

Q3 The Clean Air Company

Interim report

January-September 2021



Continued solid development

Quarter 3, 2021

- Incoming orders amounted to SEK 1,178m (827), equivalent to currency-neutral growth of 45.1 percent compared with the same period last year. Compared with the corresponding quarter 2019, incoming orders increased currency-neutral by 35.8 percent.
- Net sales amounted to SEK 1,046m (826), equivalent to currency-neutral growth of 28.3 percent compared with the same period last year.
- Operating profit was SEK 119.3m (63.3), giving an operating margin of 11.4 percent (7.7).
- Adjusted operating profit was SEK 119.5m (63.5), giving an adjusted operating margin of 11.4 percent (7.7).
- Net profit was SEK 81.0m (31.5).
- Earnings per share were SEK 2.31 (0.90).

January - September, 2021

- Incoming orders amounted to SEK 3,271m (2,562), equivalent to currency-neutral growth of 35.7 percent compared with the same period last year. Compared with the corresponding period 2019, incoming orders increased currency-neutral by 18.0 percent.
- Net sales amounted to SEK 2,890m (2,735), equivalent to currency-neutral growth of 12.3 percent compared with the same period last year.
- Operating profit was SEK 332.8m (125.2), giving an operating margin of 11.5 percent (4.6).
- Adjusted operating profit was SEK 304.3m (201.6), giving an adjusted operating margin of 10.5 percent (7.4).
- Net profit was SEK 220.9m (55.3).
- Earnings per share were SEK 6.29 (1.58).



Sven Kristensson
CEO

CEO's comments

Stronger profitability and high growth in orders

Nederman's strong performance continues. During the third quarter, the Group's adjusted operating profit amounted to SEK 119.5m (63.5), corresponding to an adjusted operating margin of 11.4 percent (7.7). All divisions contributed to this improvement. We are entering the year's final quarter with optimism, but at the same time, we foresee continued risks from the effects of high material prices and disruption in the supply chain.

The strong orders received and sales trends continued in the third quarter of the year. Orders received displayed organic growth of 45.1 percent compared with the corresponding quarter of 2020 and were also significantly higher than the same period of 2019, when our markets were most recently in a "normal state". In addition, profitability strengthened during the quarter. Higher sales volumes, efficient processes and a continued successful roll-out of our digital offering are some of the factors that underpinned our ability to report the highest adjusted operating margin for a single quarter since 2008, despite headwinds in the form of high raw material and transport prices, and supply chain disruption. I can say that the actions we have taken have turned Nederman into a completely different company today than it was a few years ago. We are world leading in industrial air filtration and are driving developments at a high pace. During the third quarter, for example, we updated our mobile dust and fume extractors using pioneering nanofiber technology and continued to increase the share of Insight subscriptions, which contribute to future-proofing our customers' production. Good cash flow and a strong balance sheet also provide us with healthy conditions for continued robust investments in growth-promoting activities.

At the same time, I am forced to recognise that the global economy and many of our markets are out of balance. Raw materials prices are at historically high levels, there is an acute shortage of components and logistics problems are leading to disruption in supply chains. We have been successful at managing factors within our control, but are aware that we may be affected to a greater degree in the long term.

STRONG PERFORMANCE IN OUR DIVISIONS

Pent-up investment needs and growing optimism led to a continued high level of activity among our customers. In addition, demand for projects increased, even some slightly larger ones. Nederman Process Technology displayed a strong improvement in orders received, mainly within the fibre and textile segment, and has begun to deliver on several of the projects secured at the beginning of the year. I am also pleased with the continued strong growth of our largest division,

Nederman Extraction & Filtration Technology. Its base of product sales is often a good indicator of the underlying market activity.

Profitability developed strongly in all divisions. Nederman Monitoring & Control Technology again recognised an adjusted EBITA margin of more than 20 percent and was kept company this quarter by Nederman Duct & Filter Technology, with an EBITA margin of 20.2 percent. In addition, Nederman Extraction & Filtration Technology noted an EBITA margin of slightly below 20 percent for the second consecutive quarter. Cost-effective processes and successful pricing, combined with full focus on our leading digital solutions, have enabled these high levels of profitability.

CONTINUED POSITIVE OUTLOOK

Our cautious optimism remains. Although the development in our divisions remains positive, there is a risk that the problems in our supply chain and the high prices of materials and logistics will impact customers' investment decisions and the possibility of conducting business, as well as our own production and capacity to deliver. At the same time, the long-term potential in our industry has been strengthened. In a world in which the insight is increasing regarding the damage that poor air does to people the world over, highlighted for example, in a new comprehensive report from the WHO, it is of the utmost importance that Nederman continues to grow with its leading offering within industrial air filtration, and shape the future of clean air. This is quite simply our largest contribution to a more sustainable world. I am looking forward to our Green Awakening conference in Stockholm on 9 November, at which, together with researchers, politicians and business representatives, we will discuss how we can jointly find solutions to safeguard the air that we breathe now and in the future.



Q3 INTERVIEW WITH SVEN KRISTENSSON

Watch the interview on Nederman's YouTube channel.
Playlist: Financial reports

Segment overview

Nederman is organised in four operating segments, which are based on technology, customer structure and business logic with its starting point in the group's brands. This means that the operating segments are global. The organisation has four overriding priorities: strengthened profitability, improved efficiency, utilisation of all the possibilities offered by digitalisation and internal and external sustainability.

