimination
10. Human rights
11. Social engagement

ENVIRONMENTAL SUSTAINABILITY

12. Energy and climate
13. Materials
14. Water
15. Waste
16. Waste water
17. Compliance with environmental legislation
18. Supplier evaluation

QUALITY FAILURE COSTS, %



More efficient use of resources. For quality failure costs in production, in relation to sales, the goal is <0.3 percent up until 2023.

Outcome 2022: At the end of 2022, the result amounted to 0.18 percent (0,22).

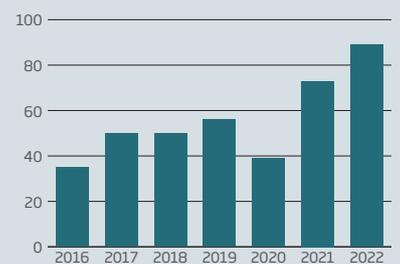
CODE OF CONDUCT IN THE SUPPLY CHAIN, %



The goal is for 100 percent of materials and goods in production to come from suppliers who had signed our Code of Conduct for Suppliers by 2023.

Outcome 2022: 94.1 percent came from suppliers who had signed our Code of Conduct for Suppliers.

SUPPLIER AUDITS



Supplier audits through site visits are conducted to monitor compliance with Nederman's Code of Conduct for Suppliers.

During 2022, 89 supplier audits were conducted, which is 16 more than in the preceding year.

REPORTED WHISTLEBLOWER CASES, 2022¹⁾

During the year, one case was formally reported using the whistleblower system and one via management, both related to complaints about local management and/or lack of internal compliance with policies and guidelines. Investigations were conducted and the required action taken. No action remains and the reported whistleblower cases are therefore closed.



- Operations (100%)
- Sustainability (0%)

¹⁾The reported whistleblower cases category is determined on the basis of the most material effect identified by those responsible for investigations

Stakeholder dialogue

As part of our daily work, and in particular, our sustainability work, a continuous dialogue is conducted with a large number of stakeholders - customers, investors and analysts, employees, trade unions, civil society (often represented by media and independent organisations) and business partners. We communicate with stakeholders in different ways depending on the type of relationship.

- Customers
- Employees
- Investors
- Suppliers
- Society

Stakeholders	Definition	Form of dialogue	Key subjects
Customers	Existing and potential	Meetings, interaction through market companies, joint projects, customer surveys.	Product safety, life cycle perspective and circularity, crisis readiness, human rights, business ethics including corruption, supply chain management.
Employees	Existing and potential	Workplace and management meetings, employee surveys, career appraisals, trade unions and other cooperative councils.	Safety, human rights, carbon emissions, diversity, employee welfare, leadership, crisis readiness including risks, business ethics, supply chain management, waste, water.
Investors	Existing and potential shareholders, investors and analysts	Meetings with investors and analysts, capital markets days, website, annual and sustainability report, quarterly reports.	Product safety, security, life cycle perspective and circularity, carbon emissions from own operations, crisis readiness including risks, business ethics, supply chain management.
Business partners	Suppliers, partners, distributors and resellers	Evaluation and audit of business partners, procurement, meetings, joint projects.	Product safety, security, human rights, crisis readiness including risks, business ethics including corruption, supply chain management.
Society	Governments, local communities, voluntary organisations, academic institutions	Meetings, collaboration/projects with universities, colleges and government agencies.	Human rights, diversity, carbon emissions, business ethics, supply chain management, taxes, life cycle perspective and circularity.

EU Taxonomy

The establishment of a classification system for more sustainable activities, a green taxonomy, is a central measure within the framework of the EU's action plan for the financing of sustainable growth. From 1 January 2022, companies such as Nederman must start applying this taxonomy and classify turnover, investments and expenses.

As a first step, reporting must take place for the climate-related goals in the taxonomy, i.e. the first two goals: climate change mitigation and climate change adaptation. Based on those goals, Nederman must identify the activities in the business that are eligible for taxonomy and are aligned to it.

For Nederman, these activities have been identified primarily within climate change mitigation and consist of providing various measuring systems and software solutions within the Monitoring & Control Technology Division; they are reported respectively under 3.6 Manufacturing of other low-carbon technology and 8.2 Data-driven solutions for reductions in greenhouse gas emissions.

CRITERIA FOR SUBSTANTIAL CONTRIBUTION

These activities contribute significantly to reducing emissions of greenhouse gases at Nederman's customers by enabling energy savings and/or compliance with emission requirements.

CRITERIA FOR DO NO SIGNIFICANT HARM (DNSH)

Climate change adaptation (12): A risk assessment of the sites where activity is carried out indicates that the climate risks mainly relate to increasing temperatures and floods. Nederman's facilities regularly undergo Insurance risk audits in which, among other things, this type of risks are assessed. Nederman manages temperature changes with the help of adapted climate systems, insulating glass or other types of temperature-regulating solutions. Nederman's former production facility in Thailand was affected by floods, which led to a relocation of the facility to an area with less risk of flooding, and the building has been equipped with flood dam barriers.

Water and marine resources(13): Water is not used in any form in the manufacturing process, besides for hygiene and kitchen purposes. Nederman does not conduct operations subject to a permit.

Circular economy (14): Nederman products generally have a long lifespan and the company has a range of services to further optimise the lifespan of the products. The production process causes a relatively small amount of waste and the company uses recycled material whenever possible.

Pollution (15): The Nederman business concept is about cleaning air from pollution, which means that the company actively contrib-

utes to reducing pollution. The products provided by Nederman contain neither mercury nor substances harmful to the ozone layer and they comply with RoHS and REACH. Corresponding requirements are placed on suppliers in the Nederman "Supplier Code of Conduct".

Biodiversity and ecosystems (16): Nederman activities take place on industrial land and do not significantly affect biodiversity and ecosystems. Nederman operations do not take place in or near protected natural areas or areas with high natural values. Significant environmental issues and risks are handled in the company work with ISO certifications. At the end of 2022, 17 out of 21 production units were certified according to ISO 9001 and 16 out of 21 units were certified according to ISO 14001. Certification of additional units is planned to take place in 2023. In addition, Nederman holding and its group functions are certified according to ISO 9001 and ISO 14001.

Minimum safeguards (17): Nederman apply fair competition policy, anti-corruption policy, anti-bribery policy and human rights are handled, among other things, in the company's code of conduct. In addition to the certification work for ISO 9001 and ISO 14001, Nederman works with self-assessing internal controls. Nederman suppliers are required to comply with the Nederman "Supplier Code of Conduct" and supplier audits are planned, carried out and followed up by the purchasing units. Nederman has a functioning Whistleblower system.

Identification method:

When the turnover of these activities cannot be identified with precision, we use a conservative estimate.

When capital expenditure and operating expenditure cannot be identified with precision, we allocate these in relation to turnover as a percentage.

Accounting principles and Definitions:

Turnover is defined according to the group's financial report; See note 6.

Capital expenditure includes investments in assets that are reported according to IAS 16 Tangible fixed assets, IAS 38 Intangible assets and additional rights of use according to IFRS16, leasing agreements. The amount includes assets acquired through business combinations but excludes Goodwill; see note 13, 14, 15.

Operating expenses include costs for research and development, renovation of buildings, short-term leases, maintenance and repair and other direct costs required for the efficient day-to-day operation of tangible fixed assets.

KEY PERFORMANCE INDICATORS FOR NON-FINANCIAL UNDERTAKINGS, continued

Operating expenditure (OpEx)

Economic activities (1)	Code grades (2)	Absolute OpEx (3)	Proportion of OpEx (4)	Substantial contribution criteria						DNSH criteria (Do No Significant Harm)						Minimum safeguards (17)	Taxonomy-aligned proportion of OpEx, year N (18)	Category (enabling activities or) (20)
				Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)			
		SEKm	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Percent	Enabling
A. TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES																		
A.1. Environmentally sustainable (taxonomy-aligned) activities																		
Manufacture of other low-carbon technologies	3.6	30	25%	25%							Yes	Yes	Yes	Yes	Yes	Yes	25%	Enabling
Data-driven solutions for GHG emissions reductions	8.2	7	6%	6%							Yes	Yes	Yes	Yes	Yes	Yes	6%	Enabling
Turnover of the environmentally sustainable taxonomy-aligned activities (A.1)		38	31%	31%													31%	
A.2. Taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities)																		
OpEx of taxonomy-eligible but not environmentally sustainable activities (not taxonomy-aligned activities) (A.2)		0	0%	0%													0%	
Total (A.1+A.2)		38	31%	31%													31%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																		
OpEx of taxonomy-non-eligible activities (B)		85	69%															
Total (A+B)		123	100%															

Economic responsibility

SEKm	Definition	2022	2021
a) Revenue	Turnover	5,179	4,042
	Other income	25	48
Direct economic value generated		5,204	4,090
b) Operating costs		-3,197	-2,403
c) Salaries and other remuneration to employees		-1,515	-1,226
d) Payments to providers of capital	Financial costs	-52	-44
	Dividend	-123	-35
e) Payment to tax authorities		-127	-110
Economic value distributed		-5,014	-3,818
Economic value retained	Generated - Distributed	189	272

Affiliated with the UN Global Compact

The UN Global Compact strives to mobilise a global movement of companies and stakeholders to create a more sustainable world. To achieve this, the UN Global Compact supports companies in:

- Conducting business in a responsible manner by adapting their strategies and operations to the ten principles on human rights, work, the environment and anti-corruption.
- Taking strategic action to promote broader social goals, such as the UN Sustainable Development Goals, with the emphasis on cooperation and innovation.



Nederman is affiliated with the UN Global Compact and supports and works actively in accordance with its goals.

We work for a more sustainable future

2,444
employees

Nederman's employees protect people, planet and production from the harmful effects of industrial processes throughout the world.



12 competence and product development centres on three continents

employee engagement

(industry benchmark 80)



29%

improved energy efficiency since 2021

Review of sustainability training aimed at 1,700 employees of Nederman

91%

Sustainability credit facility

financing is in line with the sustainability strategy and a key factor in driving Nederman's sustainability agenda.



45%

electricity consumption from renewable electricity

75%

reduction of greenhouse gas emissions since 2014 from our production units connected to their energy use and purchased electricity in relation to sales

Nederman Sustainability Fund SEK 10 million per year

Nederman Sustainability Fund, which was established at the end of 2021, is designed to encourage Nederman's operations to make investments that support the sustainability goals of both Nederman and the UN. All operations in Nederman group can apply for support for more sustainable investments from the fund, which amounts to SEK 10m per year.

In 2022, the fund received a large number of applications. The fund made contributions to investments in solar power parks adjacent to the company's operations, work environment improvements, such as desks for standing work, charging stations for electric cars, replacement of energy-intensive lamps with LED lighting, improved possibilities for bike storage and the charging of e-bikes.



218,000 kwh

produced by own solar panels

SmartFilter

Digital IoT-connected filters minimise energy consumption and optimise air filtration.



95%

recycling of production waste



Nederman's employees

Working at Nederman means being on The Clean Air Journey, an exciting voyage with a focus on creating the solutions of the future in air filtration and environmental technology. Put simply, helping to improve air in cities and communities the world over.

To ensure that we have an organisation that is on the right path, we carefully monitor the results from the questions in our annual employee survey, nGage, and that the activities that are related to improvements really are carried out. nGage encourages all teams to develop action plans that improve and develop cooperation, leadership and health and safety. The tool has built-in support for managers to communicate the result and discuss action plans with their work group. In nGage 2022, one of the questions the employees had was to describe how they themselves can contribute to better inclusion in the company. At the end of the year, all managers were invited to an e-learning event on diversity and inclusion aimed at creating even better parameters for this work in the organisation. In 2022, 85 percent (83) of all employees responded to the survey. The overall Engagement Index was 83 (83) on a scale of 100, which is higher than the corresponding index for the comparative groups, Global Benchmark and Manufacturing Benchmark.

CONTINUOUS DIALOGUE AND TRAINING

Internal communications are mainly conducted using the intranet communication platform, Tellus. It contributes to connecting the various parts of the organisation to make an entirety that works in unison towards the goal of creating clean air, customer value and achieving Nederman's vision.

myLearning, our platform for training and continuous development in the group, contains manager support, plus role-based training. myLearning supports all digital environments and enables the rapid onboarding of new employees and integration of corporate acquisitions.

Five courses are compulsory for employees to complete every second year - on the Code of Conduct, on the policy against corruption and fraud, on GDPR (for Europe), on the policy for export controls and sanctions, and on IT security. Approximately 95 percent of the employees had completed these courses at year-end. 94 percent of employees in management positions (46 employees) had completed the anti-corruption and fraud policy training. In addition, it is compulsory for the employees to complete the courses on sustainability, Sustainability@Nederman, and on the strategy, career appraisals and phishing. The compulsory training courses always comprise part of the onboarding training for new employees, which also includes training on Nederman and the company's core values, You@Nederman.

Sustainability is an integrated part of HR work and permeates all areas from the communication of Nederman - the Clean Air Company - on recruitment to measuring commitment in conjunction with the annual employee survey. The Sustainability@Nederman course that describes the overall sustainability work at Nederman is aimed at all employees.

The training portal, nPower, is offered to partners and resellers, with access to eLearning courses and webinars. It contributes to strengthening the knowledge level and facilitating dialogue.

Health and safety

The actual number of reported accidents in 2022 was 40 (24), none of which had a fatal outcome or resulted in lifelong injuries. The increase from the preceding year was attributable to higher activity, particularly in the US. The estimated values (based on 1,000,000 hours worked) according to the GRI definition of 403-9 are as follows: Accidents total = 9.89. Accidents with more than six months recovery time = 0 and fatal accidents = 0. This includes consultants and hourly employees. The total hours worked amount to 4,045,184.

The most frequently recurring injuries comprise crush injuries, cut injuries and fall injuries. Significant risks identified in production that can lead to serious injury comprise work at height, crush and cut injuries, electric shocks and forklift transport: these were identified through a self-assessment by the companies. There is an action plan for each risk. Even if the accident frequency is low from an industrial perspective, Nederman is convinced that all work-related accidents and diseases can be prevented. Accordingly, the goal of eliminating all accidents stands firm. Achieving this requires continued technical and organisational initiatives, such as systems for identification, risk assessment and investigation of incidents, risk observations, in order to prevent accidents and ill-health, as well as regular follow-up to ensure that measures have the intended effect, and training.

To prevent accidents and disease companies use tools, processes and training programmes that are aligned with each local management system and general legislation. Follow-up and reporting of measures to evaluate whether they have the intended effect are conducted regularly at management level. Risk assessments are conducted regularly at all levels of the organisation and the personnel who implement these are trained.

Each year, audits and rounds are conducted to assess the quality of risk management and take corrective and preventive action. The measures are to reduce or prevent the identified risks. Risk assessments are reviewed and updated regularly or after an incident has occurred.

ABSENCE DUE TO ILLNESS

During 2022, the rate of absence due to illness averaged 2.6 percent (2.6). Initiatives are focused on giving our employees the right conditions in their roles, and to ensure that they have a high sense of well-being and are motivated and satisfied.

SOCIETAL BENEFITS

Our most important and long-term contribution to positive societal development are our products, which enhance air quality in both the work environment and the local environment, which reduces the risk of diseases, among other benefits.



Performance Management dialogue tool

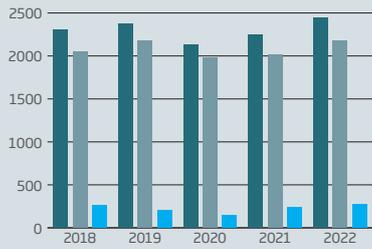
John Fields is responsible for the MikroPuls equipment and aftermarket sales team in the US and has used Nederman's PM Dialog as a tool in career appraisals with his employees.

The greatest challenge in ensuring the development of employees is to understand that it takes patience. We live in a fast-moving society and we have become accustomed to immediate results. In process technology, each project is a little different to the last one. This means that not all lessons learned in past projects can be applied to future projects. If it is also taken into consideration that the sales cycle can be longer for large investment projects, it takes a few years to become an expert. Adding new tools to your own toolbox requires time and patience.

I believe that a traditional performance assessment can be stressful for people, even if they are doing a good job. Having a process in which you address such general subjects as future plans, the balance between work and private life, health and well-being conveys to the employee that the company cares for him or her on a deeper level. The PM Dialog tool has integrated such a structure with the process - a chance for an exchange of information and ideas that would not usually be part of a traditional performance assessment. Based on this, there is subsequently the opportunity to review the vision of the company, its goals and how the employee contributes, meaning communication of sales targets, which resources are to be added, opportunities for mentorship, etc.

Discussions on the work-life balance and health and well-being are the most interesting. I listen to employees telling me that they play guitar, sing in church choirs, like 80s music, take part in arm-wrestling contests, enjoy beach holidays and have been on a Disney cruise. I simply believe that they see this dialogue as a good way of having an open discussion with no right or wrong answers. And it works. This broad and open dialogue recently led to two of my employees being promoted to management roles.

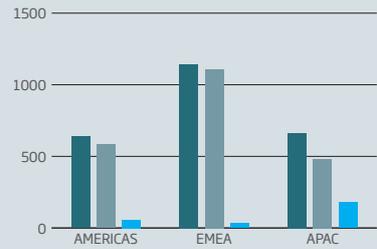
NUMBER OF EMPLOYEES



The data shows the number of employees calculated in full-time equivalent in December 2022. Consultants and hourly employees are mostly employees who work in the factory in production. To a lesser extent, it refers to consultants in IT and finance. The number of consultants and hourly employees has increased in 2022 by 36 compared to 2021, which is mainly due to increased activity in the textile segment in APAC

The total number of employees at the end of 2022 was 2 444 (2 246). The number of internal employees was 2 173 (2 011) and the number of consultants and hourly employees was 271 (235).

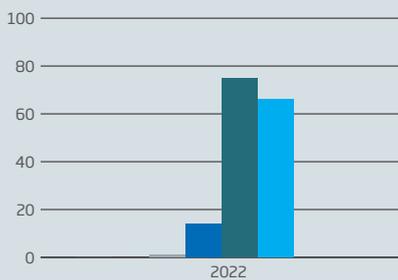
NUMBER OF EMPLOYEES BY REGION, 2022



The number of employees in Americas was 637 (487), in EMEA 1 144 (1 131) and in APAC 663 (628).

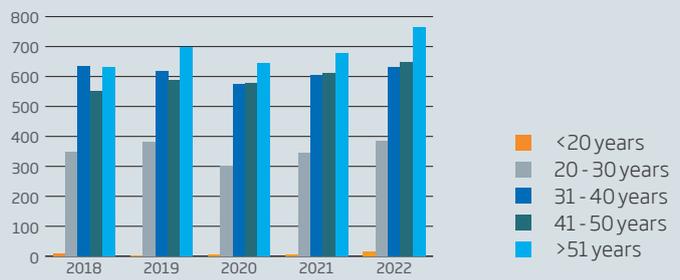
■ Total number of employees ■ Employees ■ Consultants and hourly employees

AGE DISTRIBUTION COMPANY MANAGEMENT TEAMS, NUMBER



The outcome in 2022 was 1 (20) employees who were between 20 and 30 years old, 14 (65) employees who were between 31 and 40 years old, 75 (72) employees who were between 41 and 50 years old and 66 (68) employees who were over 51 years

AGE DISTRIBUTION EMPLOYEES, NUMBER



The outcome in 2022 was 15 (5) employees who were under 20 years, 386 (345) employees who were between 20 and 30 years, 631 (606) employees who were between 31 and 40 years, 649 (611) employees who were between 41 and 50 years and 763 (679) employees who were over 51 years.



“technical skill is respected”

David McEwan
Technical & Projects Director
Shanghai, China

When I began at Nederman in Australia in 2012, the knowledge surrounding combustible dust, for example, was limited. I saw this as an opportunity to make a difference compared with our competitors, to help customers around Asia-Pacific to understand that employee safety is fundamental. And Nederman had just the solutions. My technical and solution-oriented background contributed to my eventual appointment as technology and project manager in China. This is a role that mainly involves training and building confidence among personnel and customers using the technical knowledge and understanding I have accumulated over the years.

Nederman is the first company in my 36-year career at which I feel that technical skill is respected at all levels. Something that is also highly rewarding is the trust shown in us by our customers - that our values, our time and our knowledge are important. All of us who work at the company should be proud of the Nederman name, the standards we set and what we deliver. To be able to make a difference. From safeguarding the breathing zone of an individual worker to protecting the environment by reducing industrial emissions.



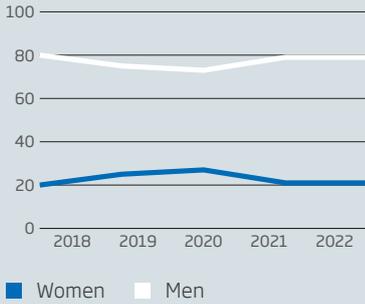
“generous scope for self-development”

Marcin Borun
Automation Engineer,
Helsingborg, Sweden

I began working at Nederman in Poland in 2019 as an automation engineer at the Automation Competence Center (ACC). Prior to that, I worked for three years on various projects connected with the energy industry. In Poland, I worked in an international team and was able to learn a lot about various technical solutions. Above all, I was able to demonstrate my skills and that was what resulted in me being offered a move to Helsingborg in May 2022 to work as an automation engineer in the product development department.

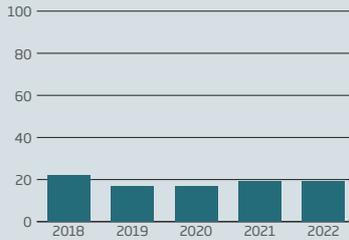
Something that I value most about my work is the generous scope for self-development that it gives me. Nederman comprises a team of passionate people who not only work with the quality of products, service and materials, but also encourage us to actively and creatively participate in the development of the company. I want to recommend to others that they adopt one of Nederman's values, “the courage to do”. If you work with something that you truly regard as important, don't feel any pressure, but have courage.

EQUALITY, %



The outcome in 2022 was 21 (21) percent women and 79 (79) percent men.

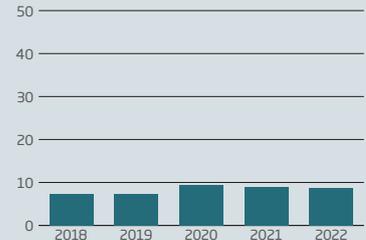
PERCENTAGE OF WOMEN IN COMPANY MANAGEMENT TEAMS, %



The outcome in 2022 was 19 (19) percent women in company management.

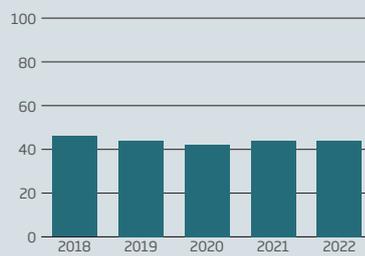
Other indicators of diversity such as minority groups are not currently reported.

PERSONNEL TURNOVER, %



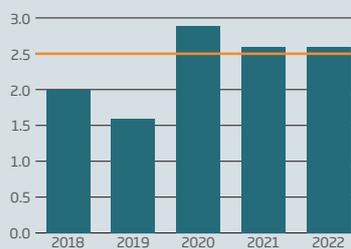
The outcome in 2022 was 8.8 (8.9) percent in personnel turnover.

SHARE OF PRODUCTION STAFF, %



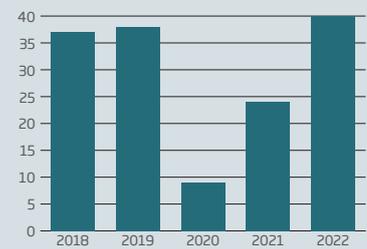
The 2022 outcome was 44 percent (44).

SICK LEAVE, %



The goal for absence due to illness is set at a maximum of 2.5 percent. The statistics generally take acquisitions made over time into consideration. In 2022, absence amounted to 2.6 percent (2,6).

ACCIDENTS, NUMBER



The long-term goal is zero accidents. In 2022, 40 accidents (24) occurred, none of which had a fatal outcome, resulted in lifelong injuries or had a recovery time of more than six months. From an industrial perspective, the accident frequency rate is low.



"always be open to change"

Bora Siranli
Product Marketing Manager
Charlotte, NC, USA

My earlier role was that of project and sales engineer at Nederman in Turkey. There, I was involved in technology projects, sales and business development, and also had the opportunity to make a global contribution. This breadth of responsibility and contacts gave me insight into what I wanted. When I heard about the role of product marketing manager in the US, I applied immediately. My work today is cross-functional in creating successful marketing and finding the openings that can create sales successes. This is also a market where there are good opportunities to both test and implement new ideas.

I believe that diversity is a key factor in an organisation's success. It is highly stimulating to be in an environment with people who think differently and challenge each other. Nederman is a company with leaders who encourage an environment like this, which contributes to employee development. My advice to others is always be open to change, challenge yourself and look for opportunities, quite simply dare to be yourself in different situations.



"then everyone is filled with pride and energy"

Joonas Alto-Setälä
R&D Project Director
Vantaa, Finland

I gained my interest in R&D when I worked with electrical design for fire safety systems, at the Finnish company Marioff. I was amazed by the research that formed the basis of getting the systems to work effectively. This interest then eventually brought me to Gasmot and Nederman in 2019 and to a position as R&D Project Manager. In this position, I was able to contribute to an improved launch process and to drive development projects in an organised manner. At the beginning of 2022, I was then offered the chance to take over responsibility for managing the department and the projects.

The team spirit that exists within R&D, where everything is driven by a shared vision of improving our offering, makes it always inspiring to come to work. We work within many different areas, with varying types of challenges, which means learning something new every day. Something that I appreciate especially is when we have brought a product all the way to a successful launch. This fills everyone with pride and an energy that makes it easier to go on working with other projects.

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* Nederman does not have the requested information available on GRI 2-7 in the detail required and therefore decided to make an exception in the 2022 report but intend to report according to the standard in 2023

Auditor's Limited Assurance Report on Nederman Holding Aktiebolag's Sustainability Report and statement regarding the Statutory Sustainability Report

This is the translation of the auditor's report in Swedish.
To Nederman Holding Aktiebolag, Corp.id. 556576-4205

INTRODUCTION

We have been engaged by the Board of Directors of Nederman Holding Aktiebolag to undertake a limited assurance engagement of Nederman Holding Aktiebolag's Sustainability Report for the year 2022. Nederman Holding Aktiebolag has defined the scope of the Sustainability Report referred to on pages 72, the Statutory Sustainability Report is defined on page 57.

Responsibilities of the Board of Directors and the Executive Management

The Board of Directors and the Executive Management are responsible for the preparation of the Sustainability Report including the Statutory Sustainability Report in accordance with applicable criteria and the Annual Accounts Act respectively. The criteria are defined on page 72 in the Sustainability Report, and are part of the Sustainability Reporting Guidelines published by GRI (The Global Reporting Initiative), that are applicable to the Sustainability Report, as well as the accounting and calculation principles that the Company has developed. This responsibility also includes the internal control relevant to the preparation of a Sustainability Report that is free from material misstatements, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express a conclusion on the Sustainability Report based on the limited assurance procedures we have performed and to express an opinion regarding the Statutory Sustainability Report. Our review is limited to the information in this document and to the historical information and does therefore not include future oriented information.

We conducted our limited assurance engagement in accordance with ISAE 3000 (revised) Assurance engagements other than audits or reviews of financial information. A limited assurance engagement consists of making inquiries, primarily of persons responsible for the preparation of the Sustainability Report, and applying analytical and other limited assurance procedures. Our examination regarding the Statutory Sustainability Report has been conducted in accordance with FAR's accounting standard RevR12. The auditor's opinion regarding the statutory sustainability report. A limited assurance engagement and an examination according to RevR 12 is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

The firm applies ISQC1 (International Standard on Quality Control) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We are independent of Nederman Holding Aktiebolag in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

The limited assurance procedures performed and the examination according to RevR 12 do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. The conclusion based on a limited assurance engagement and an examination according to RevR 12 does not provide the same level of assurance as a conclusion based on an audit.

Our procedures are based on the criteria defined by the Board of Directors and Executive Management as described above. We consider these criteria suitable for the preparation of the Sustainability Report.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusions below.

CONCLUSIONS

Based on the limited review performed, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with the criteria defined by the Board of Directors and Executive Management.

A Statutory Sustainability Report has been prepared.
16 March 2023

Ernst & Young AB

Andreas Mast
Authorized public
accountant

Outi Alestalo
Specialist member
in FAR



derman

Information on clean air and sustainability

ORGANISATIONS AND MEDIA

Aktuell Hållbarhet

Environment, sustainability and CRS for professionals and decision-makers.

aktuellhallbarhet.se

Dagens PS

News site with focus on business and entrepreneurship with environmental and sustainability reporting.

dagensps.se

EEA European Environment Agency

Independent environmental information and statistics.

eea.europa.eu

EU Taxonomy

Measures and sustainability reporting to guide investments towards sustainable operations.

ec.europa.eu/commission/presscorner

GHG Protocol

Establishes global frameworks to measure and manage emissions of greenhouse gases (GHG).

ghgprotocol.org

GRI Standards

Independent international organisation that provides the world's most used standards for sustainability reporting.

globalreporting.org

HEI Health Effects Institute

Independent organisation for research on air pollution and health effects.

healtheffects.org

detail/en/ip_21_1804

IVL Svenska Miljöinstitutet

Independent research institute in environment and sustainability.

ivl.se

Swedish Environmental Protection Agency

Supports and collates the work to implement the government's environment policy.

naturvardsverket.se

UN Environment Programme

UN body with information and reports on environmental development at large.

unep.org

UN Global Compact

UN initiative and 17 sustainable development goals (SDGs) to mobilise a global movement of sustainable companies and stakeholders.

unglobalcompact.org

REPORTS

Actions on Air Quality

A global summary of policies and programmes for the reduction of air pollution.

wedocs.unep.org/bitstream/handle/20.500.11822/36695/AAQ_ESG_EN.pdf

EEA Air Quality in Europe 2021

eea.europa.eu/publications/air-quality-in-europe-2021

State of Global Air

Annual report with global data and facts on the situation for air and how it impacts our health.

stateofglobalair.org

DATA / STATISTICS

Air Quality Life Index

Converts air pollution levels to life expectancy.

aqli.epic.uchicago.edu/the-index

DI climate index

Listed companies' reporting in accordance with Scope 1-3.

di.se/bors/klimatindex

European Air Quality Index

Real-time graphics that show current air quality in your particular area.

eea.europa.eu/themes/air/air-quality-index

Hållbara bolag

Dagens Industri's / Lund University's annual sustainability ranking of listed companies.

di.se/hallbart-naringsliv/hela-listan-har-ar-borsens-mest-hallbara-bolag-alla-kategorier

IQ Air Visual

Real-time information for air quality.

iqair.com

State of Global Air Data Set

Interactive database for air quality and health effects.

stateofglobalair.org

Sustainalytics

Independent calculation of companies' ESG risks and sustainability profiles.

sustainalytics.com

World Environment Situation Room

Visual data, information and knowledge of the environment.

wesr.unep.org

The Nederman share

Nederman's ambition is to continuously provide the financial markets, shareholders and other stakeholders with accurate, consistent and relevant information in order to increase understanding of the group and comply with the regulations for listed companies. The Nederman share has been listed on Nasdaq Stockholm under the NMAN ticker since 16 May 2007. Since January 2014, the share has been listed on Nasdaq Stockholm Mid Cap. A brief history of the company and its share is shown on the next page.

MARKET COMMUNICATION

Nederman's representatives meet regularly with analysts, credit providers and shareholders to give a continuous picture of developments during the financial year. Interim reports, year-end reports and annual reports are distributed to shareholders who so wish. These reports, together with the company's press releases, are also available on the website in Swedish and English.

OWNERSHIP STRUCTURE

The number of shareholders at year-end was 4,239 (4,089). Each share in Nederman entitles the holder to one vote. The share of Swedish ownership was 91.7 percent (92.7). The ten largest shareholders accounted for 78.3 percent (79.4) of the total number of shares. The largest individual shareholder is Investment AB

Latour. The table on the next page shows Nederman's ownership structure at 31 December 2022.

DIVIDEND AND DIVIDEND POLICY

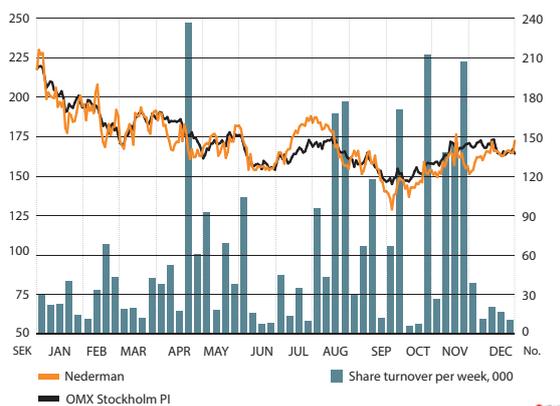
Nederman's dividend policy is to pay a dividend amounting to 30-50 percent of net profit for the year, taking into account the capital structure and acquisition plans. The Board of Directors proposes a dividend of SEK 3.75 (3.50) per share for the 2022 financial year.