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. Sales are conducted through a network of partners and through own sales companies. Customers operate in industries with various types of air emissions that must be dealt with in an efficient and safe manner.

Nederman Process Technology offers services and filter solutions that are often integrated into the customer companies' production processes, where they capture harmful particles and gases, and other process critical equipment. Sales activities are conducted through the division's own sales organisation that has direct contact with the customers. The number of orders is low, but the individual order value is high. The customers comprise large companies in a large number of industries.

Nederman Duct & Filter Technology sells different types of ducting systems, valves and filter elements to ensure good air quality in a number of industries. Sales are mainly conducted through distributors, but there are also internal sales to Nederman's other divisions. The customers are found in a long line of industries, such as wood-working, cement & concrete production, automotive, metalworking and recycling.

Nederman Monitoring & Control Technology offers advanced measuring technology for gases and dust, and an IoT platform that consists of hardware and software that communicate with the cloud and provide customers with information and insight into critical parameters and processes. Sales are conducted through own companies, their networks of distributors and other divisions within Nederman. The division works with a broad spectrum of industries that need to continuously monitor and control their production and their processes.

| Order intake - External, SEKm | 1Jul-30Sep | | Currency-neutral growth | Organic growth | 1Jan-30Sep | | Currency-neutral growth | Organic growth | Full year 2020 | Oct-Sep 12 months |
|---|----------------|--------------|-------------------------|----------------|----------------|----------------|-------------------------|----------------|----------------|-------------------|
| | 2021 | 2020 | | | 2021 | 2020 | | | | |
| Nederman Extraction & Filtration Technology | 464.0 | 359.5 | 30.9% | 30.9% | 1,370.1 | 1,138.8 | 26.3% | 26.3% | 1,589.2 | 1,820.5 |
| Nederman Process Technology | 435.9 | 232.8 | 91.1% | 91.1% | 1,139.2 | 744.4 | 63.9% | 63.9% | 992.7 | 1,387.5 |
| Nederman Duct & Filter Technology | 141.7 | 92.1 | 59.8% | 59.8% | 366.3 | 301.4 | 33.7% | 33.7% | 402.6 | 467.5 |
| Nederman Monitoring & Control Technology | 136.3 | 142.9 | -3.4% | -3.4% | 395.4 | 377.3 | 10.1% | 10.1% | 495.7 | 513.8 |
| Total Nederman group | 1,177.9 | 827.3 | 45.1% | 45.1% | 3,271.0 | 2,561.9 | 35.7% | 35.7% | 3,480.2 | 4,189.3 |

| Total sales, SEKm | 1Jul-30Sep | | Currency-neutral growth | Organic growth | 1Jan-30Sep | | Currency-neutral growth | Organic growth | Full year 2020 | Oct-Sep 12 months |
|---|----------------|--------------|-------------------------|----------------|----------------|----------------|-------------------------|----------------|----------------|-------------------|
| | 2021 | 2020 | | | 2021 | 2020 | | | | |
| Nederman Extraction & Filtration Technology | 441.3 | 356.5 | 24.5% | 24.5% | 1,281.3 | 1,211.8 | 11.0% | 11.0% | 1,648.8 | 1,718.3 |
| Nederman Process Technology | 361.4 | 266.1 | 39.2% | 39.2% | 894.0 | 874.8 | 9.5% | 9.5% | 1,136.8 | 1,156.0 |
| Nederman Duct & Filter Technology | 143.3 | 105.7 | 39.2% | 39.2% | 403.0 | 352.2 | 25.5% | 25.5% | 457.9 | 508.7 |
| Nederman Monitoring & Control Technology | 123.1 | 115.3 | 6.0% | 6.0% | 381.5 | 354.8 | 12.6% | 12.6% | 506.9 | 533.6 |
| Elimination | -23.6 | -17.8 | | | -69.5 | -58.9 | | | -75.6 | -86.2 |
| Total Nederman group | 1,045.5 | 825.8 | 28.3% | 28.3% | 2,890.3 | 2,734.7 | 12.3% | 12.3% | 3,674.8 | 3,830.4 |

| Adjusted EBITA, SEKm | 1Jul-30Sep | | 1Jan-30Sep | | Full year 2020 | Oct-Sep 12 months |
|---|--------------|-------------|--------------|--------------|----------------|-------------------|
| | 2021 | 2020 | 2021 | 2020 | | |
| Nederman Extraction & Filtration Technology | 81.5 | 48.6 | 226.6 | 156.1 | 221.7 | 292.2 |
| Nederman Process Technology | 19.5 | 14.0 | 27.9 | 49.0 | 58.1 | 37.0 |
| Nederman Duct & Filter Technology | 29.0 | 14.4 | 79.6 | 43.1 | 63.9 | 100.4 |
| Nederman Monitoring & Control Technology | 26.2 | 22.4 | 79.6 | 60.5 | 94.6 | 113.7 |
| Other - non-allocated | -19.8 | -20.6 | -63.0 | -62.1 | -86.0 | -86.9 |
| Total Nederman group | 136.4 | 78.8 | 350.7 | 246.6 | 352.3 | 456.4 |

| Adjusted EBITA margin | 1Jul-30Sep | | 1Jan-30Sep | | Full year 2020 | Oct-Sep 12 months |
|---|--------------|-------------|--------------|-------------|----------------|-------------------|
| | 2021 | 2020 | 2021 | 2020 | | |
| Nederman Extraction & Filtration Technology | 18.5% | 13.6% | 17.7% | 12.9% | 13.4% | 17.0% |
| Nederman Process Technology | 5.4% | 5.3% | 3.1% | 5.6% | 5.1% | 3.2% |
| Nederman Duct & Filter Technology | 20.2% | 13.6% | 19.8% | 12.2% | 14.0% | 19.7% |
| Nederman Monitoring & Control Technology | 21.3% | 19.4% | 20.9% | 17.1% | 18.7% | 21.3% |
| Total Nederman group | 13.0% | 9.5% | 12.1% | 9.0% | 9.6% | 11.9% |

ABOUT THE DIVISION

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

Brand: Nederman

Nederman Extraction & Filtration Technology

The division continued its strong performance. Sales increased organically by 24.5 percent and orders received by 30.9 percent compared with the corresponding quarter in 2020. All regions and sales areas displayed growth. Higher sales volumes contributed to the adjusted EBITA margin strengthening to 18.5 percent (13.6). Three large orders were booked during the quarter.

DEVELOPMENT DURING THE QUARTER

The division is Nederman's largest business, accounting for approximately 45 percent of the Group's sales. The strong growth in the third quarter was driven by higher demand in all markets. At the same time, the division was successful in managing the strong price rises of materials.

In EMEA, which is the division's largest market, growth was reported in essentially the entire region. Poland and the Netherlands stood out a little extra following major orders; in Poland from a manufacturer of components for electric vehicles and in the Netherlands from a manufacturer of sealants, adhesive and polyurethane foam. Sales of solutions developed robustly in the region, both for medium and large systems. Product sales also displayed favourable growth. The division's partner and distributor network also contributed to the positive trend during the quarter.

Americas noted solid growth in all markets, with the US leading the way, driven by such factors as a major order from the wood industry and several medium-sized orders from various sectors. All areas of sales grew, with solutions especially strong. Service and aftermarket continued to develop well during the quarter with high growth figures.

In APAC, demand was subdued in several markets due to the COVID-19 pandemic, but the region as a whole nonetheless displayed favourable

growth during the quarter. One reason is the continued strong trend in Australia. It is primarily product sales that drive growth in the region, while major projects involving solutions are more rare.

KEY ACTIVITIES

Digitalisation is becoming increasingly important for the division's sales. During the quarter, many times more Nederman Insight subscriptions were sold than in the corresponding quarter of 2020, more than half of which included service agreements.

An improved user interface was launched for FlexVAC. This will improve the customer experience and facilitate maintenance in all general dust applications where it is used.

The new FlexPak DX Flameless was launched and will be used in indoor applications for organically combustible dust for a large number of industries.

Part of the strong profitability was attributable to the high efficiency of the division's factories, which is making it possible to meet the current strong demand for large and medium-sized stationary filters.

Materials prices remained at a high level, primarily in the steel portfolio. During the quarter, customer prices were adjusted for this reason.

| SEKm | Note | 1Jul-30Sep 2021 | 1Jul-30Sep 2020 | Currency- neutral growth | Organic growth | 1Jan-30Sep 2021 | 1Jan-30Sep 2020 | Currency- neutral growth | Organic growth | Full year 2020 | Oct-Sep 12 months |
|----------------------------|------|--------------------|--------------------|--------------------------------|-------------------|--------------------|--------------------|--------------------------------|-------------------|-------------------|----------------------|
| Incoming orders - External | | 464.0 | 359.5 | 30.9% | 30.9% | 1,370.1 | 1,138.8 | 26.3% | 26.3% | 1,589.2 | 1,820.5 |
| Totalsales | 3 | 441.3 | 356.5 | 24.5% | 24.5% | 1,281.3 | 1,211.8 | 11.0% | 11.0% | 1,648.8 | 1,718.3 |
| Adjusted EBITA | | 81.5 | 48.6 | | | 226.6 | 156.1 | | | 221.7 | 292.2 |
| Adjusted EBITA margin | | 18.5% | 13.6% | | | 17.7% | 12.9% | | | 13.4% | 17.0% |



ABOUT THE DIVISION

Nederman Process Technology offers services and filter solutions that are often integrated into the customer companies' production processes, where they capture harmful particles and gases, and other process critical equipment.

Brands: MikroPul, Luwa, Pneumafil and LCI

Nederman Process Technology

The division is continuing its recovery. Compared with the third quarter of 2020, orders received increased organically by 91.1 percent to SEK 436m (233) and the external order backlog has now grown by SEK 252m since the beginning of the year. However, profitability was moderated by higher transport and materials costs, and that the largest share of sales derived from segments with lower margins.

DEVELOPMENT DURING THE QUARTER

The division's orders are often integrated into large, complex investment projects, with long lead times from decision to implementation. The strong orders received in recent quarters is now beginning to successively result in higher sales. At the same time, the service business continues to develop favourably, with continuously increasing interest in digital equipment for monitoring and control.

Cash flow remained strong, driven by advance payments for booked projects and the division's systematic work to reduce working capital. At the end of the second and third quarters of 2021, working capital was SEK -23m, that is to say positive, and SEK 3m, respectively. The extent to which these very low levels can be maintained remains to be seen, but the working capital for the division is usually significantly lower in comparison with the other divisions in the Nederman Group.