ANALYSTS WHO FOLLOW NEDERMAN

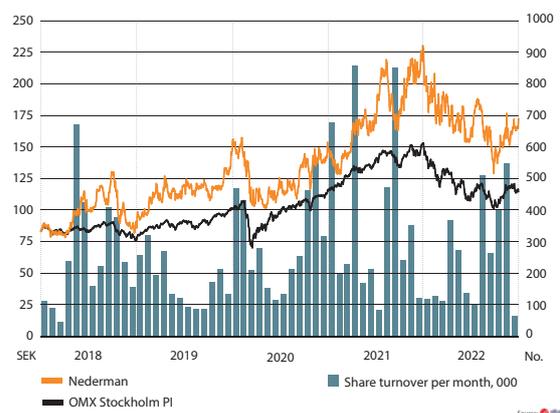
Anna L Widström from Handelsbanken,
anna.lindholm-widstrom@handelsbanken.se



PRICE AND VOLUME TREND 2022



PRICE AND VOLUME TREND 2017-2022



Datapershare	2022	2021	2020	2019	2018*
Earnings per share after tax, SEK	9.37	8.70	3.15	6.43	5.78
Share price as at 31 December, SEK	172.4	218.0	141.0	134.4	90.0
Market capitalisation, SEKm	6,059.2	7,661.8	4,954.1	4,721.9	3,163.1
Cash flow, SEKm	133.1	42.1	67.0	-20.2	87.7
Proposed dividend per share, SEK	3.75	3.50	-	-	2.30
Dividend resolved at an Extraordinary General Meeting of Shareholders, SEK	-	-	1.00	-	-
Dividend growth, %	7.1	250.0	-	-	15.0
Yield, %	2.18	1.61	-	-	2.56
P/E ratio	18.4	25.1	44.8	20.9	15.6
Profit distributed as dividend, %	40	40	32	-	40
Equity, SEKm	2,186.5	1,717.4	1,300.8	1,382.0	1,234.9
Issued number of shares, 31 Dec	35,146,020	35,146,020	35,146,020	35,146,020	35,146,020
Proposed dividend as a percentage of equity, %	6.0	7.2	-	-	6.5

Nederman's major shareholders	Shareholding	Votes, %
Investment AB Latour	10,538,487	29.98
Neudi kapital AB	3,525,000	10.03
IF Skadeförsäkring AB (publ)	3,481,200	9.90
Swedbank Robur Fonder	2,937,047	8.36
Fjärde AP-fonden	2,190,756	6.23
Clients Fonder	1,796,963	5.11
Lannebo fonder	1,431,843	4.07
Tredje AP-fonden	600,000	1.71
Handelsbanken fonder	569,123	1.62
SIX SISAG, WBIMY	432,472	1.23
Other shareholders	7,643,129	21.76
Total	35,146,020	100.00

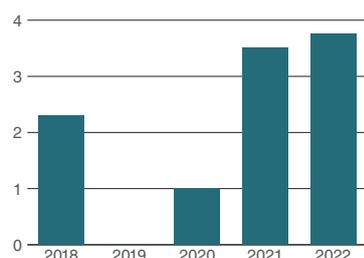
History
1944 Company founded by Phillip Nederman.
1983 Listing on the Stockholm Stock Exchange.
1985 Active becomes the new majority shareholder. The company is delisted.
1991 Nederman sold to Esab.
1994 Charter acquires Esab and becomes the new majority shareholder.
1999 Venture capital company EQT acquires Nederman.
2007 Listing on Nasdaq Stockholm.
2010 Acquisition of Dantherm Filtration.
2012 Acquisition of Environmental Filtration Technologies.
2013 Nederman qualifies for Nasdaq Stockholm Mid Cap.
2014 Nederman is moved to Nasdaq Stockholm Mid Cap.
2017 Acquisition of NEO Monitors AS
2018 Acquisitions of Auburn Filter Sense LLC and Luwa Air Engineering AG.
2019 Acquisition of Gasmet Technologies Oy
2021 Acquisition of Energy Save System Ltd
2022 Acquisitions of RoboVent, MBEAG and Ezi-Duct

Shareholders by category, %	
Financial companies	64.11
Other Swedish legal entities	11.61
Foreign domiciled owners	8.31
Social security funds	8.24
Private Swedish individuals	7.44
Non profit organisations	0.26
Other legal entities	0.02
Government	0.01
Total	100.00

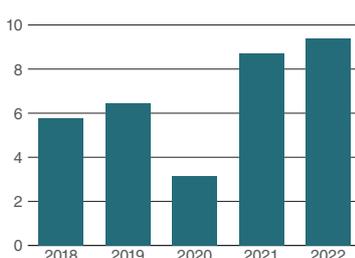
Shareholders per country, %	
Sweden	91.69
Finland	2.50
USA	1.64
Switzerland	1.27
UK	1.18
Luxembourg	0.97
Malta	0.28
France	0.26
Other	0.21
Total	100.00

DIVIDEND PER SHARE, SEK

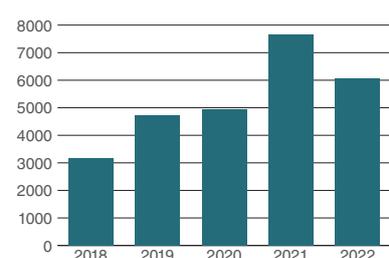
The 2022 dividend refers to the Board's proposed dividend



EARNINGS PER SHARE, SEK



MARKET CAPITALISATION, SEKm



* The retrospective approach was applied in relation to IFRS 16 Leases and figures for 2018 are therefore restated pursuant to the new standard.



Review of business operations

The Board and CEO of Nederman Holding AB (publ), corporate registration number 556576-4205, have prepared the annual report for the 2022 financial year.

BUSINESS

Nederman is an environmental technology company and one of the world's leading suppliers of products and solutions for advanced air filtration in demanding industrial environments. Nederman's business concept is clean air. Our offering comprises individual products, complete solutions, project design, installation, commissioning and service. The company's products contribute to reducing the environmental impact from industrial production, creating clean and safe working environments, and increasing production efficiency. Nederman's customers operate within such industries as metal, wood and composite processing, food production, pharmaceutical production, waste management, agriculture, the textile industry, the chemicals industry, the process industry, energy production and the automotive industry aftermarket. To realise its financial targets, Nederman works in accordance with a market-driven agenda: market-driven organisation, global key customers, product development with digital focus and active acquisition strategy.

Nederman has a strong global presence in sales and manufacturing. Sales are conducted through our own sales companies and distributors in over 50 countries. Most sales take place in Europe and North America, although Nederman is also active in a number of markets in Asia and South America. Manufacturing is carried out on five continents. Units for production and assembly are located in Australia, Brazil, Denmark, Finland, India, China, Norway, Poland, the UK, Sweden, Thailand, Germany and the US. At the end of 2022, 17 out of 21 production units were certified according to ISO 9001 and 16 of 21 units were certified according to ISO 14001. Certification of additional units is planned during 2023. The parent company is also certified according to ISO 9001 and ISO 14001. The manufacturing and assembly units are responsible for manufacturing, distribution, product care, logistics, purchasing and quality systems.

GROUP STRUCTURE

Nederman Holding AB (publ) is the parent company of Nederman group with its registered office in Helsingborg, Sweden. Nederman Holding AB's directly or indirectly wholly owned subsidiaries are presented in the parent company's note 13, Shares and participations.

The Nederman group's operations are conducted in four operating segments: Nederman Extraction & Filtration Technology, Nederman Process Technology, Nederman Duct & Filter Technology and Nederman Monitoring & Control Technology. This organisation is based on technology, customer structure and business logic with its starting point in the group's trademarks. This means that the operating segments are global. Nederman Extraction & Filtration Technology develops and sells a broad range of filters and moni-

toring services, capturing devices, fans, high-vacuum products and reels for the distribution of a variety of liquids and compressed air. Nederman Process Technology offers services and advanced filter solutions that are integrated into the customers' production processes where they catch harmful particles and gases. Nederman Duct & Filter Technology sells different types of ducting systems, valves and filter elements to ensure good air quality in a number of industries. Nederman Monitoring & Control Technology's digital offering includes advanced measurement technology and an IoT platform that consists of hardware and software that provide customers with information and insight into critical parameters and processes. On a secondary level, the operations are monitored based on the following regions: EMEA (Europe, Middle East and Africa), Americas (North and South America) and APAC (Asia-Pacific).

Finance, IT, HR, Sustainability and Strategy & Business Development are group functions with the task of supporting operational activities and being responsible for global coordination within each function.

STOCK EXCHANGE LISTING

The Nederman share has been listed on Nasdaq Stockholm under the NMAN ticker since 16 May 2007. Since January 2014, the share has been listed on Nasdaq Stockholm Mid Cap. The Mid Cap segment includes companies that have a market capitalisation between EUR 150 million and EUR 1 billion. As of 31 December 2022, there were 4,239 (4,089) shareholders.

ACQUISITION OF BUSINESS OPERATIONS

Ezi-Duct

On 28 April 2022, Nederman acquired the business of the Australian company Ezi-Duct Pty Ltd. In conjunction with the acquisition, the company Nordfab Pty Ltd was formed. The acquisition price amounted to SEK 18.0m, of which SEK 4.8m constituted a conditional deferred payment, which is expected to be paid 12 months after the date of acquisition. Nordfab Pty Ltd manufactures and supplies ducting, fume extraction and industrial air filtration equipment. With this acquisition, Nederman improves its product range and market presence in Australia. Nordfab is based in Sydney, Australia. Nordfab's sales and profitability were not material for the group in 2022.

RoboVent

On 29 July 2022, Nederman acquired 100 percent of the shares in the North American company RoboVent. The acquisition price amounted to SEK 441.8m. RoboVent is the leader in air filtration technology and control solutions for industrial fume, dust and oil mist control applications. Its unique sales approach, strong equipment range and turnkey capabilities have built a strong brand and global reputation. RoboVent is headquartered in Sterling Heights, Michigan, and has about 100 employees. Sales in 2022 amounted to SEK 356m. RoboVent is part of Nederman's Extraction & Filtration Technology Division.

MBE AG

On 3 November 2022, Nederman acquired 100 percent of the shares in the Swiss company MBE AG. The acquisition price amounted to SEK 19.9m, of which SEK 4.4m constituted deferred payment, which is expected to be paid 24 months after the date of acquisition. For more than 35 years, MBE has sold gas measurement instruments and services for gas detection technology and continuous monitoring of liquid processes to the Swiss market. Its range comprises gas measurement technology for a number of different applications, from gas sampling and specific gas treatment to appropriate gas measurement instruments. With its knowledge, market presence and customer base, it has built a strong market position. For many years, MBE has been a key distributor for Gasmeter. As a result of this acquisition, Nederman's Monitoring & Control Technology division is establishing direct sales in Switzerland and creating a platform for future growth in the market there. MBE is based in Wetzikon, Switzerland. MBE's sales and profitability were not material for the group in 2022.

ORDERS RECEIVED AND SALES

Orders received amounted to SEK 5,424.8m (4,622.9), equivalent to currency neutral growth of 9.1 percent compared with 2021. Sales amounted to SEK 5,178.9m (4,041.8), equivalent to currency neutral growth of 18.5 percent compared with 2021.

PROFIT/LOSS

Consolidated operating profit for 2022 totalled SEK 480.2m (458.9), corresponding to an operating margin of 9.3 percent (11.4). Adjusted EBITA amounted to SEK 566.6m (494.6). The adjusted EBITA margin was 10.9 percent (12.2). Profit before tax amounted to SEK 438.8m (417.1). Net profit totalled SEK 328.7m (305.3), corresponding to earnings per share of SEK 9.37 (8.70).

Nederman's positive development continued during 2022. All four divisions grew their sales and for the group in its entirety, sales exceeded SEK 5 billion. The Group achieved its highest operating profit ever, but continued challenges in the supply chain, inflationary pressure and bad debt losses, primarily in China, resulted in the lower operating margin compared with the preceding year.

It was another good year for Nederman Extraction & Filtration Technology where sales and orders received increased to new record levels while the division made a major strategic acquisition of RoboVent, launched a new market concept and secured large orders from new customer industries. The business was affected to a certain extent by problems in the logistics chain, mainly related to purchasing of electronics, and by rising prices of raw materials and the general increase in inflation in the economy which has led to a slightly weaker adjusted EBITA margin. Nederman Process Technology achieved new successes with strong support from a record order backlog in recent years which encompassed all of the division's markets and segments, apart from China. Sales and profitability improved considerably and cash flow was strong, at the same time as the division was successful in growing in both new segments and in new markets. It was once again a successful year for Nederman Duct & Filter Technology which has strengthened its customer base and market-leading position, leading to new record levels of both orders received and sales. Profitability was positively affected by higher sales volumes and price adjustments but negatively by, among other factors, production and inventory issues in ducting systems operations in the US. For Nederman Monitoring & Control Technology the trend was somewhat

more challenging in 2022 following an initial phase of strengthened interest in digital monitoring and control of production processes after the pandemic. The business displayed continued growth in orders and sales and a high rate of product development, but challenges in obtaining finished goods and components in normal time had a negative impact on business activity and profitability. The shortage of components also led to increased costs for input goods. In addition, the continued extensive covid-19-related lockdowns in China affected sales activities and resulted in delays to the projects being supplied by the division.

In April 2022, Nederman's Board resolved on a new long-term profitability target. The new target is to achieve an adjusted EBITA margin of at least 14 percent. This decision was a result of the continued significant increase in Nederman's profitability, combined with a large order backlog. Due to the increased sales, profitability in SEK is expected to continue to grow. The long-term targets communicated earlier of annual sales growth over a business cycle in excess of 10 percent, return on operating capital of 15 percent and a dividend policy of 30-50 percent of net profit for the year, stand firm.

PRODUCT DEVELOPMENT

The group's total research and development expenses amounted to SEK 126.4m (98.0), of which SEK 53.9m (41.0) was capitalised in the statement of financial position, and primarily related to investments in the group's digital product offering and the development of laser and gas analysis instruments.

INVESTMENTS IN FIXED ASSETS AND DEPRECIATION/AMORTISATION

The group's capital expenditure in intangible assets for the year amounted to SEK 97.6m (69.8). Capital expenditure for the year was primarily related to the group's digital product offering and the implementation of a global business system. Amortisation of intangible assets for the year totalled SEK 78.0m (63.4). The group's capital expenditure in tangible assets for the year amounted to SEK 72.9m (39.2) and was primarily related to the expansion of Nordfab's production and warehouse facility in Thomasville, in the US. Depreciation of tangible assets for the year was SEK 44.7m (37.9).

CASH FLOW

Cash flow for the year amounted to SEK 133.1m (42.1) and cash flow from operating activities to SEK 345.7m (519.8). Cash flow remains strong but a number of factors had a negative impact in 2022. The foremost reasons for the deterioration in cash flow were lower levels of advance payments in major projects, which were at record levels in 2021 as a result of strong orders received, and higher inventory levels due to increased raw material prices. Other changes significantly impacting cash flow in investing activities were attributable to the acquisition of RoboVent and higher investments in fixed assets. Cash flow from financing activities was mainly attributable to the increase in borrowing by SEK 606m.

LIQUIDITY AND FINANCIAL POSITION

At the end of the period, the group had SEK 721.2m in cash and cash equivalents, as well as SEK 108.4m in unutilised overdraft facilities. The group has a financing agreement with Skandinaviska Enskilda Banken (SEB) and Svenska Handelsbanken (SHB) for SEK 2,000m and a financing agreement with the Swedish Export Credit Corporation (SEK) for SEK 500m. The agreements

have a three-year maturity with extension options for two additional years. The agreements mature in March 2027 on exercise of the option. At the end of the year, the scope within the agreement with SEB and SHB had been utilised in an amount of SEK 1,438m (1,008). Accordingly, at the end of the period, the group had a credit facility of SEK 562m (492) within the scope of Nederman's loan agreement with SEB and SHB. At the end of the year, the scope within the agreement with SEK had been fully utilised. During the year, borrowing increased by SEK 606m (-248). Under certain conditions, the banks are entitled to terminate the agreements early.

Net debt amounted to SEK 1,477.1m (1,067.8). Equity amounted to SEK 2,186.5m (1,717.4), corresponding to an equity/assets ratio of 35.2 percent (36.3) and a net debt/equity ratio of 67.6 percent (62.2). The net debt/equity ratio increased compared with the preceding year, which is a result of the fact that net debt increased more in relation to equity. The higher level of net debt was primarily due to additional borrowing of SEK 606m. The weakened SEK also led to a translation effect on foreign currency loans, increasing net debt by SEK 24m. In comparison with the preceding year, the pension liability decreased by SEK 32m, which was primarily a consequence of an increase in the discount rate. The lease liability was in line with the preceding year. The cash balance continued to strengthen due to continued healthy orders received, with advance payments received as a result.

Equity was strengthened during the year as a consequence of favourable profitability. In addition, equity was impacted by the weakened SEK, which led to the translation reserve, attributable to the translation of foreign subsidiaries, amounting to SEK 236m (131).

EMPLOYEES

The group had 2,444 (2,246) employees at year-end. The average number of employees in the group during the year was 2,288 (2,154). Other personnel data is shown in note 8, Employees.

PARENT COMPANY

The activities of the parent company comprise group functions. The parent company also owns and manages shares in the subsidiaries. The parent company's sales amounted to SEK 19.4m (26.4) and pertained to service revenue from subsidiaries. Profit for the period amounted to SEK 109.8m (210.5). The decrease compared with the preceding year was mainly attributable to the lower level of dividends from the subsidiaries.

PROPOSED APPROPRIATION OF PROFIT

The following is at the disposal of the Annual General Meeting of Nederman Holding AB (publ):

Share premium reserve	5,866,700
Retained earnings	513,733,621
Net profit for the year	109,808,839
Total SEK	629,409,160

The Board of Directors proposes	
that a dividend of SEK 3.75 per share	
be paid to shareholders*	131,599,110
to be transferred to the share premium reserve	5,866,700
to be transferred to retained earnings	491,943,350
Total SEK	629,409,160

* Based on the number of shares outstanding at 31 December 2022. The dividend amount could be changed as treasury shares could be converted by the record date of 14 April 2023. For additional information about number of issued shares and treasury shares held see the Group's note 20, Equity and number of shares.

Based on the group's financial stability and healthy capital structure, the Board's assessment is that a dividend can be justified. After payment of the dividend, the group's equity ratio amount to 33.8 percent and is therefore good in relation to the industry sector in general. The dividend corresponds to 40 percent of net profit for the financial year, meaning that the dividend is in line with the company's dividend policy.

NOTICE OF ANNUAL GENERAL MEETING

The notice to attend the Annual General Meeting is to be issued no earlier than six weeks and no later than four weeks prior to the Meeting.

EVENTS AFTER THE END OF THE REPORTING PERIOD

No significant events have occurred after the end of the reporting period.

OUTLOOK

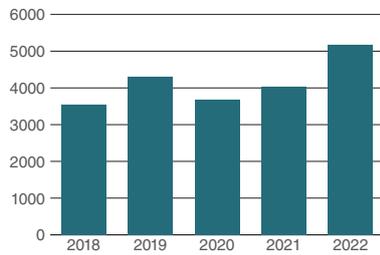
Demand and orders received in the fourth quarter were good, although organic growth for the group as a whole slowed further. Our base business and strong digital offering enable us to assert ourselves well in the current market. In parallel, we see that the problems in our supply chain combined with rising inflation are impacting customers' investment decisions and the possibility of conducting business, as well as our own production and ability to deliver. In addition, continued geopolitical uncertainty had a negative effect. However, we remain cautiously optimistic about the coming year in view of, for example, our strong order backlog. Although various factors may temporarily contribute to a dampened outlook in our industry, Nederman's long-term potential continues to strengthen. In a world in which insight into the damage that poor air does to people is increasing, Nederman, with its leading industrial air filtration offering, has a key role to play and good possibilities for growth. Technological advances, centering around digitalisation, have led to completely new possibilities to streamline and optimise the air filtration process. Together with political insight and a willingness to set stricter limits and legislation, this creates a basis for a viable future manufacturing industry that contributes to sustainable air quality around the world, benefiting both people and society.

Five-year overview

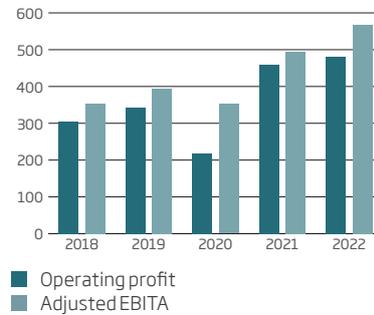
SEKm	2022	2021	2020	2019	2018*
Operating revenue and earnings					
Net sales	5,178.9	4,041.8	3,674.8	4,307.7	3,553.9
EBITA	558.2	522.3	275.7	388.1	340.8
Adjusted EBITA	566.6	494.6	352.3	394.0	354.0
EBITDA	682.0	633.2	384.6	489.9	426.9
Adjusted EBITDA	690.4	605.5	461.2	495.8	440.1
Operating profit	480.2	458.9	219.0	343.2	305.7
Adjusted operating profit	488.6	431.2	295.6	349.1	318.9
Profit before tax	438.8	417.1	148.5	307.3	267.5
Net profit	328.7	305.3	110.4	225.8	202.8
Assets, equity and liabilities					
Fixed assets	3,358.8	2,645.6	2,480.8	2,647.7	2,000.2
Current assets	2,861.3	2,083.4	1,768.7	2,102.6	2,020.3
Cash and cash equivalents	721.2	541.6	466.8	445.3	463.9
Equity	2,186.5	1,717.4	1,300.8	1,382.0	1,234.9
Interest-bearing liabilities	2,198.3	1,609.4	1,917.3	2,009.4	1,251.5
Non-interest-bearing liabilities and provisions	1,835.3	1,402.2	1,031.4	1,358.9	1,534.1
Balance sheet total	6,220.1	4,729.0	4,249.5	4,750.3	4,020.5
Profitability					
EBITA margin	10.8%	12.9%	7.5%	9.0%	9.6%
Adjusted EBITA margin	10.9%	12.2%	9.6%	9.1%	10.0%
EBITDA margin	13.2%	15.7%	10.5%	11.4%	12.0%
Adjusted EBITDA-margin	13.3%	15.0%	12.6%	11.5%	12.4%
Operating margin	9.3%	11.4%	6.0%	8.0%	8.6%
Adjusted operating margin	9.4%	10.7%	8.0%	8.1%	9.0%
Return on equity	16.8%	20.2%	8.2%	17.2%	17.7%
Return on operating capital	15.2%	15.6%	10.4%	14.0%	16.5%
Capital turnover rate, multiple	1.6	1.5	1.3	1.7	1.8
Capital structure					
Net debt	1,477.1	1,067.8	1,450.5	1,564.1	787.6
Net debt/equity ratio	67.6%	62.2%	111.5%	113.2%	63.8%
Net debt/adjusted EBITDA, multiple	2.1	1.8	3.1	3.2	1.8
Adjusted EBITDA/net financial items, multiple	16.7	14.5	6.5	13.8	11.5
Interest cover ratio, multiple	7.9	9.6	4.1	8.1	7.5
Equity/assets ratio	35.2%	36.3%	30.6%	29.0%	30.7%
Operating capital	3,663.6	2,785.2	2,751.3	2,946.1	2,022.5
Share data					
Number of shares on closing date	35,146,020	35,146,020	35,146,020	35,146,020	35,146,020
Average no. of shares during the year, before dilution	35,093,096	35,093,096	35,093,096	35,093,096	35,088,753
Average no. of shares during the year, after dilution	35,093,096	35,093,096	35,093,096	35,093,096	35,088,753
Equity per share, before dilution, SEK	62.31	48.94	37.07	39.38	35.19
Equity per share, after dilution, SEK	62.31	48.94	37.07	39.38	35.19
Earnings per share, before dilution, SEK	9.37	8.70	3.15	6.43	5.78
Earnings per share, after dilution, SEK	9.37	8.70	3.15	6.43	5.78
Proposed dividend per share, SEK	3.75	3.50	-	-	2.30
Employees					
Average numbers of employees	2,288	2,154	2,097	2,195	1,852

*The retrospective approach was applied in relation to IFRS 16 Leases and figures for 2018 are therefore restated pursuant to the new standard.

SALES, SEKM



OPERATING PROFIT AND ADJUSTED EBITA, SEKM*

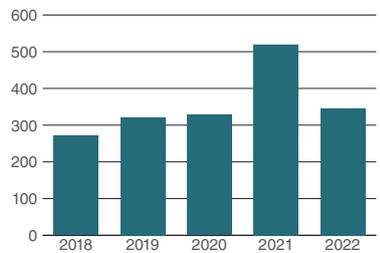


OPERATING MARGIN AND ADJUSTED EBITA MARGIN, %

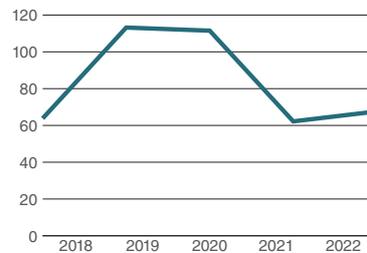


CASH FLOW, SEKM*

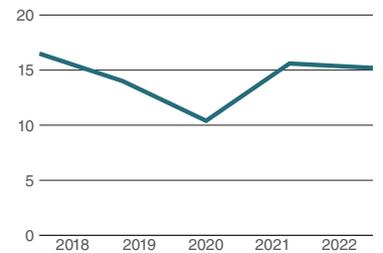
From operating activities



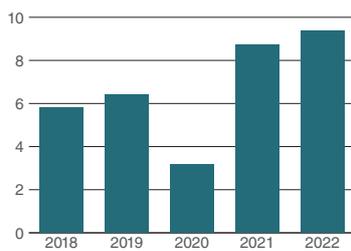
NET DEBT/EQUITY RATIO, %*



RETURN ON OPERATING CAPITAL, %*

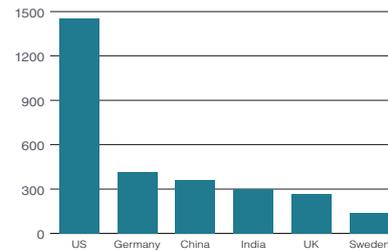


EARNINGS PER SHARE, SEK

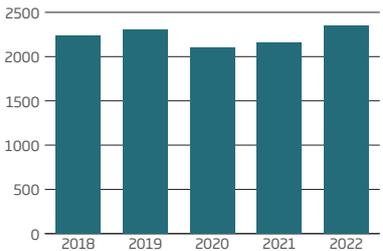


LARGEST MARKETS IN 2022, SEKM

External sales



AVERAGE NUMBERS OF EMPLOYEES



*The retrospective approach was applied in relation to IFRS 16 Leases and figures for 2018 are therefore restated pursuant to the new standard.

Risks and risk management

RISKS THAT COULD SIGNIFICANTLY IMPACT THE GROUP

Nederman is exposed to a number of risks that could significantly impact the group's operations, earnings and financial position. Nederman conducts continuous risk assessments that include identifying the risks that impact the group and taking measures to manage these risks.

Nederman does not calculate the economic value of all risks because many of them are highly complex and interrelated. However, the practical management of these risks is facilitated in several different ways, including through group-wide policies, business processes, training, internal controls, and processes for the audit and approval of reports, which are all coordinated and monitored by each group function. The risks are summarised below.

STRATEGIC RISKS

Customer offerings, succession planning, official or sector regulations, fluctuations in the global market.

OPERATING RISKS

Demands on the products' function or quality, competition or technology shifts, IT systems, and production or delivery disruptions.

COMPLIANCE RISKS

Compliance with laws, regulations and group policies relating to, for example, data confidentiality, competition legislation, corruption, health and safety and sustainability.

FINANCIAL RISKS

Currency, interest, credit and liquidity risks.

CYBER AND INFORMATION RISKS

Cyber and information risks related not only to technology in the products, solutions and services that Nederman provides to its customers, but also all technology and information used in the company's internal and external processes and operations.

MANAGING THE MAIN RISKS

The main risks described in this report are managed in accordance with Nederman's framework for risk management, which is integrated with the company's business processes. The Board of Directors also reviews the company's risk management.

Strategic risks	Management
Loss of key personnel	Continued succession planning. Incentivising, motivating and developing key personnel.
Acquisition-related risks	Professional due diligence. A clear divisional fit for acquired companies, standard onboarding procedures including for IT, brands, patents and finance.
Operating risks	Management
IT security	Updating and upgrading hardware, software and processes in accordance with the group IT security policy. Compulsory training for all employees. Monitoring of systems, testing to identify areas of vulnerability, securing and testing of backups.
Production risks at key sites	Updating and replacing aging production machinery and equipment, global management system, standardisation of processes - a prerequisite for ERP roll-out, maintaining product documentation, updating of IT hardware and software.
Supply risk for key components	Production rationalisation projects, audits of critical suppliers, increased inventory of key components.
Ongoing IT projects	Systematic planning, securing relevant internal competence updating IT hardware and software.
External factors, such as fire, extreme weather conditions, natural disasters, war or pandemics	Continued contingency planning, regular risk assessments and site inspections.

Compliance risks	Management
Corruption and fraud	Established policies and internal control, whistleblower system where any employee can report any suspicions of legal or regulatory breaches without reprisal, compulsory training including on the Nederman Code of Conduct.
Non-compliance with laws and regulations	Training in policies, laws and regulations, formalisation and expansion of the group's internal control work with a focus on compliance, export control process including compulsory training, with a focus on sanctions and trade restrictions.
Health and safety risks relating to, for example, technical defects or deficiencies in Nederman's products	Nederman's commitment to quality assurance to ensure that product quality and functionality, ensuring that legal requirements regarding safety are complied with in full.
Financial risks	Management
Underlying weakening of the economy	Continual updating of contingency plans, on local, regional and global levels.
Material price increases	Increasing production efficiency, purchasing coordination across group companies, close monitoring and management of sales and purchase pricing.
Price competition	Differentiation including digital products and solutions, market leading technology, focus on being market leader in operational markets, increasing production efficiency including from machinery investments and IT upgrades.
Foreign currency risks: The Nederman group's global presence means that business is conducted in several different currency regions. The Nederman group is exposed to currency risk since exchange rate fluctuations affect the group's income, financial position and cash flow. Approximately 95 percent of the Group's net sales are generated in countries other than Sweden.	To reduce the currency exposure balancing of income and expenses, assets and liabilities are pursued. Some individual major projects can be hedged to create certainty of future cash flows.
Interest rate risks: The Nederman group is exposed to fluctuations in market interest rates due to the net debt. Movements in interest-rate levels may impact the group's net income and cash flow and the value of financial assets and liabilities.	The group's bank loans have floating interest rates or a maximum term of six months, according to the funding agreement with the group's lenders. The usual fixed interest term is between one and three months. A change in the interest rate of 1 percentage point would have affected net financial items in 2022 by SEK 12.7m (12.6), calculated on average net debt for the year. The Nederman group has determined that reasonable changes in interest rates do not affect the group's earnings to such a material extent that there is a need to secure interest rates through financial instruments. This assessment is updated on an ongoing basis.
Credit risks: The risk that the group's customers might not pay their accounts receivable and contract assets constitutes a customer credit risk. Contract assets consist of work performed that have not yet been invoiced, which are mainly referring to sale of small and medium-sized projects, which by its nature constitute a credit risk. If several of the group's larger customers fails to meet its undertakings the group could suffer significant losses.	To limit the credit risk, the Nederman group employs credit policies that limit outstanding amounts and the credit period for different customers. In major projects advance payments normally apply according to the fixed payment plans in the agreements. For established customer relationships, credit limits are carefully monitored to limit the risk. In some cases, credit insurance is used to secure accounts receivable. Ongoing risk assessments are carried out of accounts receivable and contract assets, and given that customers operate in several different industries and markets, the risks are deemed to be low. For 2022 the group's largest individual customer accounted for one percent of sales and the five largest customers accounted for four percent of sales, which means that the risk spread can be regarded as very good.
Liquidity risks: The risk that the Nederman group may be unable to finance or refinance its assets or meet its payment obligations constitutes a liquidity risk. It is of critical importance that the group meets its covenants according to the financing agreements with the banks and assure a sufficient payment capability over time. Challenges in the market with increased inflation and higher interest rates, can impact customers willingness to invest with reduced demand as a result, may stress the group's liquidity. Failure to properly manage the group's liquidity risks, may cause material adverse impact on earnings capability and financial standing.	The group has a financing agreement with Skandinaviska Enskilda Banken (SEB) and Svenska Handelsbanken (SHB) for SEK 2,000m and a financing agreement with the Swedish Export Credit Corporation (SEK) for SEK 500m. The agreements have a three-year maturity with extension options for two additional years. The agreements mature in March 2027 on exercise of the option. The group had SEK 721m in cash and cash equivalents, SEK 108m in unutilised overdraft facilities and SEK 562m in credit facility within the framework of Nederman's loan agreement with SEB and SHB. Accordingly, there were available funds totalling SEK 1,391m on 31 December 2022. All covenants were fulfilled on the balance sheet date.

Corporate Governance

Nederman Holding AB (publ) is a Swedish public limited company with its registered office in Helsingborg, Sweden. Nederman was listed on the Nasdaq Stockholm Small Cap list in 2007 and has been registered on the Nasdaq Stockholm Mid Cap list since 1 January 2014.

As a listed company, Nederman applies the Swedish Corporate Governance Code (the Code). The Corporate Governance Report has been prepared in accordance with the Swedish Annual Accounts Act and the Swedish Companies Act, Nasdaq Stockholm's Rule Book for Issuers, the Code, and other applicable Swedish laws and regulations. In addition to rules pursuant to laws or other legislation, Nederman uses internal control instruments that are also the basis for the group's corporate governance, including the Articles of Association, rules of procedure for the Board of Directors, the terms of reference for the CEO, policy documents and the group's Code of Conduct. The Articles of Association and the group's Code of Conduct are available at nedermangroup.com and policy documents are available at the group's intranet.

Governance of the Nederman group takes place through the shareholders via the General Meeting of Shareholders, the Board of Directors, the CEO and Group management of Nederman in accordance with, among other things, the Swedish Companies Act, other laws and regulations, the Articles of Association and the rules of procedure for the Board of Directors. Considering Nederman's group structure, the composition of the boards of its operating subsidiaries, which often include representatives from Group management, constitute another element of governance for the group.