The textile and fibre segment continued its strong performance and during 2021, has more than doubled its orders received compared with the corresponding period in 2020. India displayed a particularly positive trend during the quarter, driven by, for example, international buyers of yarn seeking an alternative to Chinese suppliers. An extra shift was added to the division's local manufacturing to be able to meet demand. At the same time, activity levels also increased in China, but the local price competition is significant. Service continued its strong performance. The division's aftermarket and digitalisation initiative, Digi7, and IoT contributed to a higher level of activity. Price pressure is also increasing the importance of raising the focus on service, which has higher margins. At the same time, the implementation of projects con-

tinues to meet difficulties as a result, for example, of increased costs for material and freight and fewer freight possibilities.

A strong sustainability trend in the foundry and smelter segment is creating increased demand for aluminium and the associated aluminium recycling, which is generating a continued growing pipeline for the division's projects in the recycling industry in Europe. During the quarter, a large order was received with a ten-year service contract for digital monitoring of connected systems. Discussions are also being conducted with other customers regarding similar service contracts based on the division's digital monitoring technology. This segment is also affected by rising raw material prices and disruptions to the supply chain.

The segment for customised solutions is the most cyclical and often comprises large and very complex projects. After some weaker quarters, several major projects were booked in the third quarter and there is also a strong pipeline. During the quarter, "MikroPul Solutions Lab" was launched, giving customers the possibility to address the most complex gas cleaning and material recycling problems.

KEY ACTIVITIES

The pre-engineered "MikroPul PE" solution was launched, a modular and cost-competitive solution for standard applications.

The challenges in the supply and logistics chain remain. This affects the division's sales, since customers are postponing their deliveries, and the costs of projects. The division engages in continuous dialogue with its customers aimed at offsetting the rising costs in the supply chain.

| SEKm | Note | 1Jul-30Sep 2021 | 1Jul-30Sep 2020 | Currency- neutral growth | Organic growth | 1Jan-30Sep 2021 | 1Jan-30Sep 2020 | Currency- neutral growth | Organic growth | Full year 2020 | Oct-Sep 12 months |
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| Incoming orders - External | | 435.9 | 232.8 | 91.1% | 91.1% | 1,139.2 | 744.4 | 63.9% | 63.9% | 992.7 | 1,387.5 |
| Totalsales | 3 | 361.4 | 266.1 | 39.2% | 39.2% | 894.0 | 874.8 | 9.5% | 9.5% | 1,136.8 | 1,156.0 |
| Adjusted EBITA | | 19.5 | 14.0 | | | 27.9 | 49.0 | | | 58.1 | 37.0 |
| Adjusted EBITA margin | | 5.4% | 5.3% | | | 3.1% | 5.6% | | | 5.1% | 3.2% |



ABOUT THE DIVISION

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

Brands: Nordfab and Menardi

Nederman Duct & Filter Technology

The division again displayed strong figures. Orders received were at the highest level in the division’s history, with organic growth of 59.8 percent compared with the corresponding quarter of 2020. Sales also developed relatively strongly. The adjusted EBITA margin rose to 20.2 percent (13.6), a result of factors including the successful management of high raw materials costs.

DEVELOPMENT DURING THE QUARTER

The division’s growth is being driven by continued recovery in all markets, with the exception of the division’s smallest company in Thailand, which remains affected by the COVID-19 pandemic. In addition, performance was positively affected by successful activities to increase prices. The US accounted for a large part of the division’s sales, but geographic expansion is continuously increasing.

Nordfab, which sells various types of ducting systems, continued to perform well during the quarter, with price increases having a distinct impact on growth. Sales were strong in all regions, however in the US, the previous strong recovery in medium-sized installations slowed down somewhat after projects that had been postponed during the pandemic were activated in the first half of 2021.

Europe again displayed a new record level of orders received, driven by an influx of new customers and higher average order volume from existing customers.

Menardi, which sells the division’s filter solutions, noted a strong trend for orders received in the US. One reason for this development is the

successful management of the challenging supply of raw materials, with sharp increases in the delivery times and prices of filter media. Several significant orders were received in traditionally strong segments, such as metal, energy and oil/gas. In addition, several orders were secured in the food industry as a result of dedicated sales efforts within the segment.

KEY ACTIVITIES

At the largest woodworking trade fair in the US, AWFS, the division’s new interactive 3D tool, QFV, was named the most visionary new software product in the industry. QFV enhances the efficiency of the design and installation of ducting systems and reduces lead times. The launch in Europe and Asia is scheduled for year-end.

The division continues to manage the high steel prices. Proactive price increases and secured deliveries also had a positive impact on the division’s margins in this quarter.

The availability of key raw materials and logistics costs remain major sources of concern and must be assigned the highest priority by the organisation.

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| Totalsales | 3 | 143.3 | 105.7 | 39.2% | 39.2% | 403.0 | 352.2 | 25.5% | 25.5% | 457.9 | 508.7 |
| Adjusted EBITA | | 29.0 | 14.4 | | | 79.6 | 43.1 | | | 63.9 | 100.4 |
| Adjusted EBITA margin | | 20.2% | 13.6% | | | 19.8% | 12.2% | | | 14.0% | 19.7% |

ABOUT THE DIVISION

Nederman Monitoring & Control Technology offers advanced measuring technology for gases and dust, and an IoT platform that consists of hardware and software that communicate with the cloud and provide customers with information and insight into critical parameters and processes.

Brands: Nederman Insight, NEO Monitors, Auburn FilterSense and Gasmot.

Nederman Monitoring & Control Technology

The division noted stable development during the quarter. Orders received declined somewhat compared with a very strong preceding quarter and compared with the corresponding quarter in 2020, when a single order for SEK 20m was booked. However, organic sales increased 6.0 percent compared with the corresponding quarter of 2020 and the adjusted EBITA margin amounted to 21.3 percent (19.4).