SHAREHOLDERS

At the end of 2022, the company had 4,239 shareholders. Investment AB Latour was the largest shareholder with 29.98 percent of the shares, while Neudi kapital AB owned 10.03 percent, IF Skadeförsäkring AB (publ) owned 9.90 percent and Swedbank Robur Fonder owned 8.36 percent. The ten largest shareholders had a total holding corresponding to 78.24 percent of the shares. Foreign investors held 8.31 percent of the shares. For further information about the share and shareholders, see pages 76-77.

ANNUAL GENERAL MEETING

The General Meeting of Shareholders is the highest decision-making body, in which the shareholders can exercise their influence by voting on key issues, such as the adoption of the income statement and balance sheet, appropriation of the company's profit, discharge from liability of Board members and the CEO, the election of Board members, the Chairman of the Board and auditors, and remuneration to the Board of Directors and auditors. The Annual General Meeting was held in Helsingborg on 25 April 2022. At the Meeting, 44 shareholders participated, representing 65.87 percent of the total number of shares and votes in the company.

The Meeting adopted the income statement and balance sheet, and the consolidated income statement and balance sheet, and granted discharge from liability for the Board members and CEO. The Board decided to distribute the profit in accordance with the proposal on the allocation of profits, meaning that the dividend for

the 2022 financial year would be SEK 3.50 per share, corresponding to SEK 122.8m, and SEK 528.9m would be carried forward.

The Meeting also authorised the Board to decide that the company may issue new shares or repurchase the company's own shares. The Meeting also resolved to adopt the Remuneration Report.

The Meeting decided in accordance with the proposal in the notification of the Meeting to elect six Board members. In accordance with the proposal of the Nomination Committee, Gunilla Fransson, Ylva op den Velde Hammargren, Johan Menckel, Sam Strömerstén and Sven Kristensson were re-elected to the Board, alongside the first-time election of Anna Kinberg Batra. Johan Menckel was elected Chairman of the Board.

On 3 February 2023, it was announced that Anna Kinberg Batra had relinquished her seat on the Board as a consequence of being appointed by the government to the position of Governor of Stockholm County. Following Anna Kinberg Batra's departure from the Board, it comprises five members and thereby meets the requirements of the Articles of Association.

NOMINATION COMMITTEE

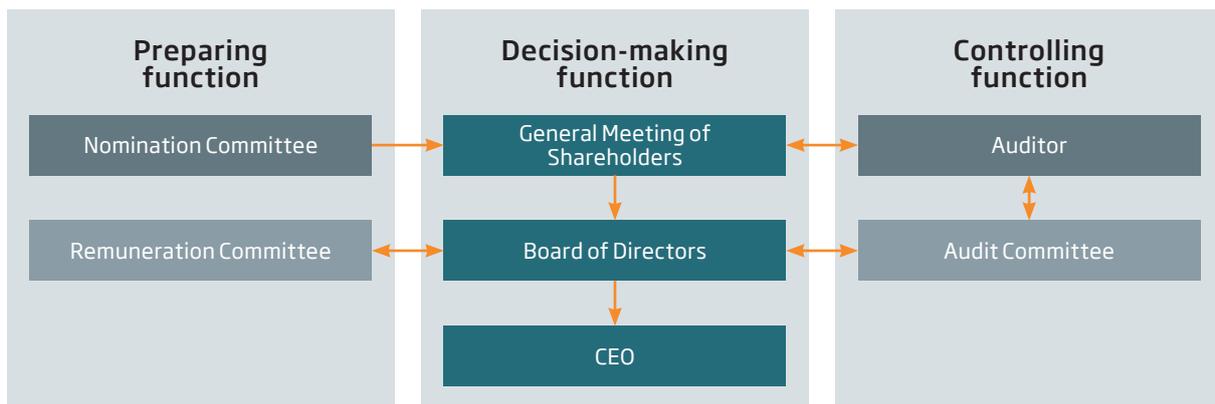
The 2019 Annual General Meeting decided to establish instructions for the Nomination Committee concerning the composition of the committee and its assignments. According to the instructions, the Nomination Committee is to consist of one representative from each of the four largest shareholders and the Chairman of the Board. If any of the four largest shareholders waives their right to appoint a representative to the Nomination Committee, the right will pass to the next largest shareholder. The Nomination Committee's tasks are to prepare proposals, ahead of the next Annual General Meeting, concerning the election of the Chairman of the Board and other Board members, the election of the Chairman of the Meeting, remuneration issues and related issues, and, where applicable, the election of auditors.

In accordance with the Annual General Meeting's guidelines for the work of the Nomination Committee, Anders Mörck, Investment AB Latour, Chairman; Fredrik Ahlin, IF Skadeförsäkring AB; Henrik Forsberg Schoultz, Neudi Kapital AB and Oscar Bergman, Swedbank Robur, were appointed to the Nomination Committee ahead of the Annual General Meeting in 2023. Johan Menckel, Chairman of Nederman's Board of Directors, is a co-opted member of the Nomination Committee. For questions concerning the work of the Nomination Committee, contact anders.morck@latour.se.

BOARD OF DIRECTORS

The Board of Directors is the second highest decision-making body after the General Meeting of Shareholders. The overall assignment of the Board is to decide on the company's business direction, its resources and capital structure as well as its organisation and management. The Board's general obligations also include continuously evaluating the company's financial situation and approving the company's business plan. In its general undertaking, the Board addresses overall issues such as the company's strategy, acquisitions, major investments, divestments, the publication of annual reports and interim reports, and the appointment of the CEO.

Overall structure of corporate governance in Nederman



The Board of Directors follows written rules of procedure that are adopted annually at the first Board meeting following election. The rules of procedure stipulate how work is to be divided between Board members, how often the Board is to meet and to what extent deputies are to participate in the work of the Board and attend meetings. The rules of procedure also regulate the Board's obligations, the establishment of a quorum, the division of responsibilities between the Board and the CEO, etc. The Board meets according to an annual schedule that is decided in advance. Extraordinary meetings may be called to address events of unusual importance. In addition to Board meetings, the Chairman of the Board and the CEO conduct an ongoing dialogue with respect to the management of the company.

Once a year, the entire Board conducts a systematic evaluation of the company's senior executives. In this context, "senior executives" includes certain deputy managers, meaning a broader group of employees.

In recent financial years, the Board has made decisions concerning several matters of strategic importance. In 2022, special focus was devoted to adaptation of the group's capacity, the group's strategy for continued expansion and the group's financial framework and objectives. In 2022, the Board held six minuted meetings. To date, one minuted meeting has been held in 2023. The 2022 Annual General Meeting resolved that a total of SEK 1,950,000 would be paid in directors' fees, with SEK 750,000 paid to the Chairman of the Board and SEK 300,000 to each of the other members elected by the Annual General Meeting, with the exception of the CEO. It was furthermore resolved that a fee of SEK 104,000 would be paid to the Chairman of the Audit Committee and SEK 68,000 to the committee member, and that a fee of SEK 52,000 would be paid to the Chairman of the Remuneration Committee and SEK 26,000 to the other member.

As stated in the Articles of Association, the General Meeting of Shareholders has full decision-making power in election of Board members and there are no other regulations concerning appointment and dismissal of Board members. The Annual General Meeting elects Board members annually for the period until the next Annual General Meeting is held. The Board of Directors is to consist of at least three and no more than eight ordinary members and may be supplemented with a maximum of three deputies. In addition, there may be employee representatives. The members elected by the Annual General Meeting are all independent in relation to the major shareholders and, with the exception of the CEO, in relation to the company and company management. The Board

meets the requirements of the Code with respect to independent members. The members are presented on page 92 and at nedermandgroup.com.

The main shareholders and Board members carry out a detailed annual evaluation of the Board. Among other things, the evaluation includes the Board's composition, individual Board members and the Board's work and procedures. The Nomination Committee has reviewed the written evaluation of the work of the Board and has received a report on the work of the Board from the Chairman of the Board.

During 2022, Nederman's Board of Directors comprised six members elected by the 2022 Annual General Meeting. The CEO is a member of the Board. The CFO is not a member of the Board but, as a rule, participates in Board meetings by presenting information. The Chairman of the Board does not participate in the operational management of the company.

Attendance at Board meetings

■ Anna Kinberg Batra	4 of 4
■ Gunilla Fransson	6 of 6
■ Ylva op den Velde Hammargren	6 of 6
■ Johan Hjertonsson	2 of 2
■ Sven Kristensson	6 of 6
■ Johan Menckel	6 of 6
■ Sam Strömerstén	6 of 6

CEO

The division of activities between the Board and the CEO is regulated by the rules of procedure for the Board and in the terms of reference for the CEO. The CEO is responsible for implementing the business plan as well as the day-to-day management of the company's affairs and the daily operations of the company. This means that the CEO makes decisions on those issues that can be considered to fall under the day-to-day management of the company. The CEO may also take action without the authorisation of the Board in matters which, considering the scope and nature of the company's business, are unusual or of great importance, which cannot await a decision by the Board without seriously compromising the company's business activities. The terms of reference for the CEO also regulate the CEO's responsibility for reporting to the Board. The Board receives a monthly written report containing a follow-up of the company's order statistics, sales, operating results, working capital developments, income statement, financial position and cash flow statement. The report also contains

comments from the CEO and CFO, for example, regarding the various markets.

Every year, the senior executives formulate a strategy proposal, which is discussed and adopted at the final Board meeting during the autumn. Work on the business plan, including the budget for the coming year, is usually carried out from the bottom up and based on the strategy. The CEO and the CFO present the business plan proposal to the Board of Directors. After the Board discusses the business plan, it is usually adopted at the last meeting during the autumn. In addition, the company prepares a monthly updated forecast.

COMMITTEES

Remuneration Committee: Questions about salary and benefits for the CEO and senior executives are addressed and approved by the Remuneration Committee. This committee consists of Johan Menckel and Gunilla Fransson. The committee is a body within the company's Board assigned to draft matters for the Board related to remuneration and other terms of employment for company management. The committee is also tasked with preparing guidelines for executive remuneration, which the Board then presents as a proposal to the Annual General Meeting. The Remuneration Committee held one minuted meeting in 2022.

The prevailing guidelines for executive remuneration were adopted by the Annual General Meeting in 2022. The guidelines are presented in the section, "Remuneration to senior executives."

Audit Committee: The main purpose of the Audit Committee is to supervise the group's financial accounting and reporting and the audit of the annual accounts. The Audit Committee's tasks include, among other things, responsibility for the preparation of the Board's work to ensure the quality of the financial reporting by reviewing the interim reports, annual report and consolidated financial statements. The Audit Committee is also tasked with preparing matters regarding the procurement of audit services and other services from the auditor and preparing certain accounting and audit matters to be dealt with by the Board. The work of the Audit Committee is governed by rules of procedure adopted by the Board of Directors. The Committee convened on five occasions in 2022 and has held one minuted meeting to date in 2023. The company's auditor participated on these occasions. On February 13, 2023 the company's auditor informed the Board of the results of its work and presented a report on the year's audit and its view of the company's internal control system without the presence of any members of company management. In 2022, the Audit Committee consisted of Board members Ylva op den Velde Hammargren and Sam Strömerstén.

AUDITOR

The auditor audits the company's annual report and accounting as well as the management of the Board of Directors and the CEO. The auditor submits an audit report to the General Meeting of Shareholders after each financial year. From 2011, the Annual General Meeting appoints an auditor for a period of one year. At the Annual General Meeting on 25 April 2022, it was resolved in accordance with the Nomination Committee's proposal to re-elect the registered auditing firm Ernst & Young AB until the close of the 2023 Annual General Meeting, with Andreas Mast as lead auditor. Andreas Mast is an Authorised Public Accountant and member of FAR, the Swedish Institute of Authorised Public Accountants.

Andreas Mast has long experience in auditing listed companies and companies in an international environment. He is now lead auditor for companies including Gunnebo, VBG Group, Semcon and Revolutionrace. The company's auditor audits the annual accounts and financial statements and the company's ongoing operations and procedures to provide an opinion on the accounting and management of the Board of Directors and the CEO. The 2022 Annual General Meeting resolved that the auditors should be paid on a current account basis. Fees to Ernst & Young AB for assignments other than auditing amounted to SEK 1.3m in 2022 and pertain mainly to auditing of the six-month report and the sustainability report, as well as other auditing-related services.

REMUNERATION TO SENIOR EXECUTIVES

The 2022 Annual General Meeting adopted the Board of Directors' proposal for guidelines for executive remuneration. In relation to the earlier guidelines, the proposal means that sustainability goals linked to the business were added with regard to criteria for variable remuneration. Otherwise, the guidelines are unchanged. Nederman's Group management fall within the provisions of these guidelines. The remuneration shall be on market terms and may consist of the following components: fixed salary, variable remuneration, pension benefits and other benefits. Fixed salary is paid for satisfactory work. The variable remuneration shall be linked to predetermined, well-defined and measurable financial criteria. The satisfaction of criteria for awarding variable remuneration shall be measured over a period of one year. The variable remuneration may amount to not more than 50 percent of the total fixed salary under the measurement period for the CEO and not more than 30 percent of the total fixed salary under the measurement period for other senior executives. The criteria for variable remuneration shall mainly relate to the group's profitability, working capital development and sustainability goals that are linked to the business. Variable remuneration may also be related to individual criteria. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability. Further variable remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual salary and may not be paid more than once each year per individual.

For the CEO, pension benefits shall be premium-based. The pension premiums for premium-based pension shall amount to not more than 35 percent of the pension based salary. For other executives, pension benefits shall be based on a contractual ITP plan or be premium-based, unless the individual concerned is subject to defined-benefit pension under mandatory collective agreement provisions. Variable cash remuneration shall qualify for pension benefits. Pension premiums that follow from the contractual ITP plan or are premium-based, shall amount to not more than 35 percent of the pension based salary, unless other premium levels apply according to applicable ITP plan.

Other benefits may include, for example, life insurance, health and medical insurance and company cars. Such benefits may amount to not more than 20 percent of the fixed annual salary.

The notice period may not exceed 24 months if notice of termination of employment is made by the company for the CEO and twelve months for other executives. Fixed salary during the period of notice and severance pay may together not exceed an amount equivalent to the CEO's fixed salary for two years, and one year for other executives. When termination is made by the executive, the notice period may not exceed six months, without any right to severance pay.

The Annual General Meeting held on 26 April 2021 approved the Board's proposal that the annual programmes for variable remuneration should be supplemented with a long-term incentive (LTI) programme. The LTI programme comprised the two financial years 2021 and 2022 and is targeted in a way that makes it particularly favourable for the company's shareholders. The outcome of the LTI programme for senior executives of the Nederman group could amount to a maximum of 35 percent of annual salary for the CEO and 14-20 percent of annual salary for other senior executives. An outcome required that a minimum level of accumulated earnings per share established for the 2021 and 2022 financial years be achieved or exceeded. The remuneration for the senior executive according to the terms and conditions (net after tax) was to be invested in Nederman shares. The shareholding must be retained by the senior executive for a minimum of three years. Investment in shares could be made via the stock exchange or through the transfer of treasury shares. The outcome for the LTI programme 2021-2022 amounted to SEK 5.5m.

INTERNAL CONTROL

Control environment. Operational decisions are made at the company or business area level, while decisions about strategy, aims, acquisitions and comprehensive financial issues are made by the parent company's Board and Group management. The internal controls within the group are designed to function in this organisation. The group has clear rules and regulations for delegating responsibility and authority in accordance with the group's structure. The platform for internal controls of financial reporting consists of the comprehensive control environment and organisation, decision processes, authorisations and responsibilities which have been documented and communicated. In the group, the most significant components are documented in the form of instructions and policies in finance, ethics (Code of Conduct), communication, IT security, integrity, sustainability and quality, whistleblowing, export and sanctions, anti-corruption and fraud, anti-trust, diversity, health and safety, logistics, risk management, remuneration and authorisation instructions. Nederman has a simple legal and operational structure and established management and internal control systems. The Board of Directors follows up on the assessment of the internal control, including through management reporting to the Audit Committee and through contacts with the Nederman's auditors. The Board of Directors has chosen not to have a special internal audit.

Control activities. To safeguard the internal controls, there are both automated controls, such as authorisation controls in the IT system and approval controls, as well as manual controls such as reconciliations and stock-taking. Financial analyses of the results as well as follow-up of plans and forecasts are used to supplement the controls and give a comprehensive confirmation of the quality of the reporting.

Information and communication. Documentation of governing policies and instructions are continuously updated and commu-

nicated in electronic or printed format. For communications with external parties, there is a communication policy that contains guidelines for ensuring that the company's information obligations are applied fully and correctly.

Sustainability. Each board meeting has a fixed agenda point at which the company's CEO reports on social, environmental and economic movements within "The clean Air journey". Nederman's business strategy process contains a clear focus on sustainability, which is presented by group management and anchored with the company's board. The Nederman Group sustainability related KPIs and actions are presented by each division manager at every third monthly meeting for group management. The process means that the sustainability work is constantly improved and reflected upon, which enables a good spread of efforts within the Nederman group.

At least one annual board meeting is held at one of Nederman's development units and/or at the company's key customers, with the aim of informing and discussing environmental, social and economic progress for "The clean air company". Nederman's business strategy process 2022 included in-depth work in group management regarding sustainability. The process managers conducted workshops for the division managers, who were then tasked with working through the sustainability issue in each division in order to report anchored decisions regarding focused sustainability work.

The board and the company management team have, for the past two years, invited stakeholders and industry colleagues to The Clean Air Day. The day aims at sharing and discussing successes and challenges linked to the company's Clean air journey. In 2022, this was carried out in September. In addition, Nederman's largest shareholder convenes an annual sustainability conference, in which their wholly and partially owned companies participate. The sustainability conference aims to support and drive the sustainability work in these companies and collaborate for the greatest possible positive movement. The 2022 sustainability conference was attended by Nederman's CEO, CFO, Marketing manager and the newly recruited Group Sustainability Manager. Nederman's largest shareholder also organises monthly digital meetings, in which the companies' sustainability managers collaborate.

Follow-up. The CEO is responsible for ensuring that the internal controls are organised and followed up according to the guidelines decided on by the Board. Financial management and control is carried out by the group's finance function. Financial reporting is analysed monthly at a detailed level. The Board has addressed the company's financial position at its meetings and has also received reports and observations from the company's auditor.

ARTICLES OF ASSOCIATION

The Articles of Association stipulate the company's activities, the number of Board members and auditors, how notification of the Annual General Meeting is to be made, the matters to be addressed at the Annual General Meeting and where the Meeting is to be held. The General Meeting of Shareholders has full decision-making power concerning amendments in the Articles of Association. The current Articles of Association were adopted at the Annual General Meeting on 27 April 2020, and can be found on the company's website at www.nedermangroup.com and in the annual report for 2022 on page 149.

Proposal for guidelines for remuneration to executives

The Board of Directors of Nederman Holding AB ("Nederman" or the "company") proposes that the Annual General Meeting 2023 resolves on the following guidelines for executive remuneration. In relation to the current guidelines, the proposal entails that the company has added a long-term variable remuneration for senior executives in accordance with the section "Long-term variable remuneration" below.

These guidelines apply to the executives constituting group management. The guidelines are forward-looking and as such are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2023. These guidelines do not apply to any remuneration decided or approved by the General Meeting separately.

PROMOTION OF BUSINESS STRATEGY, LONG-TERM INTERESTS AND SUSTAINABILITY

In short, Nederman's business strategy is to be "the Clean Air Company", and to use Nederman's industrial air filtration expertise and solutions and services to protect people, planet and production from the harmful effects of industrial processes. In this way, Nederman helps to create safer workplaces, efficient production and provide significant environmental benefits. A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. The objective of Nederman's guidelines for executive remuneration is therefore to offer competitive remuneration on market terms, so that competent and skillful personnel can be attracted, motivated and retained. These guidelines enable the company to offer the executive management competitive total remuneration. For more information regarding the company's business strategy, please see www.nedermangroup.com.

TYPES OF REMUNERATION, ETC.

The remuneration shall be on market terms and may consist of the following components: fixed salary, variable cash remuneration, pension benefits and other benefits. Additionally, the General Meeting may from time to time and outside the scope of these guidelines, resolve on other equity based remuneration. The Remuneration Committee shall monitor and evaluate remuneration for the executive management however all remuneration for the CEO is approved by the Board of Directors.

Fixed salary

Fixed salary is paid for satisfactory work.

Variable cash remuneration

Annual variable remuneration ("STI")

The short term incentive shall be linked to predetermined, well-defined and measurable financial criteria. The satisfaction of criteria for awarding variable remuneration shall be measured over a period of one financial year (performance period). The STI remunera-

tion may amount to not more than 50 percent of the total fixed salary under the performance period for the CEO and for other senior executives. The criteria for STI shall mainly relate to the group's profitability, working capital development and sustainability goals that are linked to the business. In addition, individual criteria may be established. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability and since Nederman's business strategy is to be "the Clean Air Company" by protecting people, planet and production from the harmful effects of industrial processes, the criteria for STI, which are connected to the sale of the company's solutions and services within industrial air filtration, will inevitably contribute to the company's long-term interest and sustainability.

Long-term variable remuneration ("LTI")

The STI shall be supplemented by a long-term incentive connected to the development of the share price. By connecting the LTI to the share price development, a common interest is created with the shareholders that aims to promote the company's business strategy, long-term interests and value creation.

During year 1, the initial grant value of the LTI shall correspond to the STI earned during the previous year (the "Initial Grant Value"). The Initial Grant Value shall then be vested over a period of three years and indexed to reflect the share price development of the company's share. In year 2, the Initial Grant Value shall be indexed to reflect the share price development between the publication of the year-end report in year 1 and in year 2, following which 1/3 of the so indexed amount shall be paid to the executive. In year 3, the remaining (indexed) amount, shall again be indexed to reflect the share price development between the publication of the year-end report in year 2 and in year 3, following which 1/2 of said indexed amount shall be paid to the executive. In year 4, the remaining (indexed) amount, shall again be indexed to reflect the share price development between the publication of the year-end report in year 3 and in year 4, following which such indexed amount shall be paid to the executive. The share price index shall correspond to the increase or the decrease in the share price measured as the volume-weighted average of the price paid for the company's share at Nasdaq Stockholm during ten trading days immediately after the publication of a year-end report.

The LTI payout, shall be subject to an undertaking by the executive to invest the LTI payout in Nederman shares without undue delay and to retain such shares for not less than three years.

The STI plus the LTI paid out to an executive each year, may in aggregate not amount to more than 150 percent of the total fixed salary for the CEO and not more than 100 percent of the total fixed salary for other senior executives.

The costs associated with the variable remuneration are regular personnel costs associated with cash compensation.

Other variable remuneration

Further variable remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Remuneration for extraordinary circumstances is not measurable, but the possibility for the Board of Directors to decide on such remuneration is considered important by the Board of Directors for the purpose of recruiting or retaining executives, or as remuneration for extraordinary work. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.

Pension benefits

For the CEO, pension benefits shall be premium defined. The pension premiums for premium defined pension shall amount to not more than 35 percent of the pension based salary. For other executives, pension benefits shall be based on a contractual ITP plan or be premium defined, unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions. Variable cash remuneration shall qualify for pension benefits. Pension premiums that follow from the contractual ITP plan or are premium defined, shall amount to not more than 35 percent of the pension based salary, unless other premium levels apply according to applicable ITP plan.

For employment governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Other benefits

Other benefits may include, for example, life insurance, health and medical insurance and company cars. Such benefits may amount to not more than 20 percent of the fixed annual salary.

CRITERIA FOR AWARDING VARIABLE REMUNERATION, ETC.

The Remuneration Committee shall monitor and evaluate programs for variable remuneration for the executive management. To which extent the criteria for awarding variable remuneration has been satisfied shall be evaluated when the performance period has ended. The Remuneration Committee is responsible for the evaluation so far as it concerns variable remuneration to the CEO. For variable remuneration to other executives, the CEO is responsible for the evaluation. For financial criteria, the evaluation shall be based on the latest financial information made public by the company. Variable cash remuneration can be paid after the completion of a performance period or be subject to deferred payment. The Board of Directors shall have the possibility, under applicable law or contractual provisions, to in whole or in part reclaim variable remuneration paid on incorrect grounds (claw-back).

TERMINATION OF EMPLOYMENT

The notice period may not exceed twenty four months if notice of termination of employment is made by the company for the CEO

and twelve months for other executives. Fixed salary during the period of notice and severance pay may together not exceed an amount equivalent to the CEO's fixed salary for two years, and one year for other executives. When termination is made by the executive, the notice period may not exceed six months, without any right to severance pay.

SALARY AND EMPLOYMENT CONDITIONS FOR EMPLOYEES

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

THE DECISION-MAKING PROCESS TO DETERMINE, REVIEW AND IMPLEMENT THE GUIDELINES

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

DEROGATION FROM THE GUIDELINES

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

DESCRIPTION OF MATERIAL CHANGES OF THE GUIDELINES AND SHAREHOLDER'S VIEWS

In relation to the current guidelines resolved by the Annual General Meeting 2022, the proposal for the Annual General Meeting 2023 entails that the company has added a long-term variable remuneration for senior executives in accordance with the section "Long-term variable remuneration" above.

The Board of Directors has not received any views from the shareholders on the guidelines for executive remuneration.

Board of Directors



JOHAN MENCKEL (1971)
Chairman of the Board since 2022. Elected 2016.
Chairman of the Remuneration Committee.

Education: M.Sc. Eng. Industrial Economy, Kungliga Tekniska Högskolan (KTH) Swedish citizen
Current activities: CIO Investment AB Latour. Chairman of Bemsig AB and Nord-Lock International AB. Board member of Saab AB and Securitas. Member of the Steering Committee of the World Materials Forum.
Previous key roles: President and CEO of Gränges AB. Board member of the Swedish Chamber of Commerce in China. CEO of Sapa Heat Transfer and Sapa Heat Transfer Shanghai. Management consultant at Accenture and founder of addnature.com.
Shareholding: 4,000 shares
Dependency: Dependent in relation to the company's major shareholders



GUNILLA FRANSSON (1960)
Elected by the Annual General Meeting.
Elected 2016.
Member of the Remuneration Committee.

Education: M.Sc. Eng. and Licentiate of Technology, KTH Royal Institute of Technology Swedish citizen
Current activities: Chairman of NetInsight AB. Board member of Eltel AB, Trelleborg AB, Weibel Scientific A/S, Securitas AB and Dunkerintressena.
Previous key roles: Various management positions within Saab AB and Ericsson AB.
Shareholding: 800 shares
Dependency: Independent



YLVA OP DEN VELDE HAMMARGREN (1966)
Elected by the Annual General Meeting.
Elected 2011.
Chairman of the Audit Committee.

Education: M.Sc. Eng. Mining Engineering Swedish citizen
Current activities: Business Line Manager Powertrain and Two-wheeler, Vehicle Aftermarket at ABSKF.
Previous key roles: Board member of Södra.
Shareholding: -
Dependency: Independent



SVEN KRISTENSSON (1962)
Elected by the Annual General Meeting.
Elected 2008.

Education: The Swedish Air Force. University of Linköping. Swedish citizen
Current activities: President and CEO of Nederman Holding AB. Chairman of the Board of BK Pac AB, Diedenporten AB and Kristensson Holding AB. Vice Chairman of the Board of Dr P Häkonssons stiftelser.
Board member of Novotek AB and Swegon AB.
Previous key roles: Various positions in medical technology (Group management of Getinge AB), and packaging (Group management of AB Åkerlund & Rausing), among others.
Shareholding: 332,158 shares
Dependency: Dependent in relation to the company.



SAM STRÖMERSTÉN (1955)
Elected by the Annual General Meeting.
Elected 2019.
Member of the Audit Committee.

Education: M.Sc. Eng. Mechanical Engineering LTH80 Swedish citizen
Current activities: President Association of the Beverage Machinery Industry.
Previous key roles: CEO & President Sidel, EVP Supply Chain, Tetra Pak, EVP Processing Systems, Tetra Pak.
Shareholding: 500 shares
Dependency: Independent

Group management



SVEN KRISTENSSON (1962)
President and CEO

Employed 2001
Swedish citizen
Education: The Swedish Air Force, University of Linköping.
Current activities: Chairman of the Board of BK Pac AB, Diedenporten AB and Kristensson Holding AB. Vice Chairman of the Board of Dr P Håkonssons stiftelser. Board member of Novotek AB and Swegon AB.
Shareholding: 332,158 shares



MATTHEW CUSICK (1977)
SVP, CFO

Employed 2011
Swedish/UK citizen
Education: B.A. Accounting & Finance
Current activities: No other activities
Shareholding: 1,506 shares



HANS DAHLÉN (1968)
SVP, Head of Division
Extraction & Filtration Technology

Employed 2013
Swedish citizen
Education: M.Sc. Chemical Engineering
Current activities: No other activities
Shareholding: 4,860 shares



TOMAS HAGSTRÖM (1976)
SVP, Head of Division
Process Technology

Employed 2017
Swedish/US citizen
Education: M.Sc. Electrical Engineering, B.Sc. Business Administration, MBA
Current activities: No other activities
Shareholding: 540 shares



KETIL GORM PAULSEN (1961)
SVP, Head of Division
Monitoring & Control Technology

Employed 2017
Norwegian citizen
Education: M.Sc. Physics/Civil Engineer, Master of Management
Current activities: No other activities.
Shareholding: -



THOMAS NIKLASSON (1970)
SVP, Marketing & Communications

Employed 2014
Swedish citizen
Education: M.Sc. Business & Economics
Current activities: No other activities
Shareholding: 1,000 shares



JEPPE RASMUSSEN (1962)
SVP, Head of Division
Duct & Filter Technology

Employed 2019
Danish citizen
Education: M.Sc. Ph.D. Marine Engineering
Current activities: Board member of New Nordic Engineering A/S
Shareholding: -



JOAKIM RYRSTEDT (1974)
SVP, CIO

Employed 2021
Swedish citizen
Education: M.Sc. Business Administration
Current activities: No other activities.
Shareholding: 125 shares



EVA CARIN SVENSSON (1964)
SVP, Human Resources

Employed 2009
Swedish citizen
Education: B.Sc. in Human Resources Management & Labour Relations
Current activities: No other activities.
Shareholding: 4,975 shares



ERIK WAHN (1980)
SVP, Corporate Strategy & Business Development

Employed 2019
Swedish citizen
Education: M.Sc. Business & Economics
Current activities: Chairman of the Board of pej AB. Board member of Polynom Investment AB.
Shareholding: -

Consolidated statement of profit or loss

SEKm	Note	1 January - 31 December	
		2022	2021
Net sales	5,6	5,178.9	4,041.8
Cost of goods sold	9	-3,311.0	-2,518.5
Gross profit		1,867.9	1,523.3
Selling expenses	9	-877.8	-702.1
Administrative expenses	4,9	-429.9	-336.4
Research and development expenses	9	-72.5	-57.0
Other operating income and expenses	7	-7.5	31.1
Operating profit	5, 8, 10, 13, 14, 15, 24, 27	480.2	458.9
Financial income	28	23.0	3.4
Financial expenses		-64.4	-45.2
Net financial items	11	-41.4	-41.8
Profit before tax		438.8	417.1
Taxes	12	-110.1	-111.8
Net profit for the year		328.7	305.3
Net profit attributable to			
Parent company's shareholders		328.7	305.3
Earnings per share	20	9.37	8.70

Consolidated statement of other comprehensive income

SEKm	Note	1 January - 31 December	
		2022	2021
Net profit for the year		328.7	305.3
Other comprehensive income			
Items that cannot be reclassified to the income statement			
Revaluation of defined-benefit pension plans	24	35.3	19.0
Tax attributable to revaluation of defined-benefit pension plans		-8.0	-3.8
		27.3	15.2
Items that have been or can be reclassified to net profit			
Exchange differences arising on translation of foreign operations		235.9	131.2
		235.9	131.2
Other comprehensive income for the year, net after tax		263.2	146.4
Total comprehensive income for the year		591.9	451.7
Total comprehensive income attributable to			
Parent company's shareholders		591.9	451.7

Consolidated statement of financial position

SEKm	Note	31 December	
		2022	2021
Assets			
Intangible fixed assets	13	2,674.3	2,062.4
Tangible fixed assets	14	390.1	316.8
Right-of-use assets	15	186.2	192.3
Long-term receivables	18	4.2	5.6
Deferred tax assets	12	104.0	68.5
Total fixed assets		3,358.8	2,645.6
Inventory	16	890.8	613.1
Current tax assets	12	65.4	51.1
Accounts receivable	17, 26	814.8	623.0
Contract assets	6, 26	165.3	126.8
Other receivables	18, 26	110.7	82.4
Prepaid expenses and accrued income	19	93.1	45.4
Cash and cash equivalents	26, 31	721.2	541.6
Total current assets		2,861.3	2,083.4
Total assets	5	6,220.1	4,729.0
Equity			
	20		
Share capital		1.2	1.2
Other capital contributed		345.9	345.9
Reserves		313.2	77.3
Retained earnings including net profit		1,526.2	1,293.0
Equity attributable to the parent company's shareholders		2,186.5	1,717.4
Total equity		2,186.5	1,717.4
Liabilities			
Long-term interest-bearing liabilities	3, 21, 26	1,931.9	1,304.6
Long-term lease liabilities	3, 21, 26	122.0	133.1
Other long-term liabilities	22, 26	28.0	23.6
Pension provisions	24	70.5	102.2
Other provisions	25	28.3	19.2
Deferred tax liabilities	12	119.0	71.5
Total long-term liabilities		2,299.7	1,654.2
Current lease liabilities	3, 21, 26	73.9	69.5
Accounts payable	3, 26	498.2	411.9
Contract liabilities	6, 26	615.3	404.2
Current tax liabilities	12	97.4	94.7
Other liabilities	22, 26	137.5	115.2
Accrued expenses and prepaid income	23, 26	268.5	220.9
Provisions	25	43.1	41.0
Total current liabilities		1,733.9	1,357.4
Total liabilities	5	4,033.6	3,011.6
Total equity and liabilities		6,220.1	4,729.0

Consolidated statement of changes in equity

SEKm	Equity attributable to the parent company's shareholders				Total equity
	Share capital	Other contributed capital	Translation reserve	Retained earnings including this year's profit	
Opening equity 2021-01-01	1.2	345.9	-53.9	1,007.6	1,300.8
Net profit for the year	-	-	-	305.3	305.3
Other comprehensive income					
Change in translation reserve for the year	-	-	131.2	-	131.2
Revaluation of defined- benefit pension plans, net after tax	-	-	-	15.2	15.2
Total other comprehensive income	-	-	131.2	15.2	146.4
Total comprehensive income for the year	-	-	131.2	320.5	451.7
Transactions with group's owners					
Dividend paid	-	-	-	-35.1	-35.1
Utgående eget kapital 2021-12-31	1.2	345.9	77.3	1,293.0	1,717.4
Opening equity 2022-01-01	1.2	345.9	77.3	1,293.0	1,717.4
Net profit for the year	-	-	-	328.7	328.7
Other comprehensive income					
Change in translation reserve for the year	-	-	235.9	-	235.9
Revaluation of defined- benefit pension plans, net after tax	-	-	-	27.3	27.3
Total other comprehensive income	-	-	235.9	27.3	263.2
Total comprehensive income for the year	-	-	235.9	356.0	591.9
Transactions with Group's owners					
Dividend paid	-	-	-	-122.8	-122.8
Closing equity 2022-12-31	1.2	345.9	313.2	1,526.2	2,186.5

Consolidated statement of cash flows

SEKm	Note	1 January - 31 December	
		2022	2021
Operating activities			
Operating profit		480.2	458.9
Adjustment for:			
Depreciation and amortisation of fixed assets		201.8	174.3
Other adjustments for non cash items	31	0.7	-42.6
Interest received		11.1	2.1
Interest paid		-64.2	-42.2
Income tax paid		-134.9	-76.1
Cash flow from operating activities before changes in working capital		494.7	474.4
Increase (-)/Decrease (+) in inventories		-186.5	-92.8
Increase (-)/Decrease (+) in operating receivables		-114.0	-86.1
Increase (-)/Decrease (+) in operating liabilities		151.5	224.3
Cash flow from changes in working capital		-149.0	45.4
Cash flow from operating activities		345.7	519.8
Investing activities			
Capital expenditure on tangible fixed assets		-70.7	-39.2
Sales of tangible fixed assets		0.6	1.7
Capital expenditure on capitalised development costs		-53.9	-41.0
Capital expenditure on other intangible fixed assets		-46.2	-28.8
Acquisition of subsidiaries/business, net of cash	4	-445.3	-13.8
Changes in financial assets		0.2	0.2
Cash flow from investing activities		-615.3	-120.9
Financial activities			
New loans		1,945.9	120.0
Amortisation of loans		-1,340.3	-367.7
Amortisation of lease liabilities		-80.1	-74.0
Dividend paid to parent company shareholders		-122.8	-35.1
Cash flow from financing activities		402.7	-356.8
Cash flow for the year		133.1	42.1
Cash and cash equivalents at the beginning of the year		541.6	466.8
Translation differences		46.5	32.7
Cash and cash equivalents at the end of the year	31	721.2	541.6

Notes to the financial statements

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1 Accounting policies

Compliance with laws and standards

The consolidated financial statements for Nederman Holding AB and its subsidiaries were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as adopted by the European Union (EU). The annual report was prepared in accordance with IAS 1, Presentation of financial statements, and in accordance with the Swedish Annual Accounts Act. In addition, RFR 1 Supplementary Accounting Rules for groups, issued by the Swedish Financial Reporting Board, has been applied.