DEVELOPMENT DURING THE QUARTER

The levels of activity in the market have normalised and, at the same time, increasingly adapted to digital channels, which benefits the division's digital offering in the long term. During the quarter, the focus was again on digital sales processes in key markets where customers are active and prepared to invest.

In EMEA, sales increased compared with the both the preceding quarter and the corresponding quarter of 2020. However, orders received declined, mainly due to strong comparison figures. In most markets, the restrictions that previously dampened the division's sales activities are now being eased, meaning for example that the activities in process control are beginning to increase again. The division's emissions-related operations continued to grow during the quarter.

In APAC, a decline in sales was noted following delayed deliveries for some major orders. However, orders received continued to develop well during the quarter. Above all, it is China that is driving growth in the region. The country's rapid recovery from the pandemic had a positive impact on the division's sales figures for the entire region.

In Americas, disruptions in the supply chain had a negative impact on sales, but this was nonetheless higher than in the corresponding quarter in 2020. Orders received remained strong, reflecting a higher level of activity among the customers in the region. The region recovered more rapidly than Europe and is now in a market situation that is nearly unaffected by the pandemic.

KEY ACTIVITIES

Auburn FilterSense secured a contract for the delivery of 250 particle emission monitors to one of the world's leading food producers. The sensors will check particle emissions to the atmosphere from powder treatment filters and dust collection systems. Practically no maintenance is required.

The division's digital showroom, which was launched in the second quarter, continued to contribute to improved digital customer meetings and effective digital sales and service training.

Disruptions within logistics and in the supply chain have increased. Despite this, the division's production continued as usual although some delays in collection of finished goods did occur.

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| Incoming orders - External | | 136.3 | 142.9 | -3.4% | -3.4% | 395.4 | 377.3 | 10.1% | 10.1% | 495.7 | 513.8 |
| Totalsales | 3 | 123.1 | 115.3 | 6.0% | 6.0% | 381.5 | 354.8 | 12.6% | 12.6% | 506.9 | 533.6 |
| Adjusted EBITA | | 26.2 | 22.4 | | | 79.6 | 60.5 | | | 94.6 | 113.7 |
| Adjusted EBITA margin | | 21.3% | 19.4% | | | 20.9% | 17.1% | | | 18.7% | 21.3% |

Quarter 3, 2021

INCOMING ORDERS AND SALES

Incoming orders during the quarter amounted to SEK 1,178m (827), equivalent to currency-neutral growth of 45.1 percent compared with the corresponding period last year.

Sales for the quarter amounted to SEK 1,046m (826), equivalent to currency-neutral growth of 28.3 percent compared with the corresponding period last year.

PROFIT/LOSS

The consolidated operating profit for the quarter was SEK 119.3m (63.3), which gave an operating margin of 11.4 percent (7.7).

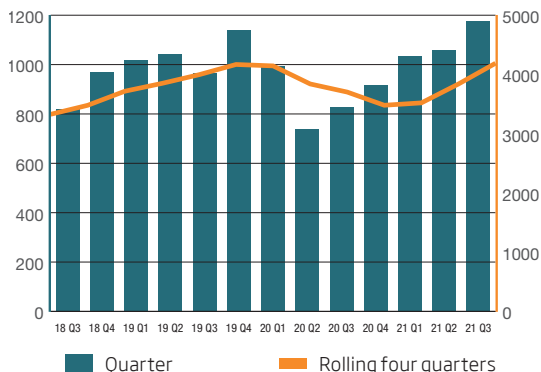
Adjusted operating profit amounted to SEK 119.5m (63.5). Adjusted operating margin was 11.4 percent (7.7).

Profit before tax increased to SEK 107.6m (40.6). Net profit was SEK 81.0m (31.5), which gave earnings per share of SEK 2.31 (0.90).

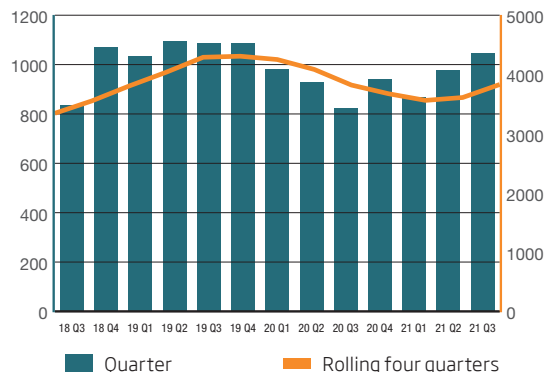
CAPITALEXPENDITURE

Capital expenditure in intangible and tangible assets amounted to SEK 20.5m (19.7).

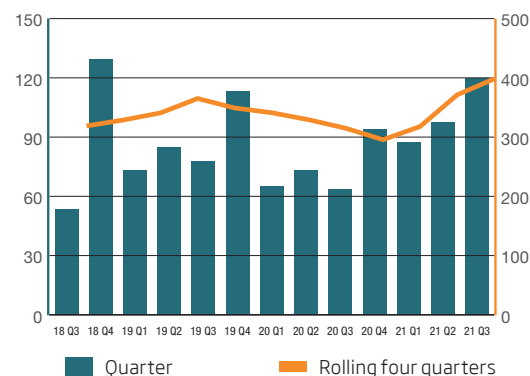
Incoming orders, SEKm



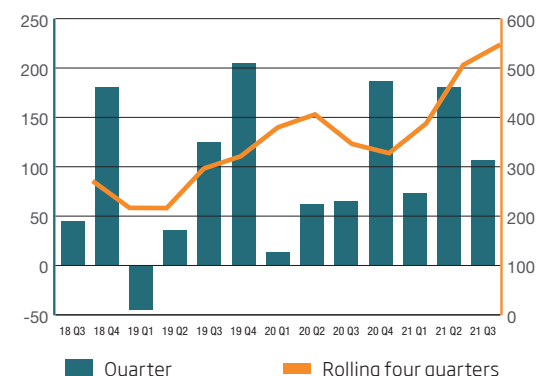
Sales, SEKm



Adjusted operating profit, SEKm



Cash flow from operating activities, SEKm



January - September 2021

INCOMING ORDERS AND SALES

Incoming orders were SEK 3,271m (2,562), equivalent to currency-neutral growth of 35,7 percent compared with the same period last year.

Sales amounted to SEK 2,890m (2,735), equivalent to currency-neutral growth of 12,3 percent compared with the same period last year.

PROFIT/LOSS

Consolidated operating profit for the period was SEK 332.8m (125.2), which gave an operating margin of 11.5 percent (4.6).

Adjusted operating profit amounted to SEK 304.3m (201.6). Adjusted operating margin was 10.5 percent (7.4).

Profit before tax increased to SEK 297.7m (73.1). Net profit was SEK 220.9m (55.3), which gave earnings per share of SEK 6.29 (1.58).

CASH FLOW

Cash flow from operating activities amounted to SEK 360.8m (140.9) and cash flow for the period amounted to SEK -3.8m (-11.8).

Inventory levels have been intentionally increased during 2021, which has had a negative impact on cash flow. Despite this, cash flow from operating activities remained very strong. The foremost reasons for this are attributable to continued healthy orders received for projects with the resulting advanced payments received, and a focus on collecting receivables in time. Other adjustments of non-cash items of SEK -38.1m were primarily attributable to the discontinuation of the Group's Norwegian defined-benefit pension plan, refer to Note 7.

CAPITAL EXPENDITURE

Capital expenditure in intangible and tangible assets amounted to SEK 68.7m (71.8), of which capitalised development expenses amounted to SEK 29.3m (28.6)*.

OTHER FINANCIAL INFORMATION

Liquidity: At the end of the period the group had SEK 481.8m in cash and cash equivalents as well as SEK 105.6m in available but unutilised overdraft facilities. In addition, there was a credit facility of SEK 450.4m within the framework of Nederman's loan agreement with SEB and SHB, and SEK 200m within the framework of Nederman's loan agreement with SHB.

The equity in the group as of 30 September 2021 amounted to SEK 1,587.2m (1,347.9). An ordinary dividend of SEK 1.00 per share was paid to shareholders in the second quarter, amounting in total to SEK 35.1m. The total number of shares outstanding was 35,093,096 at the end of the period.

The equity ratio for the group was 34.6 percent (29.9) as of 30 September 2021. The net debt/equity ratio was 75.2 percent (115.9).

NUMBER OF EMPLOYEES

The average number of employees during the period was 2,065 (2,093). The number of employees at the end of the period was 2,169 (2,119).

* As a result of the Group's investments in digital products and services being reclassified as "capitalised development expenditures", the comparative figure has been adjusted.

Key figures, Group

| SEKm | 1Jul-30Sep | | 1Jan-30Sep | | Fullyear | Oct-Sep |
|------------------------------------|------------|-------|------------|---------|----------|----------|
| | 2021 | 2020 | 2021 | 2020 | 2020 | 12months |
| Orders received | 1,177.9 | 827.3 | 3,271.0 | 2,561.9 | 3,480.2 | 4,189.3 |
| Netsales | 1,045.5 | 825.8 | 2,890.3 | 2,734.7 | 3,674.8 | 3,830.4 |
| Adjusted EBITA | 136.4 | 78.8 | 350.7 | 246.6 | 352.3 | 456.4 |
| Adjusted EBITA margin | 13.0% | 9.5% | 12.1% | 9.0% | 9.6% | 11.9% |
| Adjusted EBITDA | 164.9 | 105.0 | 432.1 | 328.3 | 461.2 | 565.0 |
| Adjusted EBITDA margin | 15.8% | 12.7% | 15.0% | 12.0% | 12.6% | 14.8% |
| Operating profit | 119.3 | 63.3 | 332.8 | 125.2 | 219.0 | 426.6 |
| Operating margin | 11.4% | 7.7% | 11.5% | 4.6% | 6.0% | 11.1% |
| Adjusted operating profit | 119.5 | 63.5 | 304.3 | 201.6 | 295.6 | 398.3 |
| Adjusted operating margin | 11.4% | 7.7% | 10.5% | 7.4% | 8.0% | 10.4% |
| Profit before tax | 107.6 | 40.6 | 297.7 | 73.1 | 148.5 | 373.1 |
| Net profit | 81.0 | 31.5 | 220.9 | 55.3 | 110.4 | 276.0 |
| Earnings per share, SEK | 2.31 | 0.90 | 6.29 | 1.58 | 3.15 | 7.86 |
| Return on equity | 21.0% | 9.4% | 20.4% | 5.4% | 8.2% | 18.8% |
| Return on operating capital | 17.3% | 8.7% | 14.7% | 9.2% | 10.4% | 14.0% |
| Net debt | | | | | 1,450.5 | 1,193.0 |
| Net debt/equity ratio | | | | | 111.5% | 75.2% |
| Net debt/Adjusted EBITDA, multiple | | | | | 3.1 | 2.1 |
| Interest cover ratio, multiple | | | | | 4.1 | 7.2 |