Nederman group's accounting policies

Nederman group describes its accounting policies in conjunction with each note to provide increased understanding of each reporting area. The table below contains reference to the note in which each respective accounting policy can be found that is considered to have a material impact.

Accounting policies	Note
Business acquisitions and divestments	4 Acquisitions of business operations
Operating segment	5 Segment reporting
Revenue	6 Revenue from customer contracts
Employee benefits	8 Employees
Incentive programme	8 Employees
Financial income and expenses	11 Financial income and expenses
Income tax	12 Income tax
Research and development	13 Intangible fixed assets
Customer relations	13 Intangible fixed assets
Trademarks	13 Intangible fixed assets
Goodwill	13 Intangible fixed assets
Tangible fixed assets	14 Tangible fixed assets
Leasing	15 Leasing
Inventory	16 Inventory
Earnings per share	20 Equity and number of shares
Dividend	20 Equity and number of shares
Pensions and similar obligations	24 Provisions for pensions and similar obligations
Restructuring costs	25 Other provisions
Warranty commitments	25 Other provisions
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Cash flow statement	31 Cash flow
Financial instruments	3 Goal and policy regarding financial risk
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	21 Interest-bearing liabilities
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	26 Financial instruments

Consolidation principles

The consolidated financial statements comprise the parent company, Nederman Holding AB, with its subsidiaries. Inter-company receivables and liabilities, revenue and expenses, and unrealised gains and losses arising from inter-company transactions between group companies are eliminated in their entirety when preparing the consolidated financial statements.

Restatement to Swedish krona upon consolidation of other functional currencies

The parent company's functional currency is the Swedish krona which is also the reporting currency of the parent company and the group. This means that the financial statements are presented in Swedish kronor. Unless otherwise stated, all amounts are rounded to the nearest million.

Each group company's functional currency is determined based on the primary financial environment in which it conducts its operations. The primary financial environment is usually that in which the company primarily generates and utilises cash and cash equivalents. In most cases, the functional currency is the currency in which the company is located.

Assets and liabilities of foreign entities, including goodwill and other consolidated surplus values and deficits, are translated from the foreign entity's functional currency to the group's reporting currency at the exchange rate prevailing on the balance sheet date. Revenue and expenses of foreign entities are translated to Swedish kronor at an average exchange rate. Translation differences arising from currency translation of foreign subsidiaries are recognised in a separate component in other comprehensive income and accumulated in equity designated as the translation reserve. On disposal, the hereto attributable accumulated translation differences, previously recognised in the consolidated statement of total comprehensive income, are realised in the consolidated income statement in the same period as the profit or loss on the sale.

For foreign operations with a functional currency that is classified as a hyper-inflationary currency, the financial statements are adjusted to take account of inflation. This means that assets and liabilities, including goodwill and other consolidated surplus values and deficits, are adjusted for inflation in order to reflect changes in purchasing power. Monetary net income is recognised in net financial items.

Transactions and balance sheet items in foreign currency

Transactions in currencies other than the functional currency for the reporting company are restated to the functional currency at the exchange rate that applies on the transaction date. Assets and liabilities in other currencies are restated to the functional currency using the rate on the balance sheet date. Translation differences attributable to operating receivables and liabilities are recognised as other operating income and other operating expenses, respectively, in operating profit/loss, while gains and losses on financial assets and liabilities are recognised in net financial items.

Classifications

Fixed assets and non-current liabilities essentially consist of amounts expected to be recovered or settled after more than 12 months calculated from the balance sheet date. Current assets and current liabilities consist essentially of amounts expected to be recovered or settled within 12 months calculated from the balance sheet date and amounts where the group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

New accounting policies in 2022 and later

New and amended standards and interpretations applied to the financial year beginning 1 January 2022 or later had no material impact on the consolidated financial statements. No new or amended IFRS has been applied in advance.

New accounting policies in 2023 and later

New and amended IFRS that have not yet come into force and have not been applied in advance in the preparation of the group's financial statements. None of these has any material impact on the group's financial statements.

2 Important estimations and assessments

Preparation of Nederman Holding AB's consolidated financial statements requires that a number of estimates and assumptions are made regarding the future, which could affect the recognised values of assets and liabilities at the time of the financial statements and revenues and expenses for the periods presented. In preparing the financial statements, the management made its best estimates of certain amounts that are included in the financial statements in respect of their materiality. Actual results may differ from earlier estimates. Estimates and assumptions are reviewed on a regular basis. Changes in estimates and assessments are recognised in the period in which the change is made if the change affects only that period, or in the period in which

the change is made and future periods if the change affects both current and future periods. In accordance with IAS 1, the company must provide disclosure on the assumptions and other major sources of estimation uncertainty which, if the actual outcome does not correspond, could have material impact on the financial statements.

The sources of uncertainty in estimates and critical assessments identified by Nederman group, and that can be regarded as meeting these criteria, are presented in connection with the items that they are deemed to affect. The table shows where these descriptions appear.

Sources of estimation uncertainty and critical judgements	Note
Conditional earn-out payments	4 Acquisitions of business operations
Revenue recognition relating to sales of solutions (project sales)	6 Revenue from customer contracts
Deferred tax and uncertainty in income tax processes	12 Income tax
Examination for impairment of goodwill and other intangible fixed assets	13 Intangible fixed assets
Measurement of leasing	15 Leasing
Net realisable value of inventory	16 Inventory
Provision for expected credit losses	17 Accounts receivable
Assumptions in calculation of pensions and similar obligations	24 Provisions for pensions and similar obligations
Provisions for product guarantees	25 Other provisions

3 Goal and policy regarding financial risk

Nederman is exposed to a number of risks that could significantly impact the group's operations, earnings and financial position, in the form of liquidity risk, interest risk, credit risk and currency risk. Nederman conducts continuous risk assessments that include identifying the risks that impact the group and taking measures to manage these risks. It is the Board of Directors that determines the policies for risk management. The Nederman group has a central finance function which is responsible for identifying and effectively limiting the group's financial risks. The finance function reports via the CFO to the Board of Directors.

Liquidity risks

Liquidity risks pertain to the risk that Nederman group may be unable to finance or refinance its assets or meet its payment obligations.

The group has a financing agreement with Skandinaviska Enskilda Banken (SEB) and Svenska Handelsbanken (SHB) for SEK 2,000m and a financing agreement with the Swedish Export Credit Corporation (SEK) for SEK 500m. The agreements have a three-year maturity with extension options for two additional years. The agreements mature in March 2027 on exercise of the option. At the end of the year, the scope within the agreement with SEB and SHB had been utilised in an amount of SEK 1,438m (1,008). Accordingly, at the end of the period, the group had a credit facility of SEK 562m (492) within the scope of Nederman's loan agreement with SEB and SHB. At the end of the year, the scope within the agreement with SEK had been fully utilised. During the year, borrowing increased by SEK 606m (-248). Under certain conditions, the banks are entitled to terminate the agreements early.

The group's agreements with SEB, SHB and SEK contain net debt covenants by which the performance measure net debt/EBITDA may amount to a maximum multiple of 3.5 and the interest-coverage ratio may not be less than 3.75. As of 2022, the loan agreements are also covered by three sustainability covenants. All covenants were fulfilled on the balance sheet date.

The group's financial liabilities, excluding pension provisions, at year-end totalled SEK 2,127.8m, of which SEK 1,931.9m in bank loans and SEK 195.9m in lease liabilities. The overdraft facilities were not utilised.

The group had SEK 721.2m in cash and cash equivalents and SEK 108.4m in unutilised overdraft facilities. In addition, there was a further credit facility of SEK 562.1m within the framework of Nederman's loan agreement with SEB and SHB. Accordingly, there were available funds totalling SEK 1,391.7m on 31 December 2022. The liquidity in the group is not exposed to large seasonal fluctuations.

According to the group's financial policy, cash and cash equivalents are deposited only in reputable banks ("first-class banks").

Interest rate risks

Interest risk pertains to the risk that changed interest levels could impact Nederman group's income and cash flow. The Nederman group is exposed to interest rate risk through its net debt. The group's bank loans have floating interest rates or a maximum term of six months, according to the funding agreement with the group's lenders. The usual fixed interest term is between one and three months. A change in the interest rate of 1 percentage point would have affected net financial items in 2022 by SEK 12.7m (12.6), calculated on average net debt for the year. The Nederman group has determined that reasonable changes in interest rates do not affect the group's earnings to such a material extent that there is a need to secure interest rates through financial instruments. This assessment is updated on an ongoing basis and may be reviewed in the event of an increase in loan exposure.

The following table shows the effective rate of interest on the balance sheet date and the financial liabilities' maturity structure and interest rate negotiations. As of 2022, the loans are presented organised by currency and loan type. Comparative data were adjusted in a corresponding manner.

The effective rate of interest was 2.57 percent (1.53).

3 Goal and policy regarding financial risk, continued

2022, SEKm	Currency	Nominal interest	Nominal amount in original currency	Total	Between				
					Within 6 months	6 and 12 months	Between 1 and 2 yrs	Between 2 and 5 yrs	Later than 5 yrs
Bank loan* (revolving)	SEK	2,84%-3,43%	926.5	1,027.7	11.9	11.9	23.8	980.1	-
Bank loan* (revolving)	USD	4,87%-5,11%	49.0	567.4	6.6	6.6	13.2	541.0	-
Bank loan* (term loan)	SEK	2,89%-3,07%	500.0	554.6	6.4	6.4	12.9	528.9	-
Undiscounted lease payments				217.1	37.1	41.3	47.4	71.6	19.7
Accounts payable				498.2	442.4	51.6	1.6	2.0	0.6
Total				2,865.0	504.4	117.8	98.9	2,123.6	20.3

* Sustainability linked loans

2021, SEKm	Currency	Nominal interest	Nominal amount in original currency	Total	Between				
					Within 6 months	6 and 12 months	Between 1 and 2 yrs	Between 2 and 5 yrs	Later than 5 yrs
Bank loan (revolving)	SEK	0.700%	926.5	946.4	7.0	7.0	932.4	-	-
Bank loan (revolving)	USD	0.980%	9.0	83.1	0.6	0.6	81.9	-	-
Bank loan (term loan)	SEK	0.700%	300.0	306.5	2.3	2.3	301.9	-	-
Undiscounted lease payments				226.5	33.0	41.1	49.8	69.7	32.9
Accounts payable				411.9	378.5	26.4	3.4	3.6	-
Total				1,974.4	421.4	77.4	1,369.4	73.3	32.9

Credit risks

The risk that the group's customers might not pay their accounts receivable and contract assets constitutes a customer credit risk. To limit this risk, the Nederman group employs credit policies that limit outstanding amounts and the credit period for different customers. For new customers and new markets, letters of credit or advance payments normally apply. For established customer relationships, credit limits are carefully monitored to limit the risk. In some cases, credit insurance is used to secure accounts receivable. The group's largest individual customer accounted for 1.0 percent of sales. The five largest customers accounted for 3.8 percent of sales. The company's risk spread can thus be regarded as very good. Ongoing risk assessments are carried out of accounts receivable and contract assets, and given that customers operate in several different industries and markets, the risks are deemed to be low.

Provisions for bad debts are based on expected credit losses for their remaining time to maturity. Impairment is carried out on an individual case assessment basis. The group's bad debt losses in 2022 amounted to SEK 26.1m (5.5). The higher bad debt losses for the year pertain primarily to customers in China. Of the group's total accounts receivable, net of the credit loss reserve, of SEK 814.8m, 5.0 percent (3.5) comprises accounts receivable overdue by more than 90 days. At 31 December 2022, provisions for credit losses amounted to SEK 41.6m (26.5), equivalent to 4.9 percent (4.1) of the gross total accounts receivable. See also note 17, Accounts receivable.

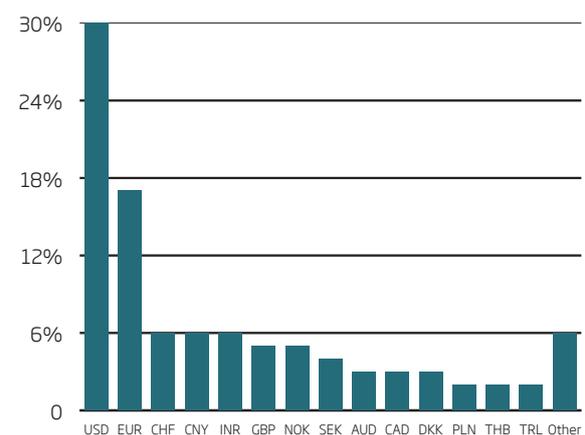
In major projects recognised as contract assets or contract liabilities, payment terms with a fixed payment plan are applied, with the payments based on fulfilment of the performance obligation (degree of completion). See also note 6, Revenue from customer contracts. Expected losses are expensed as soon as they are known.

Foreign currency risks

Through its global operations, Nederman group is exposed to currency risk since exchange rate fluctuations affect the group's income and financial position. The group's currency exposure includes transaction exposure, financial

exposure and translation exposure. Transaction exposure arises when the group's companies buy in one currency and sell in another currency. In order to limit transaction exposure in the Nederman group, the general rule is that supply companies sell to sales companies in the sales companies' local currencies. In this way, the transaction exposure in sales companies is low. The largest production company is located in Sweden and 57 percent of purchases by this company are made in SEK. Other purchases are mainly in EUR and to a lesser extent in USD. Financial exposure arises when exchange rate fluctuations impact the value of loans. Translation exposure arises when exchange rate fluctuations affect the value of assets and liabilities in foreign subsidiaries, which comprises a currency exposure of equity.

Invoicing in the group in 2022



Invoicing in the group is based on the group companies' functional currencies.

3 Goal and policy regarding financial risk, continued

According to the group's financial policy, 70 percent of the expected currency flows in foreign currencies can be hedged for a maximum of eight months forward. In cases where there is currency exposure for tangible projects, the currency exposure is hedged. In 2022, Nederman group used no foreign exchange forwards to hedge currency exposure.

A change in exchange rates of +/- 10 percent (3) has an impact on the operating profit of:

mSEK	2022		2021	
	-10%	+10%	-3%	+3%
CNY	-0.5	0.5	-0.5	0.5
EUR	-11.5	11.5	-0.4	0.4
GBP	-2.1	2.1	-0.5	0.5
NOK	0.4	-0.4	-1.4	1.4
PLN	-8.3	8.3	-2.5	2.5
USD	-11.4	11.4	-2.7	2.7

The above table is based on the group's net flows in these currencies as well as the translation impact on the group's income statement

Translation exposure

Net assets in the group are divided across the following currencies:

Currency, SEKm	2022		2021	
BRL	18.6	1%	13.1	1%
CAD	18.9	1%	12.2	1%
CHF	22.2	1%	-6.0	-0%
CNY	23.2	1%	27.1	2%
CZK	17.9	1%	17.6	1%
DKK	10.4	0%	7.0	0%
EUR	433.7	20%	246.7	14%
GBP	28.1	1%	30.4	2%
INR	7.3	0%	-9.3	-1%
NOK	41.3	2%	30.8	2%
PLN	212.0	10%	133.0	8%
SEK	875.9	40%	889.4	52%
THB	-70.7	-3%	-68.8	-4%
TRL	-9.7	-0%	-16.3	-1%
USD	558.8	25%	413.9	24%
Other	-1.4	-0%	-3.4	-1%
Total	2,186.5	100%	1,717.4	100%

4 Acquisition of business operations

Accounting policies

Business acquisitions and divestments

Business acquisitions are recognised according to the acquisition method. The cost of acquiring a business or company consists of the fair value determined on the acquisition date of the acquired identifiable assets and assumed liabilities, and any non-controlling interest. The difference between the consideration transferred and the fair value of the acquired identifiable assets and assumed liabilities is recognised as goodwill if the

difference is positive. If the difference is negative, this amount is recognised directly in the income statement. Acquisition-related costs, such as fees for legal advice and due diligence, are expensed. Financial statements from the acquired businesses are included in the consolidated financial statements from the date of acquisition. Divested operations are consolidated until the date on which the controlling influence ceases.

Estimations and assessments

Conditional earn-out payments

Conditional earn-out payments are disbursed fully or partially depending on whether future profitability levels are met within a defined time period (maximum 24 months). The determination of the conditional earn-

out payment thus requires that estimations and assessments are made regarding profitability in the acquired subsidiary.

Nederman Holding AB's holding of shares and participations in group companies at 31 December 2022 is presented in the disclosures in parent company note 13, Shares and participations.

Ezi-Duct Pty Ltd

On 28 April 2022, Nederman acquired the business of the Australian company Ezi-Duct Pty Ltd. Ezi-Duct manufactures and supplies ducting, fume extraction and industrial air filtration equipment. In conjunction with the acquisition, the company Nordfab Pty Ltd was formed, which is included in Nederman's Duct & Filter Technology division.

The acquisition price amounted to SEK 18.0m, of which SEK 4.8m constituted a deferred payment. The maximum deferred payment of SEK 4.8m is expected to be paid. The deferred payment is related to valuation assessment of tangible assets. The acquired net assets amounted to SEK 14.5m. The preliminary acquisition analysis resulted in goodwill of SEK 3.5m. Goodwill is mainly related to strengthened market presence and an improved product range in Australia and the Pacific region. The acquisition's impact on the group's cash and cash equivalents amounted to SEK 13.2m. The acquisition analysis is preliminary due to the ongoing valuation of fixed assets.

RoboVent

On 29 July 2022, Nederman acquired 100 percent of the shares in the North American company RoboVent. RoboVent is the leader in air filtration tech-

nology and control solutions for industrial fume, dust and oil mist control applications. Its unique sales approach, strong equipment range and turn-key capabilities have built a strong brand and global reputation. RoboVent is headquartered in Sterling Heights, Michigan, and has about 100 employees. RoboVent is part of Nederman's Extraction & Filtration Technology Division.

The acquisition price amounted to SEK 441.8m, funded by cash and existing bank facilities. The acquired net assets amounted to SEK 169.8m. In the fourth quarter 2022, the acquired value of the deferred tax asset was adjusted by SEK 14.8m following assessment of tax losses. The acquisition analysis resulted in goodwill of SEK 272.0m. Goodwill is mainly related to RoboVent's strong market position in the US market and synergies with the Nederman group. The acquisition's impact on the group's cash and cash equivalents amounted to SEK 426.2m.

Of the total intangible fixed assets, SEK 134.8m is related to customer contracts, SEK 5.1m to the brand and SEK 0.9m to software. Acquisition-related expenditure amounted to SEK 7.1m and pertained to fees for consultants in conjunction with the transaction, including due diligence and legal advice. This expenditure was charged to administrative expenses in operating profit.

MBE AG

On 3 November 2022, Nederman acquired 100 percent of the shares in the Swiss company MBE AG. For more than 35 years, MBE has sold gas measurement instruments and services for gas detection technology and continuous monitoring of liquid processes to the Swiss market. Its range comprises gas measurement technology for a number of different applications, from gas sampling and specific gas treatment to appropriate gas measurement instruments. For many years, MBE has been a key distributor to Gasmeter and as a result of this acquisition, Nederman's Monitoring & Control Technology division and Gasmeter are establishing direct sales and creating a platform for future growth in Switzerland.

The acquisition price amounted to SEK 19.9m, of which SEK 4.4m constituted a deferred payment which is expected to be paid 24 months after the acquisition date. The acquisition was funded by cash and existing bank facilities. The acquired net assets amounted to SEK 12.9m. The acquisition analysis resulted in goodwill of SEK 7.0m. Goodwill is mainly related to strengthened presence in the Swiss market and synergies with the Monitoring & Control Technology division. The acquisition's impact on the group's cash and cash equivalents amounted to SEK 5.9m. Acquisition-related expenditure amounted to SEK 1.1m and pertained to fees for consultants in conjunction with the transaction, including due diligence and legal advice. This expenditure was charged to administrative expenses in operating profit.

SEKm	Ezi-Duct	MBE AG	RoboVent	Total
Acquisition price	18.0	19.9	441.8	479.7
<i>whereof deferred payment</i>	4.8	4.4	-	9.2
Identifiable acquired assets and liabilities, SEKm				
Intangible fixed assets	-	-	140.8	140.8
Tangible fixed assets	11.4	0.9	4.0	16.3
Right-of-use assets	-	0.8	7.7	8.5
Deferred tax assets	-	-	19.6	19.6
Inventories	4.2	3.3	22.0	29.5
Accounts receivables and other receivables	-	2.8	110.0	112.8
Cash and cash equivalent	-	9.6	15.6	25.2
Lease liabilities	-	-0.8	-7.7	-8.5
Accounts payable and other operating liabilities	-1.1	-1.9	-101.0	-104.0
Current tax liabilities	-	-1.3	-	-1.3
Deferred tax liabilities	-	-	-36.4	-36.4
Provisions	-	-0.5	-4.8	-5.3
Total identifiable net assets	14.5	12.9	169.8	197.2
Goodwill	3.5	7.0	272.0	282.5
Total	18.0	19.9	441.8	479.7
Transferred remuneration	-13.2	-15.5	-441.8	-470.5
Acquired cash and cash equivalents	-	9.6	15.6	25.2
Effect on consolidated cash and cash equivalents	-13.2	-5.9	-426.2	-445.3
Net sales during holding time	34.1	2.0	150.7	186.8
Net sales 2022 before acquisition	-	26.9	205.6	232.5
Total	34.1	28.9	356.3	419.3
Net profit during holding time	-2.6	-0.8	6.3	2.9
Net profit 2022 before acquisition	-	4.7	6.6	11.3
Total	-2.6	3.9	12.9	14.2

If all acquisitions had taken place on January 1, 2022 the Group's sales would have amounted to SEK 5,411.4m and the net result to SEK 340.0m

5 Segment reporting

Accounting policies

Operating segment

The group's operations are managed and reported by business segment. The organisation of the operating segments is based on technology, customer structure and business logic, with its starting point in the group's trademarks. This means that the operating segments are global. The group's internal reporting system is built up in order to make it possible to follow the operating segments' sales and operating profit. The segments are presented based on reports submitted to the chief operating decision-maker in order to assess performance and allocation of resources to the segments. Segments are measured and consolidated in accordance with the same principles as for the group as a whole. Inter-company transactions within and between segments take place on market conditions. The operating segments' results include earnings up to adjusted EBITA. Earnings, assets and liabilities for the segments include directly attributable items plus items that can be allocated to the segments in an appropriate way. Items that are recognised as "Non-allocated" pertain mostly to expenses related to the parent company Nederman Holding AB, which includes the central main office functions, such as Group management,

Group finance, Group IT and Group HR. The item "Non-allocated" also pertains to acquisition costs, financial income and expenses, and tax expenses. Assets included in working capital are defined as inventory, accounts receivable, contract assets, other receivables and prepaid expenses and accrued income. Liabilities included in working capital are defined as accounts payable, contract liabilities, other operating liabilities, and accrued expenses and prepaid income. Assets and liabilities that have not been allocated between the segments are fixed assets except for goodwill, cash and cash equivalents, tax receivables and tax liabilities (current and deferred), financial assets and liabilities, provisions and pension liabilities. The segments' capital expenditure in fixed assets includes all capital expenditure in tangible and intangible fixed assets.

On a secondary level, the operations are monitored based on the following regions: Americas (North and South America), EMEA (Europe, Middle East and Africa) and APAC (Asia-Pacific).

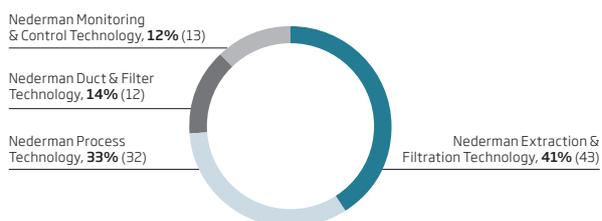
5 Segment reporting, continued

Operating segment

Nederman group's operating segments are described on pages 44-53 and comprise:

- Nederman Extraction & Filtration Technology
- Nederman Process Technology
- Nederman Duct & Filter Technology
- Nederman Monitoring & Control Technology

External sales per operating segment, 2022



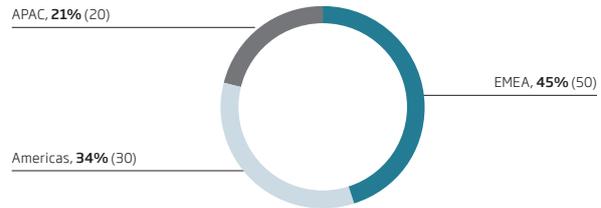
2022, SEKm	Extraction & Filtration Technology	Process Technology	Duct & Filter Technology	Monitoring & Control Technology	Non-allocated	Elimination	Total Nederman Group
Net sales, external customers	2,155.5	1,712.2	708.7	602.5	-	-	5,178.9
Net sales, internal between operating segments	9.9	9.7	82.1	3.4	-	-105.1	-
Net sales	2,165.4	1,721.9	790.8	605.9	-	-105.1	5,178.9
Cost of material	-944.5	-1,102.4	-324.3	-195.5	-	105.1	-2,461.6
Cost of remuneration to staff	-620.5	-364.2	-213.2	-208.6	-106.5	-	-1,513.0
Other costs	-243.1	-155.4	-125.9	-105.2	-8.1	-	-637.7
Adjusted EBITA	357.3	99.9	127.4	96.6	-114.6	-	566.6
Amortisation of intangible assets							-78.0
Acquisition costs							-8.4
Operating profit							480.2
Net financial items							-41.4
Taxes							-110.1
Net profit for the year							328.7
Assets included in working capital	905.2	677.5	205.8	300.2	160.5	-174.5	2,074.7
Goodwill	793.8	394.1	24.0	815.6	-	-	2,027.5
Non-allocated assets	-	-	-	-	2,117.9	-	2,117.9
Total assets	1,699.0	1,071.6	229.8	1,115.8	2,278.4	-174.5	6,220.1
Liabilities included in working capital	622.9	731.4	110.0	96.9	132.8	-174.5	1,519.5
Non-allocated liabilities	-	-	-	-	2,514.1	-	2,514.1
Total liabilities	622.9	731.4	110.0	96.9	2,646.9	-174.5	4,033.6
Other segment information							
Capital expenditure	38.4	10.9	42.2	56.4	22.6	-	170.5
Entered lease agreements during the year	15.9	18.0	11.8	3.8	1.3	-	50.8
Depreciation/Amortisation and impairment	-75.4	-30.3	-19.9	-57.4	-18.8	-	-201.8
Items not affecting cash flow other than depreciation/amortisation	-3.1	4.6	1.8	-2.4	-0.2	-	0.7

2021, SEKm	Extraction & Filtration Technology	Process Technology	Duct & Filter Technology	Monitoring & Control Technology	Non-allocated	Elimination	Total Nederman Group
Net sales, external customers	1,750.2	1,282.2	475.6	533.8	-	-	4,041.8
Net sales, internal between operating segments	12.7	9.3	65.2	3.5	-	-90.7	-
Net sales	1,762.9	1,291.5	540.8	537.3	-	-90.7	4,041.8
Cost of material	-727.9	-818.9	-195.9	-171.8	-	90.7	-1,823.8
Cost of remuneration to staff	-499.1	-311.8	-152.2	-171.9	-87.9	-	-1,222.9
Other costs	-227.2	-109.9	-88.7	-72.7	-2.0	-	-500.5
Adjusted EBITA	308.7	50.9	104.0	120.9	-89.9	-	494.6
Amortisation of intangible assets							-63.4
Acquisition costs							-1.3
Discontinuation of defined - benefit pensin plan							29.0
Operating profit							458.9
Net financial items							-41.8
Taxes							-111.8
Net profit for the year							305.3
Assets included in working capital	668.4	516.1	134.2	211.7	126.7	-166.4	1,490.7
Goodwill	467.4	342.6	18.5	780.7	-	-	1,609.2
Non-allocated assets	-	-	-	-	1,629.1	-	1,629.1
Total assets	1,135.8	858.7	152.7	992.4	1,755.8	-166.4	4,729.0
Liabilities included in working capital	480.4	556.4	87.5	81.2	111.2	-166.4	1,150.3
Non-allocated liabilities	-	-	-	-	1,861.3	-	1,861.3
Total liabilities	480.4	556.4	87.5	81.2	1,972.5	-166.4	3,011.6
Other segment information							
Capital expenditure	21.9	4.8	14.9	43.9	23.5	-	109.0
Entered lease agreements during the year	40.3	7.0	2.4	9.6	1.6	-	60.9
Depreciation/Amortisation and impairment	-61.7	-27.4	-14.4	-52.7	-18.1	-	-174.3
Items not affecting cash flow other than depreciation/amortisation	-5.5	-3.2	-0.1	-4.9	-28.9	-	-42.6

Geographic areas

The group is presented below, divided into geographic regions. The information presented concerning the revenue for the geographic areas is grouped according to where the customers are located. Information concerning fixed assets and capital expenditure for the period in tangible and intangible assets, with the exception of goodwill, is based on the geographic areas where the assets are located. Fixed assets are defined as total assets less goodwill, non-current receivables and deferred tax assets. As of 2022, "Non-allocated" does not comprise a separate category, but all fixed assets and investments are allocated by the regions below. This entails that the comparative data were adjusted in a corresponding manner.

External sales by region, 2022



2022, SEKm	Sweden	Germany	UK	Rest of EMEA	USA	Rest of Americas	China	India	Rest of APAC	Total
External net sales	134.7	413.8	266.5	1,235.9	1,453.0	324.4	364.4	300.0	686.2	5,178.9
Fixed assets	214.0	45.9	34.5	394.4	379.4	6.1	42.7	56.0	50.1	1,223.1
Capital expenditure	64.5	4.1	5.3	40.1	48.7	0.5	2.0	2.3	3.0	170.5

2021, SEKm	Sweden	Germany	UK	Rest of EMEA	USA	Rest of Americas	China	India	Rest of APAC	Total
External net sales	125.5	342.1	207.3	1,163.1	996.4	245.8	378.4	142.5	440.7	4,041.8
Fixed assets	205.2	44.4	29.5	383.8	178.3	6.2	34.7	54.8	25.4	962.3
Capital expenditure	59.7	0.7	1.6	32.8	10.8	0.3	0.8	0.4	1.9	109.0

6 Revenue from customer contracts

Accounting policies

Nederman's sales model

Nederman's customer offering encompasses everything from individual products, complete solutions, design, installation, and commissioning to service. Based on these customer offerings, Nederman's sales model is divided into three sales types: products, solutions, and service and aftermarket. Within each operating segment, revenue flows from the three sales types are monitored, which is why these categories are considered to be the most relevant basis for classifying revenue. The classification provides a good understanding of the group's revenue streams.