Regions

| External order intake, SEKm | 1Jul-30Sep | | 1Jan-30Sep | | Fullyear | Oct-Sep |
|-----------------------------|----------------|--------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 | 2020 | 12 mån |
| Americas | 387.1 | 226.0 | 995.4 | 810.1 | 1,058.4 | 1,243.7 |
| EMEA | 559.5 | 420.7 | 1,614.8 | 1,308.6 | 1,808.1 | 2,114.3 |
| APAC | 231.3 | 180.6 | 660.8 | 443.2 | 613.7 | 831.3 |
| Total Nedermangroup | 1,177.9 | 827.3 | 3,271.0 | 2,561.9 | 3,480.2 | 4,189.3 |

| External netsales, SEKm | 1Jul-30Sep | | 1Jan-30Sep | | Fullyear | Oct-Sep |
|----------------------------|----------------|--------------|----------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 | 2020 | 12 mån |
| Americas | 315.3 | 245.9 | 887.3 | 865.9 | 1,128.5 | 1,149.9 |
| EMEA | 521.2 | 437.5 | 1,447.8 | 1,447.2 | 1,915.7 | 1,916.3 |
| APAC | 209.0 | 142.4 | 555.2 | 421.6 | 630.6 | 764.2 |
| Total Nedermangroup | 1,045.5 | 825.8 | 2,890.3 | 2,734.7 | 3,674.8 | 3,830.4 |



Outlook

The recovery in demand continued during the third quarter and we are cautiously optimistic ahead of the upcoming quarters. Our base business and a strong digital offering enable us to assert ourselves well in the current market and we are now seeing signs that demand for major projects is starting up again. However, although the development in our divisions remains positive, there is a risk that the problems in our supply chain and the high prices of materials and logistics will impact customers' investment decisions and the possibility of conducting business, as well as our own production and ability to deliver.

At the same time, the long-term potential in our industry has been strengthened. In a world in which the insight is increasing regarding the damage that poor air does to people the world over, highlighted, for example, in a new comprehensive report from the WHO, it is of the utmost importance that Nederman continues to grow, with its leading offering within industrial air filtration, and shape the future of clean air. What is needed and missing is more political will throughout the world, to use regulations and incentives to work to reduce the risk that millions of people need to die prematurely each year from breathing in dirty and hazardous air.

Other information

ORGANISATION

On 1 August, 2021, Joakim Ryrstedt took up the position of Senior Vice President, Group IT & CIO. Joakim brings extensive experience from management roles, most recently from Alfa Laval.

Statement

The Board and CEO confirm that the interim report provides a true and fair overview of the parent company and the group's operations, position and earnings and describes the material risks and uncertainty factors faced by the parent company and the group. The report has been reviewed by the company's auditor.

Helsingborg 22 October 2021

The Board

Consolidated income statement in summary

| SEK million | Note | 1 Jul-30 Sep | | 1 Jan-30 Sep | | Full year | Oct-Sep |
|------------------------------------|------|--------------|--------------|----------------|----------------|----------------|----------------|
| | | 2021 | 2020 | 2021 | 2020 | 2020 | 12 months |
| Net sales | 2.3 | 1,045.5 | 825.8 | 2,890.3 | 2,734.7 | 3,674.8 | 3,830.4 |
| Cost of goods sold | | -663.3 | -515.3 | -1,799.0 | -1,708.9 | -2,282.0 | -2,372.1 |
| Gross profit | | 382.2 | 310.5 | 1,091.3 | 1,025.8 | 1,392.8 | 1,458.3 |
| Selling expenses | | -173.4 | -156.4 | -514.8 | -527.1 | -691.1 | -678.8 |
| Administrative expenses | | -82.1 | -69.5 | -239.2 | -231.4 | -306.0 | -313.8 |
| Research and development expenses | | -13.2 | -13.4 | -41.8 | -52.3 | -69.3 | -58.8 |
| Acquisition costs | | -0.2 | -0.2 | -0.5 | -1.4 | -1.6 | -0.7 |
| Restructuring costs | | - | - | - | -75.0 | -75.0 | - |
| Other operating income/expenses | 7 | 6.0 | -7.7 | 37.8 | -13.4 | -30.8 | 20.4 |
| Operating profit | | 119.3 | 63.3 | 332.8 | 125.2 | 219.0 | 426.6 |
| Financial income | | 0.7 | 0.8 | 1.8 | 1.1 | 1.2 | 1.9 |
| Financial expense | | -12.4 | -23.5 | -36.9 | -53.2 | -71.7 | -55.4 |
| Net financial items | | -11.7 | -22.7 | -35.1 | -52.1 | -70.5 | -53.5 |
| Profit before tax | | 107.6 | 40.6 | 297.7 | 73.1 | 148.5 | 373.1 |
| Taxes | | -26.6 | -9.1 | -76.8 | -17.8 | -38.1 | -97.1 |
| Net profit | | 81.0 | 31.5 | 220.9 | 55.3 | 110.4 | 276.0 |
| Net profit attributable to: | | | | | | | |
| The parent company's shareholders | | 81.0 | 31.5 | 220.9 | 55.3 | 110.4 | 276.0 |
| Earnings per share | | 2.31 | 0.90 | 6.29 | 1.58 | 3.15 | 7.86 |