Sales of products

Nederman offers a broad range of standard products that solve common problems related to smoke, gas, particles, material recycling, work environment and efficient production. Product sales are made primarily via distributors and resellers. Revenue from sales of products is recognised at a given point in time when the promised good is transferred to the customer and the customer obtains control over the product. The customer obtains control when they receive the product, can control its use and obtain financial benefits from the asset. This normally occurs when the goods are made available to the customer at the agreed time and place. At this time, Nederman has the right to receive payment for the goods. The transaction price is the compensation that Nederman is entitled to in exchange for transferring promised goods to the customer.

Sales of solutions (project sales)

Solutions consist either of individual products in the Nederman range which are assembled to build small or medium-sized customised systems, or large system solutions with a high element of special customisation. The task of both variants is to solve complex tasks. Sales are conducted through Nederman's own sales organisation. In the sale of solutions, which contain a significant element of customisation, Nederman's promise to customers is to deliver integrated system solutions, and not individual goods or services separately. It is the total performance to which the customer has agreed. When it comes to sales within the solutions segment, this means that separate performance obligations cannot be identified and sales are therefore recognised as revenue over time. For sales recognised over time, the progress towards full completion of the performance obligation is measured. This is carried out on the basis of project costs incurred in rela-

tion to total costs for goods and services that have been promised according to the agreement. Project costs incurred are determined either on the basis of the value of the goods or services that have been transferred to date or on the basis of measurements at the customer such as achieved milestones. The choice of method is consistent within individual projects.

Solutions are recognised in the statement of financial position as contract assets or as contract liabilities when Nederman or the customer has fulfilled a commitment, depending on the relationship between Nederman's performance and the customer's payment. Contract assets include recognised revenue for work performed that has not yet been invoiced. Contract liabilities include advance payments from customers for which revenue is recognised when the performance obligation is completed.

The transaction price is the compensation that Nederman expects to be entitled to in exchange for transferring the promised goods and services to the customer in accordance with the contract. Expected credit losses are expensed immediately. Most projects are sold at a fixed price.

Sales of service and aftermarket

By offering qualified service with good availability, Nederman helps to ensure continuous operation without expensive interruptions to customers' production. In addition to technical service, this area also includes service contracts, spare parts and consumables.

Revenue from sales within service and aftermarket is recognised when Nederman meets its performance commitment, which is at a given point in time when the promised goods or service is transferred to the customer and the customer obtains control over the goods or service. The customer obtains control when they receive the goods or service, can control their use and obtain financial benefits from the asset or service. This normally occurs when the goods are made available to the customer at the agreed time and place or when the service is performed and the customer can benefit from the service provided. The transaction price is the compensation that Nederman is entitled to in exchange for transferring promised goods or services to the customer.

For warranty commitments see note 25, Other provisions.

6 Revenue from customer contracts, continued

Estimations and assessments

Revenue recognition relating to sales of solutions

Revenue recognition relating to sales of solutions, which is recognised over time, is made by measuring the progress towards completion of the performance obligation. Establishment of the performance obligation,

i.e. assessing the extent to which accrual of the projects has occurred, requires estimates. Sales from solutions accounted for 43 percent (41) of the group's total sales in 2022.

Allocation of sales on segments and sales types

2022, SEKm	Products	Solutions	Service and aftermarket	Total
Nederman Extraction & Filtration Technology	819.7	916.4	419.4	2,155.5
Nederman Process Technology	-	1,278.4	433.8	1,712.2
Nederman Duct & Filter Technology	694.4	14.3	-	708.7
Nederman Monitoring & Control Technology	510.0	19.2	73.3	602.5
Total Nederman group	2,024.1	2,228.3	926.5	5,178.9

2021, SEKm	Products	Solutions	Service and aftermarket	Total
Nederman Extraction & Filtration Technology	712.0	712.4	325.8	1,750.2
Nederman Process Technology	-	943.8	338.4	1,282.2
Nederman Duct & Filter Technology	475.6	-	-	475.6
Nederman Monitoring & Control Technology	474.2	6.5	53.1	533.8
Total Nederman group	1,661.8	1,662.7	717.3	4,041.8

As of 2022, revenue from customer contracts are presented based on external sales. This entails that internal sales between the segments is not included. Comparative data were adjusted in a corresponding manner.

Sales of solutions (project sales)

At the beginning of 2022, contract liabilities amounted to SEK 404.2m (260.1), of which SEK 330.4m (248.7) was recognised as revenue in the current year. The opening contract liability in 2022 comprised partly of projects only scheduled to commence during 2023, which means that the time from the advance payments until the start of the projects is longer than is generally the rule for projects in the Nederman group. The remaining part of the opening contract liability is deemed to be recognised as revenue during 2023.

At the end of 2022, contract liabilities amounted to SEK 615.3m. The group's strong order backlog, with advance payments received as a result, is the reason that the closing contract liability is higher compared with the preceding year. The assessment is that the majority of the contract liabilities will be recognised as revenue in 2023.

Contract assets, SEKm	2022	2021
Work performed that has not yet been invoiced	165.3	126.8
Total	165.3	126.8

Contract liabilities, SEKm	2022	2021
Advances from customers in projects	598.8	393.0
Other advances from customers	16.5	11.2
Total	615.3	404.2

7 Other operating income and expenses

Other operating income, SEKm	2022	2021
Profit from sale of fixed assets	0.9	5.4
Recovered bad debt losses	4.0	2.8
Exchange gains on operating receivables/liabilities	18.4	-
Discontinuation of defined-benefit pension plan	-	29.0
Other	8.9	8.6
Total	32.2	45.8

Other operating expenses, SEKm	2022	2021
Loss from sales of fixed assets	-0.1	-1.0
Bad debt losses	-26.1	-5.5
Exchange losses on operating receivables/liabilities	-	-3.0
Other	-13.5	-5.2
Total	-39.7	-14.7

Total other operating income and expenses, SEKm	2022	2021
	-7.5	31.1

For further information about the credit loss reserve, see note 17, Accounts receivable.

8 Employees

Accounting policies

Employee benefits

Employee benefits are recognised as costs on receipt of the related services. A provision is recognised for expected bonus payments when the group has an obligation to make such payments as a result of the corresponding services being received or other contractual conditions being met.

Remuneration policy

The prevailing guidelines for executive remuneration were adopted by the Annual General Meeting in 2022 and the principles resolved can be summarised as follows.

Types of remuneration

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel. The objective of Nederman's guidelines for executive remuneration is therefore to offer competitive remuneration on market terms, so that competent and skillful personnel can be attracted, motivated and retained. These guidelines enable the company to offer the executive management competitive total remuneration. The remuneration shall be on market terms and may consist of the following components: fixed salary, variable remuneration, pension benefits and other benefits. The remuneration is determined by the Remuneration Committee in accordance with principles for executive remuneration adopted by the Annual General Meeting.

Fixed salary

Fixed salary is paid for satisfactory work.

Variable remuneration

The variable remuneration shall be linked to predetermined, well-defined and measurable financial criteria. The satisfaction of criteria for awarding variable remuneration shall be measured over a period of one year. The variable remuneration may amount to not more than 50 percent of the total fixed salary under the measurement period for the CEO and not more than 30 percent of the total fixed salary under the measurement period for other senior executives. The criteria for variable remuneration shall mainly relate to the group's profitability, working capital development and sustainability goals that are linked to the business. Variable remuneration may also be related to individual criteria. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests, including its sustainability. Further variable remuneration may be awarded in extraordinary circumstances, provided that such extraordinary arrangements are limited in time and only made on an individual basis, either for the purpose of recruiting or retaining executives, or as remuneration for extraordinary performance beyond the individual's ordinary tasks. Such remuneration may not exceed an amount corresponding to 50 percent of the fixed annual salary and may not be paid more than once each year per individual. Any resolution on such remuneration shall be made by the Board of Directors based on a proposal from the Remuneration Committee.

Share-based incentive programme

The Annual General Meeting held on 26 April 2021 approved the Board's proposal that the annual programmes for variable remuneration should be supplemented with a long-term incentive (LTI) programme. The LTI programme comprises the two financial years 2021 and 2022 and is targeted in a way that makes it particularly favourable for the company's shareholders. The outcome of the LTI programme for senior executives of the Nederman group may amount to a maximum of 35 percent of annual salary for the CEO and 14-20 percent of annual salary for other senior executives. An outcome requires that a minimum level of accumulated earnings per share established for the 2021 and 2022 financial years is achieved or exceeded. The remuneration for the senior executive according to the terms and conditions (net after tax) is to be invested in Nederman shares. The shareholding must be retained by the senior executive for a minimum of three years. Investment in shares can be made via the exchange or through the transfer of treasury shares, with the Board of Directors intending in the case of the latter to submit a proposal for resolution on the transfer of treasury shares at the 2023 Annual General Meeting. The outcome for the LTI programme 2021-2022 amounted to SEK 5.5m.

Pension benefits

For the CEO, pension benefits shall be premium-based. The pension premiums for premium-based pension shall amount to not more than 35 percent of the pension based salary. For other executives, pension benefits shall be based on a contractual ITP plan or be premium-based, unless the individual concerned is subject to defined-benefit pension under mandatory collective agreement provisions. Variable cash remuneration shall qualify for pension benefits. Pension premiums that follow from the contractual ITP plan or are premium-based, shall amount to not more than 35 percent of the pension based salary, unless other premium levels apply according to applicable ITP plan. For employment governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Other benefits

Other benefits may include, for example, life insurance, health and medical insurance and company cars. Such benefits may amount to not more than 20 percent of the fixed annual salary.

Termination of employment

The notice period may not exceed 24 months if notice of termination of employment is made by the company for the CEO and twelve months for other executives. Fixed salary during the period of notice and severance pay may together not exceed an amount equivalent to the CEO's fixed salary for two years, and one year for other executives. When termination is made by the executive, the notice period may not exceed six months, without any right to severance pay.

Principles for compensation to the Board of Directors

Directors' fees are paid to the Chairman of the Board of Directors and other members according to the decision of the Annual General Meeting. Employee representatives in the Board of Directors do not receive director's fees.

8 Employees, continued

Expenses for remuneration to employees, SEKm	2022	2021
Salaries and other remuneration	1,269.9	1,012.0
Pension expenses, defined-benefit plans (see also note 24)	6.5	9.3
Pension expenses, defined-contribution plans (see also note 24)*	66.3	54.3
Social security expenses	170.3	147.3
Total	1,513.0	1,222.9

* Of the parent company's pension costs SEK 1.8m (1.6) pertain to the Board of Directors and the CEO for the parent company. There are no outstanding pension obligations to the group's Board of Directors, CEO and senior executives.

Salaries and other remuneration allocated between the Board of Directors and other employees, SEKm	2022	2021
Board of Directors, CEO and senior executives	105.0	96.9
(of which variable compensation)	(15.7)	(13.2)
Other employees	1,164.9	915.1
Total	1,269.9	1,012.0

Average number of employees	Women	Men	2022 Total	Women	Men	2021 Total
Australia	12	45	57	5	19	24
Belgium	3	13	16	3	12	15
Brazil	7	17	24	7	19	26
Denmark	9	64	73	9	65	74
England	25	85	110	17	88	105
Finland	27	59	86	28	57	85
France	4	7	11	5	7	12
Hong Kong	2	6	8	4	4	8
India	8	265	273	8	220	228
Indonesia	1	11	12	1	11	12
Canada	7	25	32	9	20	29
China	65	185	250	62	211	273
Malaysia	1	5	6	1	5	6
Mexico	4	7	11	4	6	10
The Netherlands	1	21	22	1	21	22
Norway	8	67	75	6	65	71
Poland	34	172	206	34	171	205
Russia	-	2	2	1	3	4
Switzerland	4	36	40	6	36	42
Singapore	3	5	8	3	6	9
Spain	3	13	16	3	14	17
Sweden	64	153	217	69	157	226
Thailand	15	32	47	14	32	46
Czech Republic	2	17	19	2	17	19
Turkey	3	21	24	4	19	23
Germany	36	149	185	35	142	177
Hungary	-	-	-	-	2	2
USA	123	330	453	111	268	379
Austria	1	4	5	1	4	5
Total	472	1,816	2,288	453	1,701	2,154
Of whom, senior executives	32	137	169	25	120	145

Gender breakdown of senior executives, percentage of women	2022	2021
Board of Directors	7%	11%
Other senior executives	19%	15%

Compensation ratio, Mkr	2022	2021
a) CEO Sven Kristensson's compensation*	9.2	7.2
b) Change vs 2021	27%	
c) Other employees' compensation	1,164.9	915.1
d) Average number of employees	2,288	2,154
e) Employees' average salary*: c / (d - 1)	0.51	0.43
f) Change vs 2021	20%	
Compensation ratio: a/e	18.1	17.0
Change in compensation ratio: b/f	1.4	

* Excludes pension costs and other benefits

Nederman does not report median compensation but makes an exception by reporting the average compensation instead. The highest paid person in the group is CEO Sven Kristensson. The CEO's remuneration is excluded from other employees' salaries. The average number of employees is calculated on a full-time equivalent basis. The compensation includes basic salary, variable compensation and LTI

Remuneration to senior executives

2022, SEKt	Base salary Board fees	Variable remuneration	LTI	Other benefits	Pension expenses	Total
Chairman of the board Johan Menckel	802	-	-	-	-	802
Member of the board Anna Kinberg Batra (resigning)	300	-	-	-	-	300
Member of the board Gunilla Fransson	326	-	-	-	-	326
Member of the board Ylva op den Velde Hammargren	404	-	-	-	-	404
Member of the board Sam Strömerstén	368	-	-	-	-	368
CEO Sven Kristensson	5,452	2,009	1,747	188	1,771	11,167
Other senior executives (9 individuals)	20,766	4,703	3,786	1,277	4,712	35,244
Total	28,418	6,712	5,533	1,465	6,483	48,611

2021, SEKt	Base salary Board fees	Variable remuneration	LTI	Other benefits	Pension expenses	Total
Chairman of the board Johan Hjertonsson	775	-	-	-	-	775
Member of the board Gunilla Fransson	290	-	-	-	-	290
Member of the board Ylva op den Velde Hammargren	390	-	-	-	-	390
Member of the board Johan Menckel	315	-	-	-	-	315
Member of the board Sam Strömerstén	355	-	-	-	-	355
CEO Sven Kristensson	4,844	2,400	-	150	1,616	9,010
Other senior executives (9 individuals)	19,467	5,116	-	1,100	4,743	30,426
Total	26,436	7,516	-	1,250	6,359	41,561

9 Expenses by nature

Operating expenses by nature, SEKm	2022	2021
Cost of material	2,461.6	1,823.7
Cost of remuneration to staff	1,513.0	1,222.9
Other external costs and other personnel costs	506.4	391.8
Acquisition costs	8.4	1.3
Depreciation and amortisation	201.8	174.3
Total	4,691.2	3,614.0

10 Fees and expenses to auditors

SEKm	2022	2021
EY		
Audit assignment	6.9	6.2
Audit-related fee	0.9	0.7
Other assignments	0.4	0.2
Total	8.2	7.1
Other auditors		
Audit assignment	1.7	1.4
Tax advice	0.4	0.2
Other assignments	0.1	-
Total	2.2	1.6
Total fees and expenses to auditors	10.4	8.7

Audit assignments refer to the statutory audit of annual and consolidated accounts, the administration of the Board of Directors and CEO, and auditing and other verifications as agreed. Audit-related fee involve quality assurance services to be conducted in accordance with legislation, articles of association,

statutes or agreements. The amount primarily pertains to a review of the six-month report and the Sustainability Report. Tax advice includes both advice and a review of taxation compliance.

11 Financial income and expenses

Accounting policies

Financial income and expenses

Financial income and expenses consist of interest income on bank deposits and interest-bearing financial assets, interest expenses on loans, dividend income, foreign exchange differences on interest-bearing financial assets and liabilities, and the realised and unrealised profits and losses from derivatives that hedge future cash flows. The derivatives are measured at fair value through profit or loss and hedge accounting is not applied to these derivatives. Interest income on interest-bearing financial receivables and interest expenses on interest-bearing liabilities are calculated using the

effective interest method. This means that interest income and interest expenses include accrued transaction costs and any discounts, premiums and other differences between the initial carrying amount of the receivable or liability and the estimated future receipts and payments during the contract period. The interest component related to lease payments is recognised in the income statement through the application of the effective interest method. Dividend income is recognised when the shareholder's right to receive payment is established.

SEKm	2022	2021
Financial income		
Interest income on bank deposits	11.0	1.4
Other interest income	-	0.7
Exchange rate changes	12.0	1.3
Total	23.0	3.4
Financial expenses		
Interest expenses, credit institutions	-50.9	-24.6
Interest expenses, leasing liabilities	-9.5	-11.2
Interest expenses, other	-3.5	-4.9
Exchange rate changes	-0.5	-4.5
Total	-64.4	-45.2
Net financial items	-41.4	-41.8

12 Income tax

Accounting policies

Income tax

Income tax consists of the sum of current tax and deferred tax. Income tax is recognised in the income statement except when the underlying transaction is recognised under other comprehensive income or directly against equity, in which case the associated tax effect is recognised in the equivalent way. Current tax is the tax payable or refundable for the current year, applying the tax rates enacted or substantively enacted at the balance sheet date. This includes any adjustment of current tax attributable to prior periods. A current tax liability or asset is recognised for the estimated tax to be paid or received for the current or prior years. Deferred tax is calculated using the balance sheet method on the basis of temporary differences between the tax values of assets and liabilities and the carrying amounts recognised in the group. Temporary differences that arise on initial recognition of an asset or liability do not give rise to any deferred tax asset or liability, apart from when it pertains to a business combination or other acquisition, and where it does not impact recognised or taxable profit, and in cases in which the transactions result in an asset and a liability. Deferred tax is calculated at a nominal amount applying the tax rates and tax laws that are enacted or substantively enacted on the balance sheet

date. Temporary differences in participations in subsidiaries are not taken into account as the group can control the time of reversal of these and it is likely that they will not be reversed in the foreseeable future. Nor are temporary differences in goodwill taken into account. Deferred tax assets in regard to deductible temporary differences and loss carryforwards are only recognised to the extent it is probable they will be able to be utilised against future profits. The value of deferred tax assets is reduced when it is no longer considered likely that they can be utilised. Deferred tax on temporary differences attributable to leases is recognised net of right-of-use asset and the lease liability. However, gross recognition is made in the disclosures on leases below, which means that deferred tax attributable to right-of-use assets and deferred tax attributable to the lease liability are recognised separately. Deferred tax assets and liabilities are offset when there is a legal right to offset current tax assets and liabilities and when the deferred income taxes relate to the same taxation authority.

Estimations and assessments

Deferred tax and uncertainty in income tax processes

Wherever uncertainty occurs in the treatment of income tax, an assessment is made of the probability that the tax agency or court will accept the tax treatment in the declaration of income, and the effect of the uncertainty is estimated and recognised in the financial statements as a tax liability in accordance with IFRIC 23.

When calculating the deferred tax asset or liability, assumptions are made regarding the probability of deferred tax assets being used for settlement of future taxable gains. The fair value of these future taxable gains may deviate in terms of the future business climate and earnings capacity or changed tax rules.

Reported in the consolidated income statement

SEKm	2022	2021
Current tax expense (-)		
Tax expense for the period	-128.5	-102.6
Adjustment of tax relating to previous years	1.9	-7.7
Total	-126.6	-110.3
Deferred tax expense (-) / tax income (+)		
Deferred tax concerning temporary differences	11.8	2.7
Utilisation of previously activated loss carryforwards	-1.5	-0.9
Revaluation of loss carryforwards	-0.4	-4.8
Deferred tax income in tax loss carryforwards capitalised during the year	6.6	1.5
Total	16.5	-1.5
Total consolidated tax expenses	-110.1	-111.8

Reconciliation of effective tax

The Swedish corporate income tax rate is 20.6 percent. The primary reasons for the difference in tax rate between Swedish income tax and the group's tax rate based on the earnings after financial items are indicated in the table below.

Effective tax	2022	2022, SEKm	2021	2021, SEKm
Profit before tax		438.8		417.1
Tax according to the applicable tax rate for the Parent company	20.6%	-90.4	20.6%	-85.9
Effect of other tax rates for foreign subsidiaries	2.5%	-10.9	1.4%	-5.9
Non-taxable income	-0.2%	1.0	-1.3%	5.5
Non-tax deductible expenses	1.0%	-4.4	2.2%	-9.2
Revaluation of temporary differences	0.3%	-1.1	-0.4%	1.6
Increase of tax loss carryforwards without corresponding capitalisation of deferred tax	2.1%	-9.9	2.6%	-11.0
Utilisation or revaluation of previously non-capitalised tax loss carryforwards	-1.4%	6.0	-0.5%	2.1
Tax relating to previous years	-0.4%	1.9	1.9%	-7.7
Effect of changes in tax rates and tax rules	-0.0%	0.2	0.0%	-0.1
Other	0.6%	-2.5	0.3%	-1.2
Reported effective tax	25.1%	-110.1	26.8%	-111.8

Current tax assets amount to SEK 65,4m (51,1) and represent the recoverable amount of current tax on the result for the year.

12 Income tax, continued

Reported in consolidated statement of financial position

Deferred tax assets and liabilities, SEK m	2022			2021		
	Assets	Liabilities	Net	Assets	Liabilities	Net
Intangible fixed assets	2.5	102.8	-100.3	0.5	68.9	-68.4
Tangible fixed assets	5.7	19.4	-13.7	6.2	18.0	-11.8
Right-of-use asset	-	42.7	-42.7	-	42.6	-42.6
Financial assets	0.3	0.6	-0.3	0.1	0.6	-0.5
Inventories	21.2	0.4	20.8	32.4	0.1	32.3
Accounts receivable	14.3	9.4	4.9	12.6	2.6	10.0
Long term liabilities	0.1	0.1	-0.0	0.1	-	0.1
Provision for pensions	5.9	2.0	3.9	11.7	0.2	11.5
Provisions	23.1	-	23.1	19.9	-	19.9
Lease liabilities	44.8	-	44.8	44.8	-	44.8
Short term liabilities	23.1	26.0	-2.9	9.7	35.7	-26.0
Loss carryforwards	48.0	0.6	47.4	28.2	0.5	27.7
Tax assets/liabilities	189.0	204.0	-15.0	166.2	169.2	-3.0
Netting	-85.0	-85.0	-	-97.7	-97.7	-
Deferred tax assets/liabilities according to statement of financial position	104.0	119.0	-15.0	68.5	71.5	-3.0

The majority of recognised loss carryforwards are not time limited.

Unrecognised tax loss carryforwards

Deductible temporary differences and loss carryforwards for which deferred tax assets have not been reported in the consolidated statement of financial position:

SEKm	2022	2021
Unrecognised tax loss carryforwards	251.0	247.5

Unrecognised tax loss carryforwards would correspond to a deferred tax asset of SEK 61.2m. Unrecognized deferred tax loss carryforwards are mainly related to losses in France, India, Indonesia, China, the Netherlands, Thailand, Germany and the US, with the current assessment that it is not probable that the group will be able to use them for settlement of future taxable gains. The majority of the unrecognised tax loss carryforwards are not time limited and the remaining portion are mainly time limited to 2024-2027.

Change in deferred tax on temporary differences and losses carried forward

SEKm	Balance as of 1 January 2022	Recorded over income statement	Recorded in other comprehensive income	Translation difference	Acquisitions of business	Balance as of 31 December 2022
Intangible fixed assets	-68.4	6.6	-	-2.1	-36.4	-100.3
Tangible fixed assets	-11.8	-0.7	-	-0.1	-1.1	-13.7
Right-of-use asset	-42.6	0.2	-	-0.3	-	-42.7
Financial assets	-0.5	-1.8	-	0.1	1.9	-0.3
Inventories	32.3	-11.0	-	-0.5	-	20.8
Accounts receivable	10.0	-4.9	-	-0.2	-	4.9
Long term liabilities	0.1	-0.1	-	-0.0	-	-0.0
Provision for pensions	11.5	0.4	-8.0	0.0	-	3.9
Provisions	19.9	0.0	-	-0.2	3.4	23.1
Lease liabilities	44.8	0.0	-	-	-	44.8
Short term liabilities	-26.0	23.1	-	-0.4	0.4	-2.9
Loss carryforwards	27.7	4.7	-	-0.0	15.0	47.4
Total	-3.0	16.5	-8.0	-3.7	-16.8	-15.0

SEKm	Balance as of 1 January 2021	Recorded over income statement	Recorded in other comprehensive income	Translation difference	Acquisitions of business	Balance as of 31 December 2021
Intangible fixed assets	-65.8	0.3	-	-0.3	-2.6	-68.4
Tangible fixed assets	-11.0	-0.8	-	0.0	-	-11.8
Right-of-use asset	-46.2	4.1	-	-0.5	-	-42.6
Financial assets	-1.0	0.5	-	-0.0	-	-0.5
Inventories	47.9	-15.4	-	-0.2	-	32.3
Accounts receivable	-6.2	16.2	-	-0.0	-	10.0
Long term liabilities	0.4	-0.2	-	-0.1	-	0.1
Provision for pensions	18.7	-3.3	-3.8	-0.1	-	11.5
Provisions	18.9	1.1	-	-0.1	-	19.9
Lease liabilities	49.6	-4.3	-	-0.5	-	44.8
Short term liabilities	-30.4	4.5	-	-0.1	-	-26.0
Loss carryforwards	32.0	-4.2	-	-0.1	-	27.7
Total	6.9	-1.5	-3.8	-2.0	-2.6	-3.0

13 Intangible fixed assets

Accounting policies

Research and development

Costs for development, where research results or other knowledge is applied to achieve new or improved products or processes, are recognised as an asset in the balance sheet if the product or process is technically and commercially feasible and the company has sufficient resources to complete development and thereafter use or sell the intangible asset. The carrying amount includes the cost of materials and other direct expenses that can be attributed to the asset in a reasonable and consistent manner. Development costs are recognised in the balance sheet at cost less accumulated amortisation and any impairment losses. Expenditure on research aimed at obtaining new scientific or technical knowledge is recognised as an expense in the income statement when incurred.

Customer relations

Customer relationships acquired through business acquisitions are recognised at fair value at the acquisition date. Customer relationships with a finite life are measured at cost less amortisation and any accumulated impairment losses.

Trademarks

Trademarks acquired through business acquisitions are recognised at fair value at the acquisition date. Trademarks with an indefinite life are allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from the trademark. The cash-generating units comprise the group's operating segments. The useful life is deemed indefinite if it is a question of a well-established trademarks in its market, which the group intends to maintain and develop further. Trademarks are tested for impairment annually and in the event of an indication of impairment. Other trademarks are amortised over their estimated useful life. Any impairment losses are charged to operating income.

Goodwill

Goodwill represents the difference between the consideration transferred for the business and the fair value of acquired identifiable assets and assumed liabilities. Goodwill represents the future economic benefits arising from the business acquisitions that are not individually identified and separately recognised, and comprise strategic business values. Goodwill is allocated to the cash-generating units or groups of cash-generating units that are expected to benefit from synergies from the acquisition. The cash-generating units comprise the group's operating segments. Goodwill is tested annually for impairment, or more frequently if there are indications of a reduction in value. If the carrying amount of the tested cash-generating unit exceeds the estimated recoverable amount, the difference is recognised as an impairment. The recoverable amount for a cash-generat-

ing unit is determined based on value in use. Nederman group's model for measurement is based on a discounted cash-flow model, with a forecast period of five years. The measurement is based on a financial plan, which is part of Nederman group's financial planning process and corresponds to the management's best assessment of the operations' development. Growth is based on historical growth, estimated market growth and the anticipated price trend. The forecasts reflect previous experience and external sources of information. Assumed growth is based on a cautious assumption and does not exceed the long-term growth of the industry as a whole. Any impairment losses are charged to operating income and not subsequently reversed.

Additional expenses

Additional expenses for capitalised intangible assets are recognised as an asset in the balance sheet only when they increase the future economic benefits of the specific asset to which they relate. All other expenses are expensed when they arise.

Amortisation and impairment losses with finite useful life

Intangible assets except goodwill and trademarks are amortised over their estimated useful life. Amortisation is recognised in the income statement on a straight-line basis over the intangible assets' estimated useful life. The estimated useful lives are:

- Capitalised development expenditure 5 years
- Computer programmes 3-5 years
- Customer relations 10 years

Impairment testing is carried out if any event occurs or circumstances change that indicate that the carrying amount may have decreased. Annual impairment testing is also conducted of capitalised development expenditure for products and software not yet in use. An impairment loss is recognised when an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less selling expenses and value in use. When calculating the value in use, future cash flows are discounted using a discount rate that reflects a risk-free interest rate and the risk associated with the specific asset. Previously recognised impairment losses are reversed if the reasons for the earlier impairment no longer exist. However, reversal will not be for an amount that is greater than that which the carrying amount would have been if the impairment had not been recognised in previous periods. Impairment losses are charged to operating income.

Estimations and assessments

Examination for impairment of goodwill and other intangible fixed assets

The book value of goodwill is reviewed at least once a year with respect to the possible need for impairment. The review requires an assessment of the value in use of the cash-generating unit, or group of cash-generating units, to which the goodwill value relates. This requires that several assumptions about the future situation and estimates of parameters have

been made. Changed conditions for these assumptions and estimations might have an effect on the value of the goodwill. The senior executives are of the opinion that no reasonable changes in important assumptions at the impairment test of the cash-generating units will result in a recoverable amount lower than the carrying amount.

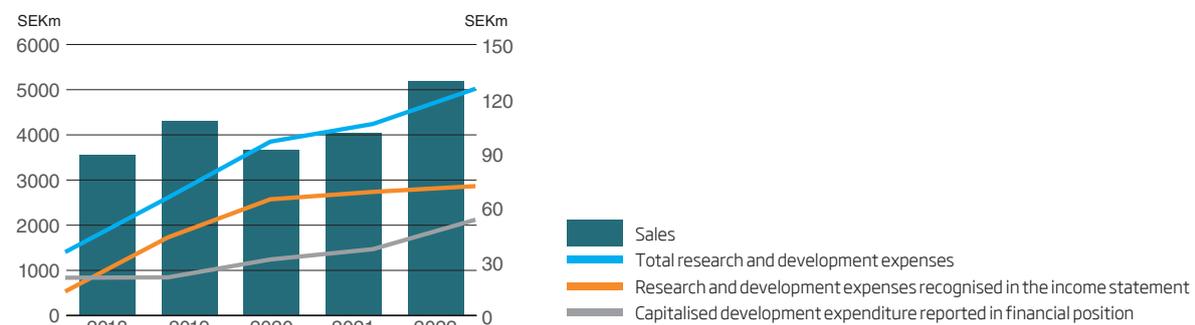
13 Intangible fixed assets, continued

SEKm							2022
	Capitalised development expenditure	Computer programs	Customer relations	Trade-marks	Goodwill	Current investments and advances	Total
Accumulated cost							
Opening balance	419.9	197.3	111.5	174.5	1,609.2	9.1	2,521.5
Business acquisition	-	1.2	134.8	5.1	282.5	-	423.6
Internally developed assets	53.9	-	-	-	-	-	53.9
Other capital expenditure	-	16.3	-	-	-	27.4	43.7
Sold and scrapped	-	-10.5	-	-	-	-	-10.5
Reclassifications	0.3	6.0	-	-	-	-4.2	2.1
Translation differences	15.1	4.1	14.3	21.4	135.8	1.2	191.9
Closing balance	489.2	214.4	260.6	201.0	2,027.5	33.5	3,226.2
Accumulated amortisation and impairment							
Opening balance	-220.6	-132.1	-45.0	-61.4	-	-	-459.1
Business acquisition	-	-0.3	-	-	-	-	-0.3
Sold and scrapped	-	10.5	-	-	-	-	10.5
Amortisation	-38.4	-20.4	-18.5	-0.7	-	-	-78.0
Translation differences	-6.9	-3.7	-5.4	-9.0	-	-	-25.0
Closing balance	-265.9	-146.0	-68.9	-71.1	-	-	-551.9
Carrying amount							
Opening balance	199.3	65.2	66.5	113.1	1,609.2	9.1	2,062.4
Closing balance	223.3	68.4	191.7	129.9	2,027.5	33.5	2,674.3
2021							
SEKm	Capitalised development expenditure	Computer programs	Customer relations	Trade-marks	Goodwill	Current investments and advances	Total
Accumulated cost							
Opening balance	407.9	153.0	106.4	162.6	1,514.7	29.4	2,374.0
Business acquisition	13.6	0.2	-	-	22.8	-	36.6
Internally developed assets	41.0	-	-	-	-	-	41.0
Other capital expenditure	-	19.8	-	-	-	9.0	28.8
Sold and scrapped	-50.6	-7.4	-	-	-	-	-58.0
Reclassifications	-	29.5	-	-	-	-29.5	-
Translation differences	8.0	2.2	5.1	11.9	71.7	0.2	99.1
Closing balance	419.9	197.3	111.5	174.5	1,609.2	9.1	2,521.5
Accumulated amortisation and impairment							
Opening balance	-231.6	-119.2	-32.3	-57.6	-	-	-440.7
Business acquisition	-	-0.1	-	-	-	-	-0.1
Sold and scrapped	49.8	7.4	-	-	-	-	57.2
Amortisation	-34.6	-18.1	-10.7	-	-	-	-63.4
Translation differences	-4.2	-2.1	-2.0	-3.8	-	-	-12.1
Closing balance	-220.6	-132.1	-45.0	-61.4	-	-	-459.1
Carrying amount							
Opening balance	176.3	33.8	74.1	105.0	1,514.7	29.4	1,933.3
Closing balance	199.3	65.2	66.5	113.1	1,609.2	9.1	2,062.4

The Group's expenses for development of the existing product range and new products amounted to SEK 72,5m (57.0). SEK 53,9m (41.0) was capitalised in the consolidated statement of financial position.

Capitalised development expenditure is primarily related to investments in the group's digital product offering where the remaining amortisation period is approximately two years and to acquired development expenditure where the remaining amortisation period is approximately six years. Customer relations were mainly established in the acquisitions of RoboVent and Gasmot where the remaining amortisation period is approximately seven years.

Research and development expenses in relation to sales



13 Intangible fixed assets, continued

Amortisation and impairment, SEKm	2022	2021
Amortisation is included in the following rows in the income statement:		
Cost of sold goods	-55.7	-40.7
Selling expenses	-5.9	-5.4
Administrative expenses	-16.4	-17.3
Total	-78.0	-63.4

Trademarks

The trademarks that have been identified and valued were established in connection with the 2012 acquisition of EFT, with the trademarks MikroPul and LCI, the 2018 acquisition of Auburn FilterSense and Luwa, the 2019 acquisition of Gasmet and the 2022 acquisition of RoboVent. The cost of the trademarks were established at the time of the acquisition under the so-called relief from royalty method. The impairment test includes an assessment of the royalty rate on the acquisition date and estimated future sales performance for five years. Sustained growth of 2.0 percent has been used. Cash flow for the peri-

od beyond five years has been calculated using a multiple applied to estimated sustainable cash flow. When calculating the present value of expected future cash flows, the current weighted average capital cost (WACC) for the market is used. For 2022, the discount rate amounted to 11.33 percent (9.75). Impairment testing is done in the fourth quarter, or whenever the need arises, and with the assumptions used showed there was no need for any impairment of trademarks with an indefinite useful life. The carrying amount of trademarks with an indefinite useful life amounted to SEK 125.4m (113.1).

Trademarks per operating segment, SEKm	2022	2021
Nederman Extraction & Filtration Technology	4.5	-
Nederman Process Technology	102.2	92.0
Nederman Duct & Filter Technology	-	-
Nederman Monitoring & Control Technology	23.2	21.1
Total	129.9	113.1

Goodwill per operating segment, SEKm	2022	2021
Nederman Extraction & Filtration Technology	793.8	467.4
Nederman Process Technology	394.1	342.6
Nederman Duct & Filter Technology	24.0	18.5
Nederman Monitoring & Control Technology	815.6	780.7
Total	2,027.5	1,609.2

Goodwill	Annual growth during the forecast period	Annual growth after forecast period	Discount rate before tax
Nederman Extraction & Filtration Technology	3,0% (3,0)	3,0% (2,0)	12,24% (10,65)
Nederman Process Technology	3,0% (3,0)	3,0% (3,0)	10,53% (9,96)
Nederman Duct & Filter Technology	4,0% (3,0)	4,0% (1,0)	12,40% (10,67)
Nederman Monitoring & Control Technology	5,0% (10,0)	5,0% (8,0)	10,42% (8,85)

Sensitivity analysis Goodwill

Nederman group analysed the extent to which negative adjustments of assumptions regarding the discount rate and operating profit would result in the impairment of goodwill or trademarks. Sensitivity in all calculations means that the goodwill value and the value in the trademarks will be justified even if the discount rate is raised by two percentage points or if long-term growth would fall by two percentage points. Based on the analysis, there is no impairment requirement for any of the cash-generating units. The factors applied in the valuations are based on the management's strategy, taking into consideration historical outcomes for the various cash-generating units. The surplus

differs between the various cash-generating units and they are sensitive to various degrees to changes in the above assumptions. Accordingly, Nederman group continuously monitors development of the cash-generating units. The instability of the market with dampened profitability as a result and volatility of interest rates, inflation and foreign currencies, could lead to an indication of a need for impairment. The most important factors that affect Nederman group's future earnings trend are described in the section on operating segments and the section on risk management.

14 Tangible assets

Accounting policies

Assets owned

Tangible assets are recognised within the group at cost less accumulated depreciation and any impairment. The cost includes the purchase price and expenses directly attributable to the asset to bring it on site and in the condition to be used in accordance with its intended purpose. The cost of assets produced by the company includes the cost of materials, cost of employee benefits and, if applicable, other manufacturing costs considered directly attributable to the asset. The carrying amount of a tangible asset is derecognised in the balance sheet on disposal or retirement, or when no future economic benefit is expected to derive from the use or sale/disposal of the asset. Gains or losses arising on the disposal or retirement of an asset comprise the difference between the sales price and the asset's carrying amount less direct selling expenses. Gains and losses are recognised as other operating income/expense.

Additional expenses

Additional expenses are only added to the cost if it is probable that the future economic benefits associated with the asset will accrue to the company and the cost can be measured reliably. All other additional expenses are recognised as costs in the period in which they arise. The decisive factor for assessment of whether an additional expense is added to cost

is whether the expense refers to the replacement of components or parts thereof, whereby such costs will be capitalised. Even in cases where new components are added to the asset, the expense will be added to cost. Any non-depreciated carrying amounts of replaced components, or parts of components, are disposed of and expensed in connection with replacement. Repairs and maintenance are expensed on an ongoing basis.

Depreciation

Depreciation takes place on a straight-line basis over the useful life of the asset. The group applies component depreciation, which means that the components' estimated useful life forms the basis for depreciation.

Estimated useful life:

- buildings, property used in business operations 15-30 years
- plant and machinery 3-8 years
- inventories, tools and installations 3-10 years
- land is not depreciated

Depreciation of components is based on each component's estimated useful life. The depreciation methods, residual values and useful life used are reviewed at each year-end.

14 Tangible assets, continued

Accounting policies, continued

Impairment

Impairment testing is carried out if any event occurs or circumstances change that indicate that the carrying amount may have decreased. An impairment loss is recognised when an asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value less selling expenses and value in use. When calculating the value in use, future cash flows are discounted using a discount rate that reflects a risk-free interest rate and the risk associated with the specific asset.

Impairment of tangible fixed assets is charged to operating profit. Previously recognised impairment losses are reversed if the reasons for the earlier impairment no longer exist. However, reversal will not be for an amount that is greater than that which the carrying amount would have been if the impairment had not been recognised in previous periods.

	Land and buildings	Plant and machinery	Equipment, tools and fixtures	Current investments and advances	2022 Total
SEKm					
Accumulated cost					
Opening balance	451.1	332.3	216.5	10.9	1,010.8
Business acquisition	0.6	15.1	8.8	0.4	24.9
Capital expenditure	4.6	8.4	17.4	42.5	72.9
Sold and scrapped	-0.1	-3.2	-4.3	-	-7.6
Reclassification	1.6	0.8	1.1	-6.1	-2.6
Translation differences	41.9	27.7	18.0	2.6	90.2
Closing balance	499.7	381.1	257.5	50.3	1,188.6
Accumulated depreciation and impairment					
Opening balance	-268.0	-250.6	-175.4	-	-694.0
Business acquisition	-0.3	-3.3	-5.0	-	-8.6
Depreciation for the year	-11.1	-16.1	-17.5	-	-44.7
Sold and scrapped	0.1	3.1	4.3	-	7.5
Reclassification	0.0	-0.2	0.6	-	0.4
Translation differences	-23.8	-20.4	-14.9	-	-59.1
Closing balance	-303.1	-287.5	-207.9	-	-798.5
Carrying amounts					
Opening balance	183.1	81.7	41.1	10.9	316.8
Closing balance	196.6	93.6	49.6	50.3	390.1
SEKm					
Accumulated cost					
Opening balance	431.6	223.6	352.6	10.8	1,018.6
Business acquisition	-	-	0.3	-	0.3
Capital expenditure	0.7	17.9	12.1	8.5	39.2
Sold and scrapped	-3.0	-3.8	-92.8	-	-99.6
Reclassification	-	80.0	-65.8	-9.0	5.2
Translation differences	21.8	14.6	10.1	0.6	47.1
Closing balance	451.1	332.3	216.5	10.9	1,010.8
Accumulated depreciation and impairment					
Opening balance	-250.1	-167.2	-302.1	-	-719.4
Business acquisition	-	-	-0.1	-	-0.1
Depreciation for the year	-10.0	-13.2	-14.7	-	-37.9
Sold and scrapped	3.0	3.3	92.1	-	98.4
Reclassification	-	-63.0	57.8	-	-5.2
Translation differences	-10.9	-10.5	-8.4	-	-29.8
Closing balance	-268.0	-250.6	-175.4	-	-694.0
Carrying amounts					
Opening balance	181.5	56.4	50.5	10.8	299.2
Closing balance	183.1	81.7	41.1	10.9	316.8
Depreciation and impairment, SEKm					
Depreciation is included in the following rows in the income statement:					
Cost of goods sold				-28.2	-24.6
Selling expenses				-5.9	-4.8
Administrative expenses				-10.6	-8.5
Total				-44.7	-37.9

15 Leasing

Accounting policies

Leasing

Pursuant to IFRS 16, leases are recognised in the statement of financial position. This recognition model is based on the view that the lessee has a right to use an asset for a specific period of time and at the same time has an obligation to pay for that right. This means that at the initial date, a right-of-use asset that represents the right to use the underlying asset during the lease term and a lease liability that represents the present value of future lease payments are to be recognised. Depreciation for the right-of-use assets and interest expenses for the lease liability are recognised in the consolidated income statement and in other comprehensive income. After the initial date, the lease liability is remeasured so that it reflects changes in the lease payments, such as a change in the lease term or a change in future lease payments resulting from indexation. The remeasurement amount is recognised as an adjustment of the right-of-use asset.

The definitions according to IFRS 16 are applied when assessing whether a contract contains a leased asset. A right-of-use asset is defined as an identified asset for which Nederman essentially is entitled to the economic benefits arising from the use of the asset and where Nederman has the right to control the use of the asset. The lease term is determined on the basis of the non-cancellable period according to the lease. If the lease contains an extension option and there is reasonable certainty that this will be utilised, the lease term applied consists of the non-cancellable period plus the assessed period of extension. In assessing the period of extension, circumstances are taken into consideration such as financial incentives in such a manner that existing lease terms are compared with estimated market rents, whether material improvements have been made to the property and whether costs would arise in relation to any move to new premises.

The discount rate primarily consists of the rate implicit in the lease if it is available according to the lease. For other leases, the discount rate is the incremental borrowing rate. The incremental borrowing rate consists of an interest margin based on the lessee's (subsidiary within the group) credit rating and an interest rate benchmark for the specific currency and the term of the lease asset.

Leases for which the underlying asset is sublet to a third party, and the main lease between Nederman and the principal lessor continues to apply, are recognised as a financial asset, which comprises a receivable from a third party, and a lease liability, which comprises a liability to the principal lessor.

The standard contains two exceptions for reporting in the statement of financial position, which Nederman applies: short-term leases (lease term of 12 months or less) and leases for which the underlying asset has a low value (USD 5,000). These lease payments are recognised as operating expenses in the income statement and are therefore not included in the right-of-use asset or the lease liability. If the lease contains variable lease expenses that are not dependent on an index or interest rate, this is also recognised as an operating expense in the income statement. Any service components in a lease are separated from the leased asset and recognised as an operating expense in the income statement.

Impairment testing of right-of-use assets

In accordance with IAS 36, impairment testing is carried out for right-of-use assets, and any identified impairment losses are recognised in operating profit. Impairment testing is carried out if any event occurs or circumstances change that indicate that the carrying amount of the underlying asset may have decreased. An impairment loss is recognised when the carrying amount of an asset or a cash-generating unit exceeds the present value of future lease payments or of the fair value of the underlying asset less divestment expenses. In the calculation of the present value of future lease payments, future cash flows are discounted, primarily on the basis of the implicit interest rate and, otherwise, by the incremental borrowing rate. An impairment loss is reversed if a positive change has occurred in the present value of the lease payments or the fair value of the underlying asset.

Estimations and assessments

Measurement of leasing

At the start of the lease, assessments are made relative to the lease's scope, term and the interest rate used to discount future lease expenses, which impact the measurement of the right-of-use asset and lease liability. An assessment is also required when establishing the term of the lease. The lease term includes the non-cancellable period. If Nederman group is reasonably certain that it will exercise an option to extend the lease or not exercise an alternative to terminate the lease prematurely, this is taken into consideration when establishing the lease term. The contract contains a large number of different terms and conditions. Extension options and the possibility to terminate the contract prematurely pertain mainly to

property contracts. Accordingly, all relevant facts and circumstances are evaluated that create a financial incentive to include optional periods. The importance of the underlying asset in the operations and its place, availability of suitable alternatives, material improvements in the asset, rent level during voluntary periods compared with the market price, as well as earlier practice, are examples of factors included in the analysis. The lease term is determined on an individual basis. The assessments are also required to determine the interest rate applied to discount future lease fees, if the implicit rate in the lease can be easily established or if the incremental borrowing rate is to be used.

15 Leasing, continued

				2022
SEKm	Land & buildings	Cars and other vehicles	Machinery and equipment	Total
Accumulated cost				
Opening balance	290.6	65.5	18.3	374.4
Business acquisition	6.3	2.2	-	8.5
New lease contracts	31.8	18.8	0.2	50.8
Terminated lease contracts	-41.5	-24.3	-1.5	-67.3
Revaluated lease contracts	3.1	1.3	-	4.4
Translation differences	22.7	4.6	0.7	28.0
Closing balance	313.0	68.1	17.7	398.8
Accumulated depreciation and impairment				
Opening balance	-140.2	-33.6	-8.3	-182.1
Depreciation	-54.0	-21.5	-3.6	-79.1
Terminated lease contracts	38.0	24.3	1.5	63.8
Translation differences	-12.3	-2.4	-0.5	-15.2
Closing balance	-168.5	-33.2	-10.9	-212.6
Carrying amounts				
Opening balance	150.4	31.9	10.0	192.3
Closing balance	144.5	34.9	6.8	186.2

				2021
SEKm	Land & buildings	Cars and other vehicles	Machinery and equipment	Total
Accumulated cost				
Opening balance	330.9	64.0	21.0	415.9
Business acquisition	0.5	-	-	0.5
New lease contracts	38.3	21.2	1.4	60.9
Terminated lease contracts	-99.6	-20.7	-4.5	-124.8
Revaluated lease contracts	4.0	0.2	-	4.2
Reclassification	1.1	-1.1	-	-
Translation differences	15.4	1.9	0.4	17.7
Closing balance	290.6	65.5	18.3	374.4
Accumulated depreciation and impairment				
Opening balance	-160.4	-32.0	-9.1	-201.5
Depreciation	-50.0	-19.2	-3.8	-73.0
Terminated lease contracts	82.4	19.0	5.5	106.9
One-time effect	-3.9	-1.3	-0.7	-5.9
Reclassification	-0.9	0.9	-	-
Translation differences	-7.4	-1.0	-0.2	-8.6
Closing balance	-140.2	-33.6	-8.3	-182.1
Carrying amounts				
Opening balance	170.5	32.0	11.9	214.4
Closing balance	150.4	31.9	10.0	192.3

The leased assets are pledged for the leasing liabilities. See also note 29.

Depreciation and impairment, SEKm	2022	2021
Depreciation is included in the following rows in the income statement:		
Cost of goods sold	-35.1	-34.0
Selling expenses	-33.7	-29.8
Administrative expenses	-8.4	-7.5
Research and development expenses	-1.9	-1.7
Total	-79.1	-73.0
Lease expenses, SEKm		
Depreciation of right-of-use assets	-79.1	-73.0
Interest expense on lease liabilities	-9.5	-11.2
Short term leases	-1.5	-1.7
Lease assets of low value	-3.1	-2.1
Total	-93.3	-88.0
Cash flow from leasing, SEKm		
Cash flow from leasing	-89.3	-85.1

16 Inventory

Accounting policies

Inventory

Inventory is posted at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out (FIFO) method and includes expenses directly attributable to the acquisition of the inventory and to bring goods to their present location and condition. For finished goods and work in progress, cost includes an appropriate share of indirect expenses based on normal capacity. Net realisable value comprises the estimated sales price of goods in inventory, excluding estimated costs of completion and sales.

Estimations and assessments

Net realisable value

The calculation of the net realisable value is based on an estimate of future sales prices, which is impacted by several parameters, such as market demand, product changes and price trends. Since the actual sales prices and selling expenses are not known at the time of assessment, the adjustment to net realisable value is conducted based on estimated technical and commercial obsolescence. In assessing commercial obsolescence, rate of turnover is a risk factor.

Inventory, SEKm	2022	2021
Raw materials and consumables	486.6	338.0
Work in progress	109.4	79.9
Finished goods and tradable goods	294.8	195.2
Total	890.8	613.1

Change in impairment of inventory, SEKm	2022	2021
Opening balance	136.9	110.9
Business acquisition	9.8	-
Change reported in the operating profit	19.1	24.6
Disposals	-3.8	-3.4
Reclassifications	-2.2	-0.7
Effect of changes in currency exchange rates	9.3	5.5
Impairment of inventory at 31 December	169.1	136.9

17 Accounts receivable

Accounting policies

Accounts receivable

Accounts receivable comprise financial instruments and are financial assets that have defined or definable payments. A financial assets is recognised in the balance sheet when the company becomes a party according to the instrument's contract terms. When Nederman is entitled to unconditional compensation from the customer, this is recognised as a receivable. An account receivable arises when control has been transferred to the customer and the invoice has been sent. A financial asset is derecognised in the balance sheet when the contractual obligation is fulfilled, expires or the company loses control over it. Financial assets and liabilities are offset and recognised at the net amount presented in the balance sheet when there is a legally enforceable right to offset the amount and when the intention is to settle items on a net basis, or to realise the asset and settle the liability simultaneously.

Accounts receivable have a short anticipated term and are measured without discount at the nominal amount and are recognised at the amount that is expected to be received, meaning after deductions for expected credit losses for the remaining term. Impairment losses on accounts receivable are recognised in other operating expenses.

Estimations and assessments

Provision for expected credit losses

The provision for expected credit losses is based on historical credit losses and on the estimates made in respect of current and future-oriented information on the customers' payment capacity. The establishment of provisions for expected credit losses is based on the estimates made of all receivables outstanding, including receivables not yet due. An individual assessment of the impairment requirement is made based on the customers' financial situation. Actual credit losses may deviate from expected credit losses and may thus have a material impact on other operating income and expenses in profit or loss. Estimates and assumptions are reviewed on a regular basis.

Accounts receivable maturity structure, SEKm	2022					2021				
	Not yet due	Overdue number of days			Total	Not yet due	Overdue number of days			Total
		1-30	31-90	>90			1-30	31-90	>90	
Accounts receivable, gross	536.5	156.2	83.5	80.2	856.4	435.1	112.7	57.3	44.4	649.5
Expected credit losses	-1.7	-	-0.4	-39.5	-41.6	-1.7	-1.5	-0.7	-22.6	-26.5
Accounts receivable, net	534.8	156.4	83.1	40.7	814.8	433.4	111.2	56.6	21.8	623.0
Credit loss level	0.3%	-	0.5%	49.3%	4.9%	0.4%	1.3%	1.2%	50.9%	4.1%

Change in credit loss provision	2022	2021
Opening balance	-26.5	-25.7
Business acquisition	-1.3	-
Provisions for uncertain receivables	-19.9	-2.4
Receivables written off and not recoverable	3.8	1.5
Reversed provisions	4.7	1.4
Translation differences	-2.4	-1.3
Closing balance	-41.6	-26.5

18 Other receivables

Accounting policies

Other receivables

Other receivables, excluding VAT receivables, are financial assets that have defined or definable payments and that are not listed on an active market. These assets are measured at amortised cost. Amortised cost is determined according to the effective interest rate and calculated as of the acquisition date.

Long-term receivables which are fixed assets, SEKm	2022	2021
Capital insurance related to pension plans	2.8	2.8
Other receivables	1.4	2.8
Total	4.2	5.6

Other receivables which are current assets, SEKm	2022	2021
VAT receivables	48.0	34.0
Other receivables	62.7	48.4
Total	110.7	82.4

Information about the group's financial assets recognised as carrying amounts or as fair value, see note 26, Financial instruments.

19 Prepaid expenses and accrued income

SEKm	2022	2021
Rent/leasing	6.6	6.3
Computer/license costs	19.8	15.9
Insurance	6.8	2.7
Bank costs	0.1	0.5
Other	59.8	20.0
Total	93.1	45.4

20 Equity and number of shares

Accounting policies

Earnings per share

Earnings per share before dilution are calculated based on the earnings for the period in the group attributable to the parent company's shareholders in relation to the average number of shares outstanding during the financial year. Earnings per share after dilution are calculated based on the earnings for the period in the group attributable to the parent company's shareholders in relation to the average number of shares outstanding with

the addition of the average number of shares that would be issued as an effect of the ongoing share-related remuneration programme.

Dividends

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

Number of shares	2022	2021
Issued number of shares as of 31 December	35,146,020	35,146,020
Weighted average number of shares prior to dilution	35,093,096	35,093,096
Weighted average number of shares after dilution	35,093,096	35,093,096

Registered share capital is SEK 1,171,534 (1,171,534). The par value of the shares is SEK 0.03.

Number of treasury shares held	2022	2021
Opening number of treasury shares held	52,924	52,924
Closing number of treasury shares held	52,924	52,924

Information about the group's share-related incentive plan see note 8, Employees.

Earnings per share, SEK	2022	2021
Year's earnings attributable to the parent company's shareholders	328.7	305.3
Earnings per share before dilution	9.37	8.70
Earnings per share after dilution	9.37	8.70

20 Equity and number of shares, continued

Dividend

The Board of Directors proposes a dividend of SEK 3.75 (3.50) per share, a total of SEK 131.6m (122.8). The dividend amount is based on the number of shares outstanding at 31 December 2022, which could be changed as treasury shares could be converted by the record date of 14 April 2023. The dividend will be adopted by the Annual General Meeting on 24 April 2023.

The group seeks to pay an ordinary dividend each year amounting to 30-50 percent of net profit for the year. The Board of Directors has proposed a dividend of SEK 3.75 per share to the 2023 Annual General Meeting, corresponding to 6.0 percent of equity. During the past five years, the ordinary dividend has amounted to an average of 4.5 percent of equity. This means that 30 percent of earnings per share has been distributed in the form of ordinary dividends.

Capital management

According to the Board's policy, the group's financial objective is to achieve a good capital structure and financial stability in order to maintain the trust of investors, creditors and the market, and to form a good base for continued development of the business, while the long-term return generated for shareholders remains satisfactory.

Capital defined as total equity, SEKm	2022	2021
Total equity	2,186.5	1,717.4
Net debt/equity ratio	2022	2021
Interest-bearing liabilities and pension provisions	2,198.3	1,609.4
Cash and cash equivalents	-721.2	-541.6
Net debt	1,477.1	1,067.8
Net debt/equity ratio	67.6%	62.2%

The net debt/equity ratio increased compared with the preceding year, which is a result of the fact that net debt increased more in relation to equity. The higher level of net debt was primarily due to additional borrowing of SEK 606m. The weakened SEK also led to a translation effect on foreign currency loans, increasing net debt by SEK 24m. In comparison with the preceding year, the pension liability decreased by SEK 32m, which was primarily a consequence of an increase in the discount rate. The lease liability was in line with the preceding year. The cash balance continued to strengthen due to healthy orders received, with advance payments received as a result.

Equity was strengthened during the year as a consequence of favourable profitability. In addition, equity was impacted by the weakened SEK, which led to the translation reserve, attributable to the translation of foreign subsidiaries, amounting to SEK 236m.

A favourable net debt/equity ratio and ample access to cash and cash equivalents provides an opportunity to take advantage of the growth prospects anticipated in the coming years, while the dividend policy is expected to be maintained. For the same reason, issues of new shares will probably not be needed in the coming years, except in the event of major corporate acquisitions.

21 Interest-bearing liabilities

Accounting policies

Drawn down loans comprise a financial liability and are measured at amortised cost. Loans are initially recognised at the loan amount received after deductions for transaction costs. After the acquisition date, loans are measured at amortised cost using the effective interest method.

For more information about the company's exposure to interest rate risks and currency risks, see note 3, Goal and policy regarding financial risk.

As of 31 December 2022, the group had pension provisions of SEK 70.5m (102.2) as recognised in note 24.

Long-term liabilities, SEKm	2022	2021
Bank loans	1,931.9	1,304.6
Lease liabilities	122.0	133.1
Total	2,053.9	1,437.7
Current liabilities, SEKm	2022	2021
Current part of lease liabilities	73.9	69.5
Total	73.9	69.5
Total interest-bearing liabilities	2,127.8	1,507.2

21 Interest-bearing liabilities, continued

Terms and repayment due dates

For terms and due dates for repayment, see the table below. As of 2022, the loans are presented organised by currency and loan type. Comparative data were adjusted in a corresponding manner. No security for the bank loans has been provided.

2022, SEKm	Currency	Due date	Nominal interest	Nominal amount in original currency	Recorded amount
Bank loan* (revolving)	SEK	2027-03-24	2,84%-3,43%	926.5	923.7
Bank loan* (revolving)	USD	2027-03-24	4,87%-5,11%	49.0	509.8
Bank loan* (term loan)	SEK	2027-03-29	2,89%-3,07%	500.0	498.4
Lease liabilities					195.9
Total interest bearing liabilities					2,127.8

* Sustainability linked loans

2021, SEKm	Currency	Due date	Nominal interest	Nominal amount in original currency	Recorded amount
Bank loan (revolving)	SEK	2023-05-24	0.700%	926.5	924.2
Bank loan (revolving)	USD	2023-05-24	0.980%	9.0	81.2
Bank loan (term loan)	SEK	2023-05-24	0.700%	300.0	299.2
Lease liabilities					202.6
Total interest bearing liabilities					1,507.2

22 Other liabilities

Other long-term liabilities, SEKm	2022	2021
Deferred payment of acquisition price upon business acquisition (see note 4)	23.4	18.3
Other liabilities	4.6	5.3
Total	28.0	23.6

Other short-term liabilities, SEKm	2022	2021
Deferred payment of acquisition price upon business acquisition (see note 4)	5.0	-
Personnel-related liabilities	49.9	57.4
VAT payable	45.7	43.8
Other liabilities	36.9	14.0
Total	137.5	115.2

For information about the group's financial liabilities recognised as carrying amounts or as fair value, see note 26, Financial instruments.

23 Accrued Expenses and Prepaid Income

SEKm	2022	2021
Personnel-related expenses	185.8	162.0
Interest expenses	0.0	0.2
Audit expenses	5.3	5.9
Sales expenses	9.9	6.8
Freight and customs expenses	0.6	1.3
Other	66.9	44.7
Total	268.5	220.9

24 Provisions for pensions and similar obligations

Accounting policies

Defined-contribution pension plans

Defined-contribution pension plans are plans where the company's obligation is limited to the contributions the company has undertaken to pay. The size of the employee's pension depends on the contributions paid by the company and the return on capital that the contributions provide. The group's obligations for defined-contribution plans are recognised as expenses in the income statement as they are earned.

In Sweden, the group has defined-contribution pension plans paid in full by the companies. Outside of Sweden, there are defined-contribution plans, which are paid for partly by the subsidiaries, and partly by payment from the employees. Payments into these plans are continual in accordance with the rules for each plan.

In addition to obligations for old-age pensions, the ITP plan also comprises a collective family pension for salaried employees in Sweden, which is safeguarded via insurance in Alecta. According to a statement from the Swedish Financial Accounting Standards Council, this is a defined-benefit plan that covers multiple employers. For the financial year 2022, Nederman group has not had access to information from Alecta that makes it possible to report this plan as a defined-benefit plan. Accordingly, the plan was recognised as a defined-contribution plan. The annual charges for retirement annuities covered by Alecta amount to SEK 6.5m (6.8). Nederman group anticipates paying approximately SEK 5m in premiums to Alecta during 2023. The collective consolidation level measures distributable assets in relation to the insurance obligation. According to Alecta's consolidation policy for defined-benefit insurance, the collective consolidation level is usually permitted to vary between 125 percent and 175 percent. At the end of 2022, Alecta's surpluses, in the form of the collective consolidation level, amounted to 172 percent (172). If the consolidation level is less than or exceeds the normal range, one action may be to raise the agreed price for new subscription or to introduce premium reductions. The group's share of total savings premiums for ITP in Alecta amounted to 0.029 percent (0.027) and the group's share of the total number of active insured individuals amounts to 0.026 percent (0.025).

Defined-benefit pension plans

Defined-benefit plans are plans for post-employment benefits other than defined-contribution plans. The group's net liability in respect of defined-benefit plans is calculated separately for each plan by estimating the future benefits that employees have earned through their employment in both current and prior periods; this benefit is discounted to its present

value. The discount rate is the interest rate at the balance sheet date on first-class corporate bonds, including mortgage bonds, with a maturity corresponding to the group's pension obligations. When there is not a viable market for such corporate bonds, the market rate of interest for government bonds with a similar maturity is used instead. The calculation is performed by a qualified actuary using the projected unit credit method. The group's net liability is the present value of the liability less the fair value of the plan assets, adjusted for any asset restrictions. The net interest expense/income of the defined-benefit liability/asset is recognised in the income statement under net financial items. The net interest income/expense is based on the interest generated by discounting the net liability, meaning the interest on the liability, the plan assets and the interest on the effect of any asset restrictions. Other components are recognised in operating income. Revaluations are made of changes in the obligations' present value due to changed actuarial assumptions and experience-based adjustments. The revaluations are recognised in other comprehensive income. Changes to or curtailment of a defined-benefit plan are recognised on the earliest of the following dates: a) when the change in the plan or reduction occurs, or b) when the company recognises related restructuring costs and redundancy payments. The changes/reductions are recognised immediately in net profit for the year. This special employer's contribution is part of the actuarial assumptions and is recognised as part of the net liability/asset. The part of the special employer's contribution that is calculated based on the Swedish Pension Obligations Vesting Act in the legal entity is recognised for reasons of simplification as an accrued expense rather than as part of the net liability/asset. Tax on the return on pension funds is recognised in profit for the period to which the tax relates, and is therefore not included in the debt calculation. For funded plans, the tax is charged to the return on plan assets and is recognised in other comprehensive income. For unfunded or partially unfunded plans, the tax is charged to net profit for the year. When there is a difference between how pension costs are determined in a legal entity and a group, a provision or receivable is recognised for the special employer's contribution based on this difference. The provision or receivable is not discounted.

The group has defined-benefit plans that pay remuneration in the form of old-age pensions and remuneration for healthcare costs to employees when they retire in Poland, Switzerland, Sweden, Thailand, Germany and the US. Costs for service during the current period are posted directly to the income statement. However, most are closed obligations where no additional benefits are earned.

Estimations and assessments

Assumptions in calculation of pensions and similar obligations

Provisions and costs for post-employment remuneration, primarily pensions, depend on the actuarial assumptions. Special assumptions and actuarial calculations are conducted for each defined-benefit plan. The most significant assumptions pertain to the discount rate and inflation. Inflation assumptions are based on analyses of external market indicators. A sensitivity analysis that is presented in the relevant note shows the effect of the

defined-benefit obligations if material assumptions are changed. There are also other assumptions, such as pace of salary increases, termination intensity, mortality, cost trends for healthcare, and other factors. Actuarial assumptions are reviewed annually or more frequently if there are indications of material changes. The calculations are performed by qualified actuaries.

24 Provisions for pensions and similar obligations, continued

Defined-contribution plans		
SEKm	2022	2021
Costs for defined-contribution pension plans	-66.3	-54.3
Defined-benefit pension plans		
Defined-benefit net liability, reported in statement of financial position, SEKm		
Defined benefit obligation	268.8	374.7
Fair value of plan asset (after deduction of asset ceiling)	198.3	272.5
Deficit(+)/ Surplus(-)	70.5	102.2
Whereof plans with net surplus	9.8	-
Present value of entirely or partially funded obligations	188.5	272.7
Present value of unfunded obligations	80.3	102
Total present value of defined-benefit obligations	268.8	374.7
Fair value of plan assets	-198.3	-272.5
Net liability	70.5	102.2
Change in present value of defined-benefit obligations, SEKm		
Obligations for defined benefit plans, 1 January	374.7	435.5
Discontinuation of defined-benefit obligations	-	-67.2
Payment of pension benefits	-72.7	-29.3
Cost of service in current period	6.5	9.3
Contribution and payments from plan participants	3.6	3.2
Interest cost	1.9	1.9
Revaluations		
- Actuarial gains (-) and losses (+) for the revised demographic assumptions	-11.7	-13.4
- Actuarial gains (-) and losses (+) for changes in financial assumptions	-60.5	-1.3
- Experience-based gains (-) / losses (+)	-8.9	15.3
Translation differences	35.9	20.7
Obligations for defined benefit plans, 31 December	268.8	374.7
Changes in fair value of defined-benefit plan assets, SEKm		
Fair value of plan assets, 1 January	272.5	284.4
Discontinuation of defined-benefit plan	-	-38.2
Payments to plans	3.7	8.2
Fees from participants included in the plan	3.6	3
Benefit payments from plan	-68.8	-23.1
Interest income on plan assets	0.7	0.7
Return on plan assets, excluding interest income	-17.1	19.6
Translation differences	34.4	17.9
Fair value of plan assets, 31 December	229.0	272.5
Income and costs reported in profit for the year, SEKm		
Costs for service in current period	-6.5	-9.3
Net interest	-1.2	-1.2
Effect of discontinuation of defined-benefit pension plan	-	29.0
Total net income/costs in the income statement	-7.7	18.5
of which, amounts affecting operating profit	-6.5	19.7
of which, amounts affecting financial costs	-1.2	-1.2
Total net costs	-7.7	18.5
Income and costs recognised in other comprehensive income, SEKm		
Revaluations of pension commitments	81.1	-0.6
Return on plan assets	-17.1	19.6
Effect of changes in asset ceiling	-28.7	-
Revaluation of defined-benefit net liabilities in other comprehensive income	35.3	19.0
Translation differences on foreign plans	-5.6	-3.5

Assumptions for defined-benefit obligations, %	Switzerland	Sweden	Germany
Discount rate at 31 December	2.3% (0.3)	3.6% (1.4)	3.5% (1.1)
Future pension increases	1.5% (0.3)	2.0% (2.2)	2.0% (1.5)

Aggregation of assets	2022	2021
Equity instruments	65.6	89.3
Real estate	61.8	65.6
Cash and cash equivalents	9.3	14.8
Debt instruments	47.4	58.3
Other	44.9	44.5
Total	229.0	272.5

Sensitivity analysis	+0,50%	-0,50%
Discount rate	-13.2	14.7
Future increase in pension costs	13.4	-8.2

Future cash flow
As of 31 December 2022, the weighted average duration of commitments was 13.4 years (15.3). Expected payments in 2023 for defined-benefit pension plans amount to SEK 21.5m.

25 Other provisions

Accounting policies

Provisions

Provisions are recognised in the balance sheet when the group has a legal or informal obligation as a result of a past event, and it is probable that an outflow of financial resources will be required to settle the obligation, and when the amount can be estimated reliably. If these criteria cannot be met, contingent liabilities may be recognised. Provisions are reviewed at each balance sheet date. Provisions are divided into long-term and short-term provisions.

Costs for restructuring and redundancy payments

A provision for adopted restructuring measures is recognised when the group has approved a detailed and formal restructuring plan, and the restructuring has either begun or been publicly announced. Provisions for restructuring often include termination benefits, which can be either voluntary or involuntary. Termination benefits are recognised according to the same principles as provisions for restructuring, except in cases where there are requirements to work during the notice period. The cost of this work is allocated over the period in which the services were performed.

No provision is made for future operating expenses. Restructuring costs are recognised as a separate item in the income statement when these are attributable to a significant change in the group structure. Restructuring costs are otherwise recognised as an element of other operating expenses.

Warranty commitments

Warranties are provided for sales depending on the nature and use of the product. Warranty conditions provided ensure that the product or solution concerned will function as the parties intended and that it meets agreed specifications. No warranties are sold separately and no warranties are provided to the customer as a separate service. On the basis of what the warranty covers and with requirements as to how the product is to be used/maintained, none of the warranties given are regarded as separate performance obligations in accordance with IFRS 15 Revenue, and are instead recognised in accordance with IAS 37 Provisions. A provision for product warranties is recognised as an expense when the underlying products or services are sold.

Estimations and assessments

Provisions for product guarantees

Provisions for product guarantees are based on estimations based on historical experience and assumptions deemed reasonable under the prevailing circumstances for the individual case. The actual outcome of product

guarantees may deviate from the anticipated outcome and have a material impact on recognised guarantee costs and provisions during future periods of time. Estimates and assumptions are reviewed on a regular basis.

Restructuring /severance pay, SEKm	2022	2021
Reported value, opening balance	10.6	22.8
Provisions during the period	0.7	0.3
Amount used during the period	-3.7	-12.4
Translation differences	-0.1	-0.1
Total	7.5	10.6

Warranty commitments, SEKm	2022	2021
Reported value, opening balance	33.8	29.9
Provisions during the period	19.4	9.9
Utilised during the period	-7.8	-5.9
Business acquisition	5.4	-
Reclassification	-1.0	0.8
Unutilised amount reversed during the period	-5.6	-3.1
Translation differences	2.9	2.2
Total	47.1	33.8

Loss contracts, SEKm	2022	2021
Reported value, opening balance	2.7	2.9
Utilised during the period	-0.5	-
Unutilised amount reversed during the period	-1.9	-
Translation differences	0.0	-0.2
Total	0.3	2.7

Other, SEKm	2022	2021
Reported value, opening balance	13.1	12.8
Provisions during the period	12.7	8.8
Utilised during the period	-5.1	-3.6
Reclassification	-	-1.1
Unutilised amount reversed during the period	-4.6	-2.8
Translation differences	0.4	-1.0
Total	16.5	13.1

Provisions included in long-term liabilities, SEKm	2022	2021
Restructuring /severance pay	-	0.1
Warranty commitments	19.8	14.1
Other	8.5	5.0
Total	28.3	19.2

Provisions included in current liabilities, SEKm	2022	2021
Restructuring /severance pay	7.5	10.5
Warranty commitments	27.3	19.7
Loss contracts	0.3	2.7
Other	8.0	8.1
Total	43.1	41.0

Total provisions, SEKm	2022	2021
Reported value, opening balance	60.2	68.4
Provisions during the period	32.8	19.0
Utilised during the period	-17.1	-21.9
Business acquisition	5.4	-
Reclassification	-1.0	-0.3
Unutilised amount reversed during the period	-12.1	-5.9
Translation differences	3.2	0.9
Total	71.4	60.2

26 Financial instruments

Accounting policies

Financial instruments

Financial instruments recognised in the balance sheet include, on the asset side, cash and cash equivalents, accounts receivable, contract assets, derivative assets and other receivables. The liability side includes borrowings, lease liabilities, accounts payable, contract liabilities, derivative liabilities and other liabilities. Financial assets or liabilities are recognised in the balance sheet when the company becomes a party according to the instrument's contract terms. Accounts receivable are recognised in the balance sheet when control has been transferred to the customer and the invoice has been sent. Liabilities are recognised when the counterparty has performed and a contractual obligation to pay exists, even if the invoice has not yet been received. Accounts payable are recognised when the invoice has been received. A financial asset is derecognised in the balance sheet when the contractual obligation is fulfilled, expires or the company loses control over it. The same applies to part of a financial asset. A financial liability is derecognised in the balance sheet when the obligation specified in the contract is discharged or otherwise expires. The same applies to part of a financial liability. Financial assets and liabilities are offset and recognised at the net amount presented in the balance sheet when there is a legally enforceable right to offset the amount and when the intention is to settle items on a net basis, or to realise the asset and settle the liability simultaneously. Acquisitions and divestments of financial assets are recognised on the transaction date, which is the date that the company undertakes to acquire or divest the asset.

A financial instrument is classified based on the purpose of the acquisition. A financial asset's classification determines how it is measured after initial recognition. Financial instruments that are not derivatives are initially recognised at cost, corresponding to the instrument's fair value plus transaction costs. Accounts receivable and accounts payable have a short expected maturity and are measured at a nominal amount.

Financial assets and liabilities measured at amortised cost

The majority of the group's financial instruments consist of accounts receivable, contract assets, cash and cash equivalents, other receivables, interest-bearing loans, lease liabilities, accounts payable, contract liabilities and other liabilities, which are measured at amortised cost in accordance with the effective interest method. For these categories of financial instruments, amortised cost is consistent with fair value.

Accounts receivable and other receivables are financial assets that have defined or definable payments and that are not listed on an active market. Accounts receivable are recognised at the amount that is expected to be received, meaning after deductions for expected credit losses for the remaining term. See note 17, Accounts receivable. Loans and other financial liabilities are initially recognised at the loan amount received after deductions for transaction costs. After the acquisition date, loans are measured at amortised cost using the effective interest method.

Financial assets and liabilities are measured at fair value via the income statement

Financial assets and liabilities in this category are measured on an ongoing basis at fair value, with changes in fair value recognised in the income statement. Conditional earn-out payments in acquisitions are measured at fair value with changes in fair value recognised in the income statement. Derivatives that are not used for hedge accounting are also measured on an ongoing basis at fair value, with changes in fair value recognised in the income statement. Derivative trading is carried out to hedge the group's currency risks. Derivatives with positive values (unrealised gains) are recognised as other non-current or current receivables. Changes in fair value in regard to derivatives where the underlying transactions relate to operations are recognised as other operating income/other operating expenses in the income statement. Changes in the fair value of derivatives where the underlying transactions are financial are recognised in net financial items.

The carrying amount and fair value of these instruments can be found in the following tables. The measurement at fair value for such assets has been based on market terms using observable market data which are not quoted in an active market (level 2).

Cash and cash equivalents

Cash and cash equivalents consist of cash and immediately available balances with banks and similar institutions.

Hedge accounting

If the criteria for hedge accounting, in respect of cash flow hedging, are met, the effective part of the change in the fair value of the derivative is recognised in other comprehensive income and accumulated in the hedging reserve in equity. The cumulative gains or losses recognised in the hedging reserve are reversed to earnings in the same period as the hedged cash flow affects earnings. Any ineffective portion of the change in value is recognised directly in earnings. If the hedging relationship is interrupted and cash flow is still expected to occur, the accumulated change in value is recognised in the hedging reserve until the cash flow attributable to the hedged item affects earnings. In cases where the forecast cash flow underlying the hedging transaction is no longer expected to occur, the cumulative change in value recognised in the hedging reserve is transferred directly to the income statement. During 2022, no hedge accounting was applied.

Netting agreements and similar agreements

The group is included in derivative contracts under the International Swaps and Derivatives Association (ISDA) master netting agreements. The agreements mean that when a counterparty is unable to settle its obligations under all transactions, the agreement is broken and all outstanding balances are to be settled in a net amount. ISDA agreements do not meet the criteria for offsetting in the statement of financial position. This is because off-setting under ISDA agreements is only permitted if the other party or group cannot settle their obligations. Moreover, it is not the counterparty's or the group's intention to settle transactions on a net basis, or at the same time. The group's currency derivatives are covered by legally enforceable framework agreements for netting or a similar agreement.

26 Financial instruments, continued

Carrying amounts and fair values for financial instruments, SEKm	Note	Fair value		Amortised cost	2022		2021		
		via the income statement	via other comprehensive income		Total	Fair value via the income statement	Fair value via other comprehensive income	Amortised cost	Total
Financial assets									
Accounts receivable	17	-	-	814.8	814.8	-	-	623.0	623.0
Contract assets	6	-	-	165.3	165.3	-	-	126.8	126.8
Other current receivables	18	-	-	62.7	62.7	-	-	48.4	175.2
Cash and cash equivalents	31	-	-	721.2	721.2	-	-	541.6	541.6
Total		-	-	1,764.0	1,764.0	-	-	1,339.8	1,339.8
Financial liabilities									
Bank loans	21	-	-	1,931.9	1,931.9	-	-	1,304.6	1,304.6
Other long-term liabilities	22	23.4	-	4.6	28.0	18.3	-	5.3	23.6
Lease liabilities	21	-	-	195.9	195.9	-	-	202.6	202.6
Accounts payable		-	-	498.2	498.2	-	-	411.9	411.9
Contract liabilities	6	-	-	615.3	615.3	-	-	404.2	404.2
Other current liabilities	22, 23	5.0	-	355.3	360.3	-	-	292.3	292.3
Total		28.4	-	3,601.2	3,629.6	18.3	-	2,620.9	2,639.2

The carrying amount of financial assets and liabilities are considered a good approximation of fair value. Bank loans are subject to variable interest, of which fair value corresponds to the carrying amount.

27 Government grants

Accounting policies

Government grants are financial contributions from government and supranational bodies and are received in exchange for the Nederman group meeting certain established conditions. Contributions attributable to assets are recognised in the balance sheet, either as prepaid income or as a reduction in the attributable assets' carrying amounts. Contributions that are attributable to earnings are recognised as prepaid income in the balance sheet and reduce costs in the period to which the grant pertains. If costs arise before the contributions have been received, but an agreement has been finalised for receipt of the contributions, the contributions are recognised in the income statement to meet the costs to which the grant pertains.

In 2022, government grants amounting to SEK 0.6m (5.7) were received and were recognised in the income statement. Government grants were mainly received from government bodies in Europe and Asia and primarily pertain to assistance for short-time work relating to Covid-19.

28 Financial reporting in hyperinflationary economies

The Nederman group has subsidiaries in Turkey where the functional currency is Turkish Lira, which as of the second quarter of 2022 is classified as a hyperinflationary currency. This means that assets and liabilities, including goodwill and other consolidated surplus values and deficits, in Turkish Lira must be adjusted for inflation in order to reflect changes in purchasing power. Inflation and its effect on the group is monitored and assessed continually.

Pursuant to IAS 29, Nederman's subsidiary in Turkey was recognised after remeasurement for hyperinflation in the Group's financial statements. Assets and liabilities in Turkish Lira are based on cost. The index used for remeasurement of the financial statements is the consumer price index (CPI), which increased by 64 percent during the year. At the balance sheet date, the SEK-TRY exchange rate was 0.56.

Monetary net profit was recognised in net financial items in the consolidated income statement and amounted to SEK 0.2m.

29 Pledged assets and contingent liabilities

Accounting policies

Contingent liabilities

A contingent liability is recognised when there is a possible liability that arises from past events, that is not recognised as a liability or provision because it is not probable that an outflow of resources will be required or that an adequately reliable estimate of the amount cannot be made.

Warranty commitments

Warranty commitments pertain to bank guarantees and mean that the company has an obligation to compensate the owner of a debt instrument for losses that the owner may incur because a specified debtor fails to make payment when due under the contract terms. Financial guarantee agreements are recognised as a provision in the balance sheet when the company has a commitment for which payment will probably be required in order to settle the obligation.

Pledged assets, SEKm	2022	2021
Assets with ownership restrictions (right-of-use assets, see note 15)	398.8	374.4
Total	398.8	374.4
Contingent liabilities, SEKm	2022	2021
FPG/PRI	0.7	0.7
Warranty commitments	105.1	65.1
Total	105.8	65.8

30 Related party transactions

No member of the Board of Directors or senior executives have or have had any direct or indirect participation in any business transaction with group companies which is or was of an exceptional character with regard to terms and conditions that occurred during the year or in any previous financial year. Nor has any group company provided any loan, given any guarantees or entered into any surety relationships for any of the members of the Board of Directors or senior

executives. Transactions with the Board of Directors or Group management comprise remuneration and are presented in note 8, Employees.

Transactions between Nederman Holding AB and its subsidiaries were eliminated in the group and are not reported in this note. For Nederman's Group structure, see the parent company's note 13, Shares and participations.

31 Cash flow

Accounting policies

Cash flow statement

The cash flow statement was prepared according to with the indirect method. Foreign group companies' cash flows are restated at average

rates. Changes in group structure, acquisitions and divestments are recognised net, excluding cash and cash equivalents, and are included in cash flow from investing activities under acquisition of subsidiaries/businesses.

Liquid funds, SEKm	2022	2021
Subcomponents of cash and cash equivalents:		
Cash and cash equivalents	721.2	541.6
Total according to statement of financial position	721.2	541.6
Adjustments for items not included in cash flow, SEKm		
Capital gain on sale of tangible assets	-0.4	0.2
Capital gain/loss on terminated lease contracts before the end date	-0.4	-4.6
Provisions	1.5	-9.2
Discontinuation of defined-benefit pension plan (see note 24)	-	-29.0
Total	0.7	-42.6
Unused credits, SEKm		
Disposable funds	1,391.7	1,339.4

Financial activities

The below table shows changes in liabilities included in financial activities.

	Amount at beginning of the year	Changes impacting cash flow	Items not affecting cash flow				Amount at year end
			Business acquisition	Interest & fees	Exchange rate gains/losses	Change in lease liabilities	
2022, SEKm							
Long-term interest-bearing liabilities - bank loans	1,304.6	605.6	-	-2.7	24.4	-	1,931.9
Lease liabilities	202.6	-80.1	8.5	-	13.7	51.2	195.9
Total		525.5					
2021, SEKm							
Long-term interest-bearing liabilities - bank loans	1,536.7	-247.7	-	1.8	13.8	-	1,304.6
Lease liabilities	229.5	-74.0	0.5	-	9.5	37.1	202.6
Total		-321.7					

32 Alternative performance measures

In addition to information on our reported IFRS results, we provide certain information on an underlying business performance basis. We believe that our underlying business performance measures provide meaningful supplemental information to both management, investors and other stakeholders. These underlying business performance measures should not be viewed in

isolation or as substitutes to the equivalent IFRS measures, but should be used in conjunction with the most directly comparable IFRS measures in the reported results. This is a consistent application compared with earlier periods. See page 148 for definitions.

SEKm	2022	2021
Operating profit	480.2	458.9
Acquisition costs	8.4	1.3
Discontinuation of defined-benefit pension plan	-	-29.0
Adjusted operating profit	488.6	431.2
Adjusted operating profit	488.6	431.2
Net sales	5,178.9	4,041.8
Adjusted operating margin	9.4%	10.7%
Operating profit	480.2	458.9
Amortisation intangible assets	78.0	63.4
EBITA	558.2	522.3
EBITA	558.2	522.3
Acquisition costs	8.4	1.3
Discontinuation of defined-benefit pension plan	-	-29.0
Adjusted EBITA	566.6	494.6
Adjusted EBITA	566.6	494.6
Net sales	5,178.9	4,041.8
Adjusted EBITA margin	10.9%	12.2%
Operating profit	480.2	458.9
Depreciation	201.8	174.3
EBITDA	682.0	633.2
EBITDA	682.0	633.2
Acquisition costs	8.4	1.3
Discontinuation of defined-benefit pension plan	-	-29.0
Adjusted EBITDA	690.4	605.5
Adjusted EBITDA	690.4	605.5
Net sales	5,178.9	4,041.8
Adjusted EBITDA margin	13.3%	15.0%
Equity - closing balance	2,186.5	1,717.4
Balance sheet total	6,220.1	4,729.0
Equity/asset ratio	35.2%	36.3%
Cash and cash equivalents	721.2	541.6
Long-term interest-bearing liabilities	1,931.9	1,304.6
Long-term lease liabilities	122.0	133.1
Pension liabilities	70.5	102.2
Current lease liabilities	73.9	69.5
Net debt	1,477.1	1,067.8
Net debt	1,477.1	1,067.8
Equity - closing balance	2,186.5	1,717.4
Net debt/ equity ratio	67.6%	62.2%
Net debt	1,477.1	1,067.8
Equity - closing balance	2,186.5	1,717.4
Operating capital	3,663.6	2,785.2

SEKm	2022	2021
Equity - opening balance	1,717.4	1,300.8
Equity - closing balance	2,186.5	1,717.4
Equity - average	1,952.0	1,509.1
Net profit/loss for the period	328.7	305.3
Return on equity	16.8%	20.2%
Equity - average	1,952.0	1,509.1
Net Debt - opening balance	1,067.8	1,450.5
Net Debt - closing balance	1,477.1	1,067.8
Net debt - average	1,272.5	1,259.2
Operating capital - average	3,224.5	2,768.3
Adjusted operating profit	488.6	431.2
Return on capital	15.2%	15.6%
Net sales	5,178.9	4,041.8
Operating capital - average	3,224.5	2,768.3
Capital turnover rate, multiple	1.6	1.5
Net debt	1,477.1	1,067.8
Adjusted EBITDA	690.4	605.5
Net debt/Adjusted EBITDA, multiple	2.1	1.8
Adjusted EBITDA	690.4	605.5
Net financial items	-41.4	-41.8
Adjusted EBITDA/net financial items, multiple	16.7	14.5
Profit before tax	438.8	417.1
Financial expenses	64.4	45.2
Acquisition costs	8.4	1.3
Discontinuation of defined-benefit pension plan	-	-29.0
Adjusted profit before tax excluding financial expenses	511.6	434.6
Financial expenses	64.4	45.2
Interest cover ratio, multiple	7.9	9.6
Incoming orders, same period in previous year	4,622.9	3,480.2
Change in incoming orders, organic	218.2	1,352.8
Change in incoming orders, currency effects	382.9	-211.2
Change in incoming orders, acquisitions	200.8	1.1
Incoming orders	5,424.8	4,622.9
Order growth, organic	4.8%	38.9%
Order growth, currency effects	8.2%	-6.1%
Order growth, acquisitions	4.3%	0.0%
Order growth	17.3%	32.8%
Net sales, comparative period previous year	4,041.8	3,674.8
Change in net sales, organic	555.0	547.5
Change in net sales, currency effects	388.2	-181.5
Change in net sales, acquisitions	193.9	1.0
Net sales	5,178.9	4,041.8
Sales growth, organic	13.7%	14.9%
Sales growth, currency effects	9.6%	-4.9%
Sales growth, acquisitions	4.8%	0.0%
Sales growth	28.1%	10.0%

33 Events after the end of the reporting period

No significant events occurred after the balance sheet date.

Parent company's statement

Income statement for the Parent company

SEKm	Note	1 January - 31 December	
		2022	2021
Net sales	2, 19	19.4	26.4
Administrative expenses	4, 5, 6, 7	-162.3	-140.7
Research and development expenses		-0.1	-0.4
Other operating revenue and expenses	3	3.9	-0.3
Operating profit		-139.1	-115.0
Earnings from participations in group companies	8, 19	129.3	212.8
Interest income and similar items	8, 19	0.5	0.7
Interest expenses and similar items	8, 19	-11.4	-13.8
Profit after financial items		-20.7	84.7
Group contribution	9, 19	131.1	127.5
Profit before tax		110.4	212.2
Taxes	10	-0.6	-1.7
Net profit for the year		109.8	210.5

Statement of comprehensive income for the Parent company

SEKm	1 January - 31 December	
	2022	2021
Net profit for the year	109.8	210.5
Other comprehensive income for the year, net after tax	-	-
Total comprehensive income for the year	109.8	210.5

Balance sheet for the Parent company

SEKm	Note	31 December	
		2022	2021
Assets			
Intangible fixed assets	11	164.1	141.3
Tangible fixed assets	12	4.7	4.3
Financial fixed assets			
Participations in group companies	13	2,144.6	2,155.1
Other long-term receivables		0.8	0.9
Deferred tax assets	10	12.4	12.9
Total financial fixed assets		2,157.8	2,168.9
Total fixed assets		2,326.6	2,314.5
Current assets			
Receivables from group companies	19	208.2	225.7
Current tax assets	10	0.4	0.6
Other receivables	14	7.3	6.8
Prepaid expenses and accrued income	15	23.7	14.7
Cash and cash equivalents	20	0.5	0.5
Total current assets		240.1	248.3
Total assets		2,566.7	2,562.8
Equity			
Restricted equity			
Share capital		1.2	1.2
Reserves		292.5	292.5
Fund for development expenditure		99.7	84.6
Total restricted equity		393.4	378.3
Unrestricted equity			
	21		
Share premium reserve		5.9	5.9
Retained earnings		513.7	441.1
Net profit for the year		109.8	210.5
Total unrestricted equity		629.4	657.5
Total equity		1,022.8	1,035.8
Liabilities			
Liabilities to group companies	19	1,079.8	1,102.7
Other long-term liabilities	16	23.4	18.3
Provisions		1.3	1.0
Total long-term liabilities		1,104.5	1,122.0
Accounts payable		24.4	20.8
Liabilities to group companies	19	386.5	360.7
Other liabilities	16	2.2	2.0
Accrued expenses and prepaid income	17	26.3	21.5
Total current liabilities		439.4	405.0
Total equity and liabilities		2,566.7	2,562.8

Statement of changes in equity for the Parent company

	Restricted equity			Share premium reserve	Unrestricted equity	
	Share capital	Reserves	Fund for development expenses		Retained earnings, including net profit for the year	Total equity
Opening equity 2021-01-01	1.2	292.5	31.9	5.9	528.9	860.4
Net profit for the year	-	-	-	-	210.5	210.5
Transfer to development fund (net)	-	-	52.7	-	-52.7	-
Other comprehensive income						
Total comprehensive income	-	-	52.7	-	157.8	210.5
Transactions with group's owners						
Dividend	-	-	-	-	-35.1	-35.1
Closing equity 2021-12-31	1.2	292.5	84.6	5.9	651.6	1,035.8
Opening equity 2022-01-01	1.2	292.5	84.6	5.9	651.6	1,035.8
Net profit for the year	-	-	-	-	109.8	109.8
Transfer to development fund (net)	-	-	15.1	-	-15.1	-
Other comprehensive income						
Total comprehensive income	-	-	15.1	-	94.7	109.8
Transactions with Group's owners						
Dividend	-	-	-	-	-122.8	-122.8
Closing equity 2022-12-31	1.2	292.5	99.7	5.9	623.5	1,022.8

Cash flow statement for the Parent company

SEKm	Note	1 January - 31 December	
		2022	2021
Operating activities			
Operating profit/loss		-139.1	-115.0
Adjustment for items not included in cash flow	20	22.9	38.6
Dividends received	19	141.2	212.8
Interest received and other financial items		0.5	0.7
Interest paid and other financial items		-6.1	-7.8
Income tax paid		0.3	-4.1
Cash flow from operating activities before changes in working capital		19.7	125.2
Cash flow from changes in working capital			
Increase (-)/Decrease(+) of operating receivables		-10.2	-7.3
Increase (+)/Decrease (-) of operating liabilities		24.2	4.8
Cash flow from operating activities		33.7	122.7
Investment activities			
Capital expenditure for tangible fixed assets		-2.5	-1.9
Capital expenditure for intangible fixed assets		-61.4	-49.2
Acquisition/capital contribution subsidiaries		-1.4	-14.7
Write-down of participations in group companies		11.9	-
Cash flow from investment activities		-53.4	-65.8
Financial activities			
Group contributions received/paid		127.6	-53.6
Change in interest-bearing receivables/liabilities in group companies		14.9	31.9
Dividend paid		-122.8	-35.1
Cash flow from financing activities		19.7	-56.8
Cash flow for the year		0.0	0.1
Cash and cash equivalents at the beginning of the year		0.5	0.4
Cash and cash equivalents at the end of the year	20	0.5	0.5

1 Accounting policies

The parent company has prepared its annual accounts in accordance with the Swedish Annual Accounts Act (1995:1554) and RFR 2, Accounting for Legal Entities issued by the Swedish Financial Reporting Board. This means that the parent company applies in its financial reporting, as far as possible, all EU-approved IFRS under the Swedish Annual Accounts Act and that it takes into account the connection between accounting and taxation.

Nederman group's accounting policies appear in each note in the consolidated section of the Annual Report. The principle differences between the accounting policies applied in Nederman group and in the parent company are described in the respective notes in the parent company section of the Annual Report.

Accounting policies	Note
Sales	2 Sales
Leasing	6 Leasing
Revenue from dividends	8 Net financial items
Untaxed reserves	9 Appropriations
Group contribution	9 Appropriations
Capitalised development expenditure	11 Intangible fixed assets
Financial fixed assets	13 Shares and participations
Financial guarantees	18 Pledged assets and contingent liabilities

2 Revenue

Accounting policies

Sales

The parent company's revenue consists of inter-company management fees, which are invoiced to the subsidiaries. Revenue from management fees is recognised at a point in time, which is when the service is performed and the subsidiaries can benefit from the service provided.

SEKm	2022	2021
Management charges	19.4	26.4
Total	19.4	26.4

3 Other operating income and expenses

SEKm	2022	2021
Exchange gains and losses on operating receivables/liabilities	3.9	-0.3
Total	3.9	-0.3

4 Employees

Average number of employees	2022		2021	
	Women	Men	Women	Men
Sweden	12	20	12	16
Total	12	20	12	16

Distribution according to gender in senior management, percentage of women		2022	2021
Board of Directors		50%	33%
Other senior executives		20%	20%

Salaries, other remuneration and social security expenses, SEKm	2022	2021
Salaries and other remuneration	40.4	36.0
Social security expenses	15.6	13.6
Pension expenses*	7.8	7.3

*Of the company's pension costs SEK 1,8m (1.6) concerns the CEO for the parent company. There are no outstanding pension obligations to the Group's Board of Directors, CEO and senior executives.

Salaries and other remuneration allocated between the Board of Directors and other employees, SEKm	2022	2021
Board of Directors, CEO and senior executives	21.3	18.4
(of which variable compensation)	(6.1)	(4.3)
Other employees	19.1	17.6
Total	40.4	36.0

5 Pensions

SEKm	2022	2021
Costs for defined-contribution pension plans	7.8	7.3
Total	7.8	7.3

For more information about handling of pensions, see group note 24, Pension provisions and similar obligations.

6 Leasing

Accounting policies

Leasing

In accordance with RFR 2, the parent company applies the exemption in IFRS 16, which means that the parent company recognises lease payments as operating expenses in the income statement on a straight-line basis over the lease term for all leases.

Leasing fees were the company is the lessee, SEKm	2022	2021
Within one year	0.5	0.4
Between one and five years	0.8	0.1
Total	1.3	0.5

Expensed leasing costs, SEKm	2022	2021
Leasing expenses	0.6	0.6
Total	0.6	0.6

7 Fees and expenses to auditors

SEKm	2022	2021
EY		
Audit assignment	0.9	0.9
Audit-related fee	0.9	0.7
Total	1.8	1.6

8 Net financial items

Accounting policies

Revenue from dividends

Revenue from dividends is recognised when the right to receive dividends has been established. Dividends received are recognised as revenue regardless of whether or not the dividends relate to profit earned before the acquisition date.

SEKm	2022	2021
Earnings from participations in group companies		
Dividend	141.2	212.8
Impairment of book value of shares in subsidiaries	-11.9	-
Total	129.3	212.8
Interest income and similar items		
Other financial income, group companies	0.5	0.7
Total	0.5	0.7
Interest expenses and similar items		
Interest expenses, credit institutions	-0.0	-0.1
Other financial expenses, group companies	-11.0	-11.2
Exchange rate changes	-0.4	-2.5
Total	-11.4	-13.8

9 Appropriations

Accounting policies

Untaxed reserves

The parent company recognises the difference between depreciation/amortisation according to plan and tax depreciation/amortisation as accumulated excess depreciation/amortisation, which are included in untaxed reserves. In the consolidated financial statements, untaxed reserves are divided into deferred tax liability and equity.

Group contribution

Recognition of group contributions was made in accordance with the alternative rule in RFR 2, meaning that group contributions are recognised as appropriations.

SEKm	2022	2021
Group contribution	131.1	127.5
Total	131.1	127.5

10 Income tax

Reported in income statement

Current tax expense (-)/tax income (+), SEKm	2022	2021
Tax expense for the period	-	-0.3
Total	-	-0.3

Deferred tax expense (-)/tax income (+)

Deferred tax income concerning tax loss carryforwards	-0.6	-1.4
Total reported tax expense	-0.6	-1.7

Reconciliation of effective tax, SEKm	2022	2021
Profit before tax	110.4	212.2
Tax according to the applicable tax rate	-22.7	-43.7
Non-tax deductible expenses	-2.9	-1.8
Non-taxable income	29.1	43.8
Revaluation of tax loss carry-forward	-4.1	-
Reported effective tax	-0.6	-1.7

Posted in the statement of financial position

Deferred tax assets, SEKm	2022	2021
Intangible fixed assets	-	0.2
Tangible fixed assets	0.1	-
Provisions	0.3	0.2
Loss carryforwards	12.0	12.5
Deferred tax assets/liabilities according to statement of financial position	12.4	12.9

11 Intangible fixed assets

Accounting policies

Capitalised development expenditure

Development expenditure capitalised during the year, for development work performed within the Nederman group on intangible assets, the

amount is transferred from unrestricted equity to a reserve for development expenditure pertaining to restricted equity.

SEKm	Capitalised development expenditure	Computer programmes	Current investments and advances	2022 Total
Accumulated cost				
Opening balance	165.8	118.9	7.5	292.2
Internally developed assets	37.9	-	-	37.9
Capital expenditure	-	14.1	9.4	23.5
Reclassifications	-	6.3	-6.3	-
Closing balance	203.7	139.3	10.6	353.6
Accumulated amortisation and impairment				
Opening balance	-80.9	-70.0	-	-150.9
Amortisation	-22.8	-15.8	-	-38.6
Closing balance	-103.7	-85.8	-	-189.5
Carrying amount				
Opening balance	84.9	48.9	7.5	141.3
Closing balance	100.0	53.5	10.6	164.1

SEKm	Capitalised development expenditure	Computer programmes	Current investments and advances	2021 Total
Accumulated cost				
Opening balance	136.6	82.4	29.4	248.4
Internally developed assets	30.0	-	-	30.0
Capital expenditure	-	11.7	7.5	19.2
Sold and scrapped	-0.8	-4.6	-	-5.4
Reclassifications	-	29.4	-29.4	-
Closing balance	165.8	118.9	7.5	292.2
Accumulated amortisation and impairment				
Opening balance	-59.8	-59.5	-	-119.3
Sold and scrapped	-	4.6	-	4.6
Amortisation	-21.1	-15.1	-	-36.2
Closing balance	-80.9	-70.0	-	-150.9
Carrying amount				
Opening balance	76.8	22.9	29.4	129.1
Closing balance	84.9	48.9	7.5	141.3

Amortisation and impairments, SEK m	2022	2021
Amortisation is included in the following rows in the income statement:		
Administrative expenses	-38.6	-36.2
Total	-38.6	-36.2

12 Tangible fixed assets

SEKm			2022			2021
	Equipment, tools, fixtures	Current investments and advances	Total	Equipment, tools, fixtures	Current investments and advances	Total
Accumulated cost						
Opening balance	12.7	1.7	14.4	13.5	-	13.5
Capital expenditure	1.8	0.7	2.5	0.2	1.7	1.9
Sold and scrapped	-	-	-	-1.0	-	-1.0
Reclassifications	1.6	-1.6	-	-	-	-
Closing balance	16.1	0.8	16.9	12.7	1.7	14.4
Accumulated depreciation and impairment						
Opening balance	-10.1	-	-10.1	-8.6	-	-8.6
Depreciation	-2.1	-	-2.1	-2.5	-	-2.5
Sold and scrapped	-	-	-	1.0	-	1.0
Closing balance	-12.2	-	-12.2	-10.1	-	-10.1
Carrying amount						
Opening balance	2.6	1.7	4.3	4.9	-	4.9
Closing balance	3.9	0.8	4.7	2.6	1.7	4.3
Depreciation and impairments, SEKm				2022	2021	
Depreciation is included in the following rows in the income statement:						
Administrative expenses				-2.1	-2.5	
Total				-2.1	-2.5	

13 Shares and participations

Accounting policies

Subsidiaries

Subsidiaries are the companies over which Nederman Holding AB has a controlling influence. Controlling influence exists if Nederman Holding AB has an influence over the investment object, is exposed to or has rights to variable returns from its involvement and can use its influence over the investment to affect these returns. When determining whether a controlling influence exists, potential voting shares are taken into consideration. Participations in subsidiaries are recognised in the parent company in accordance with the cost method. All expenses incurred in connection with business combinations, including acquisition-related expenses, are

capitalised in the parent company's financial statements as part of the cost of subsidiaries' shares. Shares in subsidiaries and receivables from subsidiaries are tested for impairment annually and in the event of an indication of impairment. Impairment testing is carried out by comparing the parent company's recognised cost with the subsidiaries' net asset value, including their long-term earning capacity. Any impairment losses are not reversed.

Shareholders' contributions for legal entities

Shareholders' contributions are added to the value of shares and participations in the balance sheet, after which impairment testing is carried out.

The parent company's holdings of shares and participations in group companies	Corporate identification number	Domicile / Country	Number of shares	Ownership share	2022 Carrying amount SEKm	2021 Carrying amount SEKm
AB Ph. Nederman & Co	556089-2951	Helsingborg, Sweden	550,000	100%	329.2	329.2
Auburn FilterSense LLC	6543811	Wilmington, DE USA	-	-*	-	-
Energy Save System Ltd	09308305	Kettering, UK	100	100%	33.4	32.1
Environmental Filtration Technologies France Holding	429043276	Pontcharra, France	-	-*	-	-
Filtac AB	556652-2750	Kinna, Sweden	-	100%	0.3	12.2
Gasmet Technologies (Asia) Ltd	950990	Hong Kong	-	-*	-	-
Gasmet Technologies (UK) Ltd	2301809	Naseby, UK	-	-*	-	-
Gasmet Technologies GmbH	HRB 105091	Karlsruhe, Germany	-	-*	-	-
Gasmet Technologies Inc.	707771-8	Toronto, Canada	-	-*	-	-
Gasmet Technologies Oy	2681803-8	Helsinki, Finland	31,403	100%	515.7	515.7
LCI Corporation International	56-0732889	Charlotte, NC USA	-	-*	-	-
Lebon & Gimbrair Beheer N.V.	31033906	Amersfoort, the Netherlands	-	100%	26.7	26.7
Luwa Air Engineering (Pte.) Ltd.	197400205K	Singapore, Singapore	-	-*	-	-
Luwa Air Engineering (Shanghai) Co., Ltd.	913100006073822526	Shanghai, China	-	-*	-	-
Luwa Air Engineering AG	CHE-112.154.099	Zurich, Switzerland	950,000	100%	203.2	203.2
Luwa America, Inc	C201412600738	Greensboro, NC USA	-	-*	-	-
Luwa Havalandirma Teknikleri Sanayi ve Ticaret Limited Sirketi	826319	Istanbul, Turkey	-	-*	-	-
Luwa India Private Limited	U01711KA1993FTC014292	Bangalore, India	-	-*	-	-
MBE AG	CHE-107.899.911	Wetzikon, Switzerland	-	-*	-	-
Menardi Filters Europe A/S	38209205	Mariager, Denmark	-	100%	0.7	0.7
Menardi LLC	56-2173466	Wilmington, DE USA	-	-*	-	-
Mikropul Australia Holdings Pty Ltd	85090925072	Bayswater, Victoria, Australia	-	-*	-	-
Mikropul Australia Pty Ltd	75000932374	Bayswater, Victoria, Australia	-	-*	-	-
MikroPul France SAS	303573307	Pontcharra, France	-	-*	-	-
Mikropul Holding BV	17119906	Amersfoort, the Netherlands	-	100%	-	-
MonitoringSystems GmbH	FN 211207 z	Mauerbach, Austria	-	-*	-	-
National Conveyors Company Inc.	22-1547550	New York, NY USA	-	-*	-	-
Nederman (Malaysia) Sdn Bhd.	892768T	Selangor, Malaysia	-	-*	-	-
Nederman (Shanghai) Co Ltd	9131000067113929XX	Shanghai, China	-	-*	-	-
Nederman Canada Ltd	105836613	Mississauga, Canada	1	100%	32.1	32.1
Nederman Corporation	56-0488262	Wilmington, DE USA	-	-*	-	-
Nederman CR s.r.o.	25634364	Prague, Czech Republic	1	100%	0,0	0,0
Nederman Danmark, Filial af Nederman Nordic AB	36414642	Mariager, Denmark	-	-*	-	-
Nederman Distribution Sales AB	556272-9854	Helsingborg, Sweden	-	-*	-	-
Nederman do Brasil Comércio de Produtos de Exaustao Ltda	05.880.850/0001-45	Sao Paulo, Brazil	3,365	100%	6.1	6.1
Nederman Filtration AB	556609-6177	Malmö, Sweden	-	-*	-	-
Nederman Filtration GmbH**	HRB391382	Freiburg, Germany	-	-*	-	-
Nederman Filtration Ltd	562216	Preston, UK	-	-*	-	-
Nederman Finance AB	559160-6081	Helsingborg, Sweden	1,000	100%	0.5	0.5
Nederman GmbH (Austria)	FN2315530k	Vienna, Austria	-	-*	-	-
Nederman GmbH**	HRB225315	Stuttgart, Germany	-	100%	19.2	19.2
Nederman Holding Danmark A/S	28301650	Mariager, Denmark	60,500	100%	231.3	231.3
Nederman Holding Germany GmbH	HRB701805	Freiburg, Germany	-	-*	-	-

13 Shares and participations, continued

The parent company's holdings of shares and participations in group companies	Corporate identification number	Domicile / Country	Number of shares	Ownership share	2022 Carrying amount SEKm	2021 Carrying amount SEKm
Nederman Holding USA Inc	80-0699546	Wilmington, DE USA	-	100%	106.5	106.5
Nederman Ibérica S.A.	A79441762	Madrid, Spain	-	-*	-	-
Nederman India Private Limited	U74900PN2008FTC144278	Pune, India	100,000	100%	10.6	10.6
Nederman Insight AB	559175-9468	Helsingborg, Sweden	1,000	100%	0.3	0.2
Nederman Insight NUF	926115898	Skedsmo, Norway	-	-*	-	-
Nederman International Trading Shanghai Co. Ltd	91310115688759399Y	Shanghai, China	-	-*	-	-
Nederman Ltd	1393492	Preston, UK	10,000	100%	49.3	49.3
Nederman Magyarorszag Kft	01-09-874950	Budapest, Hungary	-	100%	0.2	0.2
Nederman Makine Sanayi Ve Ticaret Limited Sirketi	647743	Istanbul, Turkey	-	53%*	7.6	7.6
Nederman Manufacturing & Logistics LLC	90-0676051	Wilmington, DE USA	-	-*	-	-
Nederman Manufacturing (Suzhou) Co Ltd	913205057820624593	Suzhou, China	-	-*	-	-
Nederman Manufacturing Poland Sp. z o.o.	0000050307	Marki, Poland	-	-*	-	-
Nederman Mikropul Canada Inc.	56-2172876	Wilmington, DE USA	-	-*	-	-
Nederman MikroPul GmbH**	HRB 33261	Cologne, Germany	-	-*	-	-
Nederman MikroPul Holding Inc	04-3833071	Wilmington, DE USA	-	-*	-	-
Nederman Mikropul LLC	46-4352369	Wilmington, DE USA	-	-*	-	-
Nederman MikroPul Poland Sp. z o.o.	0000617869	Marki, Poland	-	-*	-	-
Nederman MikroPul Pty Ltd	75002459672	Bayswater, Victoria, Australia	-	100%	14.4	14.4
Nederman N.V./S.A.	428727	Brussels, Belgium	4,000	100%	30.4	30.4
Nederman Nederland BV	58655360	Amersfoort, the Netherlands	-	-*	-	-
Nederman Nordic AB	556426-7358	Helsingborg, Sweden	2,000	100%	110.6	110.6
Nederman Norge, Filial til Nederman Nordic	914149762	Skedsmo, Norway	-	-*	-	-
Nederman OOO	1082468,018,511	Moscow, Russia	-	-*	-	-
Nederman Polska Sp. z o.o.	0000109291	Marki, Poland	-	-*	-	-
Nederman S. de R.L. de C.V	MIK0001128K6	Col Juarez, Mexico	-	-*	-	-
Nederman S.A.S.	434134615	Paris, France	-	-*	-	-
Nederman SEA Co Ltd	105534081588	Chonburi, Thailand	-	-*	-	-
Nederman Shared Services LLC	46-4172135	Wilmington, DE USA	-	-*	-	-
NEO Monitors AS	986076832	Skedsmo, Norway	147,076	100%	415.9	415.9
NEO Monitors Corporation	85-1153790	Wilmington, DE USA	-	-*	-	-
Nordfab Ducting Co Ltd	125549002956	Chonburi, Thailand	-	51%*	0.2	0.2
Nordfab Europe AS	17011405	Mariager, Denmark	-	-*	-	-
Nordfab LLC	56-1230979	Wilmington, DE USA	-	-*	-	-
Nordfab Pty Ltd	15658403948.0	Sydney, Australia	100	100%	-	-
PT Nederman Indonesia	-	Jakarta, Indonesia	-	10%*	0.2	0.2
RoboVent Acquisition, Inc.	82-3939810	Dover, DE, USA	-	-*	-	-
RoboVent Products Group, Inc.	38-2888296	Sterling Heights, MI, USA	-	-*	-	-
RoboVent Solutions Group, Inc.	17143D	Sterling Heights, MI, USA	-	-*	-	-
Total					2,144.6	2,155.1

Accumulated cost, SEK m	2022	2021
Opening balance	2,155.1	2,122.9
Acquisition of group companies	1.3	32.1
Capital contribution	0.1	0.1
Impairment of book value	-11.9	-
Closing balance at December 31	2,144.6	2,155.1

14 Other receivables

Other receivables which are current assets,		
SEKm	2022	2021
VAT receivable	7.3	5.6
Other receivable	-	1.2
Total	7.3	6.8

15 Prepaid expenses and accrued income

SEKm	2022	2021
Computer/license costs	14.3	11.4
Insurance	1.9	0.8
Other	7.5	2.5
Total	23.7	14.7

16 Other liabilities

Other long-term liabilities, SEKm		
	2022	2021
Deferred payment of acquisition price (see more in Group note 4).	23.4	18.3
Total	23.4	18.3

Other short-term liabilities, SEKm		
	2022	2021
Personnel-related liabilities	2.2	2.0
Total	2.2	2.0

17 Accrued expenses and prepaid income

SEKm	2022	2021
Personnel-related expenses	22.7	20.0
Audit expenses	0.1	0.3
Other	3.5	1.2
Total	26.3	21.5

18 Pledged assets and contingent liabilities

Accounting policies

Financial guarantees

The parent company's financial guarantees consist mainly of guarantees on behalf of subsidiaries. Financial guarantees mean that the company has an obligation to compensate the owner of a debt instrument for losses that the owner may incur because a specified debtor fails to make payment when due under the contract terms. The parent company recognises financial guarantee agreements as a provision in the balance sheet when the company has a commitment for which payment will probably be required in order to settle the obligation.

Contingent liabilities, SEKm		
	2022	2021
FPG/PRI	0.7	0.7
Warranty commitments	102.1	62.2
Total	102.8	62.9

19 Related party transactions

The parent company has related party relationships with its subsidiaries, see note 13 Shares and participations.

No member of the Board of Directors or senior executives have or have had any direct or indirect participation in any business transaction with group companies which is or was of an exceptional character with regard to terms and conditions that occurred during the year or in any previous financial year. Nor has any group company provided any loan, given any guarantees or entered into any surety relationships for any of the members of the Board of Directors or senior executives. Loans to subsidiaries are made on market terms.

Related party transactions, subsidiaries, SEKm		
	2022	2021
Net sales - Management charges	19.4	26.4
Dividends received	141.2	212.8
Group contribution received	131.1	127.5
Financial income	0.5	0.7
Financial expenses	-11.0	-11.1
Receivables, 31 December	208.2	225.7
Liabilities, 31 December	1,466.3	1,463.4

Transactions with key persons in leading positions

Regarding the salaries and other remuneration, costs and commitments for pensions and similar benefits, and severance payment agreements for Board members, the CEO and other senior executives, see group note 8 Personnel and note 24 Provision for pensions and similar obligations.

20 Cash flow

Liquid funds, SEKm	2022	2021
Subcomponents in cash and cash equivalents:		
Cash and cash equivalents	0.5	0.5
Total	0.5	0.5

Adjustments for items not included in cash flow, SEKm	2022	2021
Depreciation	40.7	38.7
Capital gains/losses fixed assets	-	0.8
Unrealised translation differences	-6.2	-0.9
Impairment of shares in subsidiaries	-11.9	-
Provisions	0.3	-
Total	22.9	38.6

Unused credits, SEKm	2022	2021
Disposable funds	0.5	0.5

Financial activities

The following table shows the changes in receivables and liabilities included in financial activities.

2022, SEKm	Amount at beginning of the year	Cash flow	Items not affecting cash flow		Amount at year end
			Interests and fees	Exchange rate gains/losses	
Long-term interest-bearing liabilities group companies	1,102.7	-22.6	-	-0.3	1,079.8
Short-term interest-bearing assets (-) & liabilities (+) group companies	282.9	37.5	5.3	-0.4	325.3
Total		14.9			

2021, SEKm	Amount at beginning of the year	Cash flow	Items not affecting cash flow		Amount at year end
			Interests and fees	Exchange rate gains/losses	
Long-term interest-bearing liabilities group companies	1,167.5	-65.8	-	1.0	1,102.7
Short-term interest-bearing assets (-) & liabilities (+) group companies	180.9	97.7	5.3	-1.0	282.9
Total		31.9			

21 Appropriation of profit or loss

The following is at the disposal of the Annual General Meeting of Nederman Holding AB (publ):

SEK	2022	2021
Share premium reserve	5,866,700	5,866,700
Retained earnings	513,733,621	441,226,753
Net profit for the year	109,808,839	210,455,783
Total	629,409,160	657,549,236

The Board of Directors propose

a dividend to shareholders of SEK 3.75 (3.50) per share*	131,599,110	122,825,836
to be transferred to the share premium reserve	5,866,700	5,866,700
to be transferred to retained earnings	491,943,350	528,856,700
Total	629,409,160	657,549,236

*Based on the number of shares outstanding at 31 December 2022. The dividend amount could be changed as treasury shares could be converted by the record date of 14 April 2023.

22 Events after the end of the reporting period

No significant events occurred after the balance sheet date.

Signatures

The consolidated accounts and the annual report have been prepared in accordance with international accounting standards as prescribed in Regulation (EC) no.1606/2002 of the European Parliament and of the Council dated 19 July 2002 concerning the application of international accounting standards and good accounting practice in Sweden, and give a fair picture of the Group's and parent company's position and results.

The Directors' Report for the Group and parent company provides a fair overview of the Group's and parent company's activities, position and results and describe the main risks and uncertainties facing the parent company and Group companies. The annual report and consolidated accounts will be subject to adoption by the Annual General Meeting on 24 April 2023.

Helsingborg, 15 March 2023

Johan Menckel

Chairman

Gunilla Fransson

Board member

Ylva op den Velde Hammargren

Board member

Sam Strömerstén

Board member

Sven Kristensson

Board member and CEO

Our audit report was issued on 16 March 2023

Ernst & Young AB

Andreas Mast

Authorised Public Accountant

Auditor's report

TO THE GENERAL MEETING OF THE SHAREHOLDERS OF NEDERMAN HOLDING AB (PUBL), CORPORATE IDENTITY NUMBER 556576-4205

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Nederman Holding AB (publ) except for the corporate governance statement on pages 86-89 and 92-93 and the sustainability report on pages 54-75 for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 44-141 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 86-89 and 92-93 and the sustainability report on pages 54-75. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the group.

Key Audit Matters

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

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for Opinions

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

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

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of Goodwill

Valuation of Goodwill

The carrying value of goodwill at 31 December 2022 was SEK 2 027,5 million which corresponds to 32,6 % of the company's total assets in the group. The company conducts an annual review and in the event of an indication of impairment, to assure that the carrying value does not exceed the estimated recoverable value. The recoverable amount is determined for each cash generating unit by calculating the present value of future cash flows. Future cash flows are based on management's business plans and forecasts, and include a number of assumptions, including on earnings performance, growth, investment requirements and the discount rate.

Changes in assumptions have a great impact on the calculation of the recoverable value and the assumptions that the company makes will be of great importance when determining if there is a need for impairment. We have therefore considered that the valuation of goodwill is a key audit matter in the audit.

A description of the impairment test is presented in note 13 "Intangible assets".

How our audit addressed this key audit matter

In our audit, we have evaluated and tested the company's process to establish the impairment test, including by evaluating past accuracy of forecasts and assumptions. We also made comparisons with other companies in order to evaluate the reasonableness of future cash flows and growth assumptions, and with the help from our valuation specialists examined the selected discount rate and assumptions about long term growth. We have also reviewed the company's model and method for carrying out impairment testing and evaluated the company's sensitivity analyses. We have also reviewed the disclosures in the financial statements.

Revenue relating to Solutions (project sales)

Description

Net sales for the group 2022 amounts to total SEK 5 178,9 million and of this SEK 2 228,3 million relates to solutions (project sales), representing 43 % of total net sales. The accounting policies that the company applies for revenue recognition attributable to solutions is described on page 105 of the annual report, in note 6 "Revenue from contracts with customers". The revenue of solutions is accounted for over time by measuring the current fulfillment of the performance obligation and comparing it to the complete fulfillment of the performance obligation. This is done by putting the accrued expenses in relation to the total projected expenses of goods or services that have been agreed upon. Revenue recognition of solutions requires estimates in measuring the current fulfillment of the performance obligation and comparing it to the complete fulfillment of the performance obligation. Changes in these estimations can have a material impact on the result of the company, and we have therefore considered revenue recognition related to solutions to be a key audit matter in the audit.

How our audit addressed this key audit matter

We have reviewed the company's process for revenue recognition of the segment solutions and assessed the company's estimation of the grade of fulfillment of the performance obligation. We have by testing samples reviewed the company's assessments of expected profit or loss of the project by comparisons with agreements, historical results and budget. The assessments made by the company regarding the risk of loss have also been reviewed. We have also reviewed the disclosures in the financial statements.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1-43 and 148-152. The remuneration report for the year 2022 does also constitute other information. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts. In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated.

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

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 as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

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

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

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

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

- Identify and assess the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of the company's internal control relevant to our audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors and the Managing Director.
- Conclude on the appropriateness of the Board of Directors' and the Managing Director's use of the going concern basis of accounting in preparing the annual accounts and consolidated accounts. We also draw a conclusion, based on the audit evidence obtained, as to whether any material uncertainty exists related to events or conditions that may cast significant doubt on the company's and the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts and consolidated accounts or, if such disclosures are inadequate, to modify our opinion about the annual accounts and consolidated accounts. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company and a group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts and consolidated accounts, including the disclosures, and whether the annual accounts and consolidated accounts represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated accounts. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.

We must inform the Board of Directors of, among other matters, the planned scope and timing of the audit. We must also inform of significant audit findings during our audit, including any significant deficiencies in internal control that we identified.

We must also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or related safeguards applied.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the annual accounts and consolidated accounts, including the most important assessed risks for material misstatement, and are therefore the key audit matters. We describe these matters in the auditor's report unless law or regulation precludes disclosure about the matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on the audit of the administration and the proposed appropriations of the company's profit or loss

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Directors and the Managing Director of Nederman Holding AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

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

Basis for opinions

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

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

Responsibilities of the Board of Directors and the Managing Director

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

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

in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

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

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

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

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

As part of an audit in accordance with generally accepted auditing standards in Sweden, we exercise professional judgment and maintain professional skepticism throughout the audit. The examination of the administration and the proposed appropriations of the company's profit or loss is based primarily on the audit of the accounts. Additional audit procedures performed are based on our professional judgment with starting point in risk and materiality. This means that we focus the examination on such actions, areas and relationships that are material for the operations and where deviations and violations would have particular importance for the company's situation. We examine and test decisions undertaken, support for decisions, actions taken and other circumstances that are relevant to our opinion concerning discharge from liability. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to be able to assess whether the proposal is in accordance with the Companies Act.

The auditor's examination of the ESEF report

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the ESEF report) pursuant to Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528) for Nederman Holding AB (publ) for the financial year 2022.

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 Nederman Holding AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

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

Responsibilities of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design audit procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal

controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a technical validation of 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 notes in the Esef report has been marked with iXBRL in accordance with the ESEF regulation.

The auditor's examination of the corporate governance statement

The Board of Directors is responsible for that the corporate governance statement on pages 86-89 and 92-93 has been prepared in accordance with the Annual Accounts Act.

Our examination of the corporate governance statement is conducted in accordance with FAR's standard RevR 16 *The auditor's examination of the corporate governance statement*. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 of the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the other parts of the annual accounts and consolidated accounts and are in accordance with the Annual Accounts Act.

Ernst & Young AB, Box 7850 103 99 Stockholm, was appointed auditor of Nederman Holding AB (publ) by the general meeting of the shareholders on the 25th of April 2022 and has been the company's auditor since the 22nd of April 2015.

Helsingborg the 16th of March 2023
Ernst & Young AB

Andreas Mast
Authorized Public Accountant

Definitions

PERFORMANCE MEASURE	DEFINITION	PURPOSE
Return on equity	Net profit for the year after tax divided by average equity.	Return on equity shows the return on owners' capital in accounting terms. This measure is primarily used to analyse owner profitability over time.
Return on operating capital	Adjusted operating profit as a percentage of average operating capital.	A profitability measure that shows the return on the capital used to operate the core business. Return on operating capital is one of Nederman group's long-term financial targets.
EBITA	Operating profit before amortisation and impairment of intangible assets.	EBITA is reported because this is a measure often monitored by investors, analysts and other stakeholders to measure the company's financial results. The measure excludes the amortisation and impairment of intangible assets.
EBITA margin	EBITA as a percentage of sales.	
EBITDA	Operating profit before depreciation, amortisation and impairment.	EBITDA is reported because this is a measure often monitored by investors, analysts and other stakeholders to measure the company's financial results. The measure excludes depreciation, amortisation and impairment, thereby showing the business's capacity to generate resources for investments and payment to financiers.
EBITDA margin	EBITDA as a percentage of net sales.	
Equity per share	Equity divided by the average number of shares outstanding.	This measure shows how much equity is represented by each share.
Adjusted EBITA	Operating profit before amortisation and impairment of intangible assets, excluding acquisition and restructuring costs and discontinuation of the Norwegian defined-benefit pension plan.	Adjusted EBITA is deemed to provide a fair view of the underlying operation's earnings, whereby earnings exclude amortisation and impairment of intangible assets and non-recurring items. This is a primary performance measure within the Nederman group in the internal control of the group and the segments.
Adjusted EBITA margin	Adjusted EBITA as a percentage of sales.	The adjusted EBITA margin is one of the Nederman group's long-term profitability targets. Adjusted EBITA margin is deemed to provide a fair view of the underlying operation's profitability, when this profitability excludes depreciation, amortisation and impairment, as well as income items that are non-recurring. This is a primary performance measure within the Nederman group in the internal control of the group and the segments.
Adjusted EBITDA	Operating profit before depreciation, amortisation and impairment, excluding acquisition and restructuring costs and discontinuation of the Norwegian defined-benefit pension plan.	Adjusted EBITDA is recognised because this is a measure often monitored by investors, analysts and other stakeholders to measure the company's financial results. The measure excludes depreciation, amortisation and impairment, as well as non-recurring items. The measure shows the business's capacity for investments and payment to financiers.
Adjusted EBITDA margin	Adjusted EBITDA as percentage of sales.	
Adjusted EBITDA/Net financial items	Adjusted EBITDA divided by net financial items	The performance measure shows how many times current earnings (adjusted EBITDA) covers the company's net financial items.
Adjusted operating profit	Operating profit excluding acquisition and restructuring costs and discontinuation of the Norwegian defined-benefit pension plan.	Shows the result from operational activities excluding non-recurring items.
Adjusted operating margin	Adjusted operating profit as a percentage of net sales.	
Capital turnover rate	Net sales divided by average operating capital.	Shows the efficiency of the use of operating capital.
Net debt	Interest-bearing liabilities (including pensions) less cash and cash equivalents.	The measurement shows debt and is used to monitor the debt trend and to identify the need for refinancing. This measure comprises a component of the debt ratio.
Net debt/adjusted EBITDA	Net debt divided by adjusted EBITDA.	The performance measure shows how many times greater net debt is in relation to adjusted EBITDA. This is a performance measure monitored by investors, analysts and other stakeholders.
Net debt/equity ratio	Net debt divided by equity.	A measure that shows the loan-to-value ratio, which comprises the correlation between debt and equity. This makes it a measure of financial position and stability. A good level of net debt/equity ratio provides favourable conditions for growth opportunities, while the dividend policy can be upheld.
Operating capital	Equity plus net debt.	Operating capital shows how much capital there is in the operation. This measure is mainly used to calculate the return on operating capital.
Organic growth	Growth rate that does not come from acquisitions or currency effects, compared with the corresponding period in the preceding year.	Organic growth enables a comparison over time for the companies that have been a part of the Nederman group for more than 12 months, excluding effects of changed exchange rates. The measure is used to show the ability to generate growth in existing operations.
Earnings per share (before dilution)	Net profit for the year attributable to parent company shareholders in relation to the average number of shares outstanding.	Earnings per share shows how much of the period's earnings that each share provides entitlement to.
Earnings per share (after dilution)	Net profit for the year attributable to parent company shareholders in relation to the average number of shares outstanding plus the average number of convertibles and warrants, as calculated in accordance with IAS 33.	
Interest-coverage ratio	Profit before tax with a reversal of financial expenses and acquisition costs in relation to financial expenses.	The performance measure shows the capacity to cover the financial expenses. The performance measure states how many times the group's earnings cover the financial expenses.
Operating profit	Operating profit after depreciation, amortisation and impairment.	Shows the earnings from operational activities.
Operating margin	Operating profit as a percentage of net sales.	
Equity/assets ratio	Equity divided by total assets (balance sheet total).	This performance measure reflects the company's financial position and thus its long-term payment capacity. A healthy equity/assets ratio, in other words, a strong financial position, provides the requirements to be able to manage weak economic periods and to capitalise on future growth opportunities.
Currency-neutral growth	Currency-neutral growth is the growth rate that does not come from currency effects, compared with the corresponding period in the preceding year.	Currency-neutral growth comprises organic growth plus growth from acquired subsidiaries, which are deemed to provide a fair view of the operations' development. Currency-neutral growth is one of Nederman group's long-term financial targets.
Annual average	Average of the balance at the beginning and end of the year.	

Articles of Association

Nederman Holding AB (publ.)
Corp. Reg. No. 556576-4205

1 § COMPANY NAME

The name of the company is Nederman Holding Aktiebolag. The company is a public company (publ.).

2 § REGISTERED OFFICE.

The registered office of the Board of Directors is in Helsingborg municipality.

3 § COMPANY'S OPERATIONS.

The object of the company's operations is to directly or through subsidiaries produce and market products to improve the industrial workplace environment and to own and manage enterprises as well as real estate and personal property, and to engage in compatible operations.

4 § SHARE CAPITAL.

The company's share capital shall not be lower than seven hundred and fifty thousand (SEK 750,000) and shall not exceed three million (SEK 3,000,000).

5 § NUMBER OF SHARES.

The number of shares shall be no lower than ten million (10,000,000) and shall not exceed forty million (40,000,000).

6 § VPC-REGISTERED COMPANY.

The company's shares shall be registered in a CSD register in accordance with the Swedish Central Securities Depositories and Financial Instruments (Accounts) Act (1998:1479).

7 § FINANCIAL YEAR.

The company's financial year will comprise 1 January - 31 December.

8 § BOARD OF DIRECTORS.

The Board of Directors shall consist of at least three (3) and not more than eight (8) members with a maximum of three (3) deputies. Board members will be elected annually at the Annual General Meeting for the period extending until the close of the next Annual General Meeting.

9 § AUDITOR.

The firm shall have at least one (1) and no more than two (2) auditors, without or with no more than one (1) deputy auditor. An authorized public accountant or a registered auditing firm shall be appointed auditor and, where appropriate, deputy auditor.

10 § NOTICE OF ANNUAL GENERAL MEETING.

Notice of Annual General Meeting shall be given in the Swedish Official Gazette (Post- och Inrikes Tidningar) as well as on the company's website. It shall be advertised in Svenska Dagbladet or, if publication is cancelled, in Dagens Industri instead, that notice of the meeting has been given.

11 § RIGHT TO PARTICIPATE IN ANNUAL GENERAL MEETING.

Shareholders who wish to participate in proceedings at the Annual General Meeting must be included in the transcript of the entire share register on the record date for the annual general meeting, which is determined in accordance with the Swedish Annual Accounts Act, and they must register with the company not later than the day specified in the notice of the Annual General Meeting. This day may not be a Sunday, other general holiday, Saturday, Midsummer Eve, Christmas Eve, or New Year's Eve, nor may it fall earlier than the fifth weekday before the Annual General Meeting. Shareholders or representatives may be accompanied by a maximum of two assistants at a annual general meeting, but only if the shareholder has notified the company of the number of assistants in accordance with the preceding paragraph.

12 § LOCATION OF ANNUAL GENERAL MEETING.

The Annual General Meeting may be held in Helsingborg or Stockholm.

13 § ANNUAL GENERAL MEETING.

The Annual General Meeting shall address the following matters:

1. Election of the chairperson of the meeting;
2. Preparation and approval of the voting list;
3. Approval of the agenda;
4. Election of one or two persons to verify the minutes;
5. Determination of whether the meeting has been duly convened;
6. Presentation of the annual report and the auditors' report, and, where appropriate, the group audit report;
7. Resolution to adopt the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet;
8. Resolutions on appropriation of the company's profit or loss according to the adopted balance sheet;
9. Resolution to discharge members of the Board of Directors and the Chief Executive Officer from liability;
10. Determination of the number of board members and deputies, as well as, where appropriate, auditors and deputy auditors;
11. Establishment of remuneration to the Board of Directors and the auditors;
12. Election of members of the board and any deputy board members as well as, where appropriate, auditors and any deputy auditors; Other items brought before the general meeting according to the Swedish Companies Act or the Articles of Association.

These articles of association were adopted by the Annual General Meeting on 27 April 2020.

Annual General Meeting

The annual general meeting of Nederman Holding AB (publ) will take place on Monday, 24 April 2023 at 5:00 p.m. at Clarion Hotel Sea U, Kungsgatan 1, Helsingborg.

Registration and participation

Shareholders who wish to attend this Meeting must:

- be registered in Euroclear Sweden's share register no later than Friday, 14 April 2023.
- and notify their participation in the Meeting on Tuesday, 18 April 2023.

Registration must be made in one of the following ways:

- by email: stamma@nedermangroup.com
- by phone: +46 (0)4218 87 00
- by post: Nederman Holding AB (publ), "Annual General Meeting", Box 602, SE-251 06 Helsingborg.

Registration should include name, personal/corporate identity number, address, telephone number and any advisers. This information will only be used for registering and preparing the voting list. Shareholders who wish to be represented by proxy must

submit a power of attorney in original form with their registration. Representatives of a legal entity must present a copy of the authenticated registration certificate or equivalent authorisation documents showing the authorised signatory of the entity.

The Company will provide proxy forms to shareholders who so wish. The form is also available for downloading on Nederman's website www.nedermangroup.com.

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 to the annual general meeting, register its shares in its own name so that the shareholder is recorded in the share register as of Friday, 14 April 2023. 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 prescribed by the nominee. Voting rights registrations that have been made by the nominee no later than Tuesday, 18 April 2023 will be taken into account in the presentation of the share register.

Dividend

The Board of Directors proposes a dividend of SEK 3.75 (3.50) per share for the 2022 financial year.

Distribution policy

The printed version of Nederman's Annual Report will be distributed to those shareholders who have specifically requested a copy. The Annual Report is also available in its entirety on the group's website: www.nedermangroup.com

Financial calendar

- Quarter 1 report, 24 April 2023
- Quarter 2 report, 14 July 2023
- Quarter 3 report, 23 October 2023

Nederman in motion

As a globally leading environmental technology company, we create value for our customers, the world and our owners. We are constantly on the move and our task is clear: to protect people, planet and production. Take a deep breath, sit back and watch how we do it.



The Breath



Breathing clean air is a prerequisite for life.



Strategy - The Clean Air Company



With a clear agenda we create growth and shape the future for clean air.



Interview, Sven Kristensson - Q4 and full-year 2022



Stable finish to the year



The Breath



An exhibition arranged by Nederman with international photographers, artists, researchers and activists showing photographic works based on the importance of breath and the air that we breathe.

NEDERMAN'S YOUTUBE CHANNEL



www.youtube.com/users/nedermanvideos

▶ To see the films, scan the QR-code using your mobile or visit our YouTube channel.



Nederman

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