Consolidated statement of comprehensive income in summary

| SEK million | 1 Jul-30 Sep | | 1 Jan-30 Sep | | Full year | Oct-Sep |
|---|--------------|--------------|--------------|--------------|---------------|--------------|
| | 2021 | 2020 | 2021 | 2020 | 2020 | 12 months |
| Net profit | 81.0 | 31.5 | 220.9 | 55.3 | 110.4 | 276.0 |
| Other comprehensive income | | | | | | |
| Items that cannot be reclassified to net profit | | | | | | |
| Revaluation of defined-benefit pension plans | 20.3 | -12.6 | 15.5 | -12.6 | -6.4 | 21.7 |
| Tax attributable to revaluation of defined-benefit pension plans | -4.0 | 2.9 | -2.9 | 2.9 | 1.5 | -4.3 |
| | 16.3 | -9.7 | 12.6 | -9.7 | -4.9 | 17.4 |
| Items that have been or can be reclassified to net profit | | | | | | |
| Exchange differences arising on translation of foreign operations | 28.5 | -15.5 | 88.0 | -75.9 | -186.7 | -22.8 |
| | 28.5 | -15.5 | 88.0 | -75.9 | -186.7 | -22.8 |
| Other comprehensive income for the period, net of tax | 44.8 | -25.2 | 100.6 | -85.6 | -191.6 | -5.4 |
| Total comprehensive income for the period | 125.8 | 6.3 | 321.5 | -30.3 | -81.2 | 270.6 |
| Total comprehensive income attributable to: | | | | | | |
| The parent company's shareholders | 125.8 | 6.3 | 321.5 | -30.3 | -81.2 | 270.6 |

Consolidated statement of financial position in summary

| SEK million | Note | 30Sep 2021 | 30Sep 2020 | 31Dec 2020 |
|--|------|----------------|----------------|----------------|
| Assets | | | | |
| Goodwill | | 1,561.0 | 1,578.4 | 1,514.7 |
| Other intangible assets | | 433.7 | 423.5 | 418.6 |
| Tangible assets | | 299.2 | 315.6 | 299.2 |
| Right-of-use assets | | 209.4 | 236.0 | 214.4 |
| Long-term receivables | | 6.0 | 6.1 | 5.6 |
| Deferred tax assets | | 66.6 | 30.5 | 28.3 |
| Total fixed assets | | 2,575.9 | 2,590.1 | 2,480.8 |
| Inventories | | 616.5 | 564.0 | 483.9 |
| Accounts receivable | 4 | 552.4 | 515.6 | 477.0 |
| Other current receivables | 4 | 361.3 | 412.6 | 341.0 |
| Cash and cash equivalents | 4 | 481.8 | 420.9 | 466.8 |
| Total current assets | | 2,012.0 | 1,913.1 | 1,768.7 |
| Total assets | | 4,587.9 | 4,503.2 | 4,249.5 |
| Equity | | | | |
| | | 1,587.2 | 1,347.9 | 1,300.8 |
| Liabilities | | | | |
| Long-term interest-bearing liabilities | 4 | 1,345.6 | 1,569.8 | 1,536.7 |
| Long-term lease liabilities | 4 | 148.7 | 185.3 | 166.4 |
| Other long-term liabilities | 4 | 2.9 | 4.7 | 2.1 |
| Pension liabilities | | 105.0 | 161.2 | 151.1 |
| Other provisions | | 18.4 | 19.4 | 16.5 |
| Deferred tax liabilities | | 70.7 | 26.1 | 21.4 |
| Total long-term liabilities | | 1,691.3 | 1,966.5 | 1,894.2 |
| Current lease liabilities | 4 | 75.5 | 66.4 | 63.1 |
| Accounts payable | 4 | 410.2 | 340.2 | 334.5 |
| Other current liabilities | 4 | 781.1 | 714.4 | 605.0 |
| Provisions | | 42.6 | 67.8 | 51.9 |
| Total current liabilities | | 1,309.4 | 1,188.8 | 1,054.5 |
| Total liabilities | | 3,000.7 | 3,155.3 | 2,948.7 |
| Total equity and liabilities | | 4,587.9 | 4,503.2 | 4,249.5 |

Consolidated statement of changes in equity in summary

| SEK million | 30Sep 2021 | 30Sep 2020 | 31Dec 2020 |
|--|----------------|----------------|----------------|
| Opening balance at beginning of period | 1,300.8 | 1,378.2 | 1,382.0 |
| Net profit | 220.9 | 55.3 | 110.4 |
| Other comprehensive income | | | |
| Change in translation reserve for the period | 88.0 | -75.9 | -186.7 |
| Revaluation of defined-benefit pension plans, net of tax | 12.6 | -9.7 | -4.9 |
| Total other comprehensive income for the period | 100.6 | -85.6 | -191.6 |
| Total comprehensive income for the period | 321.5 | -30.3 | -81.2 |
| Transactions with group owners | | | |
| Dividend paid | -35.1 | - | - |
| Closing balance at end of period | 1,587.2 | 1,347.9 | 1,300.8 |

Consolidated cash flow statement in summary

| SEK million | Note | 1Jan-30Sep 2021 | 1Jan-30Sep 2020 | Fullyyear 2020 | Oct-Sep 12months |
|--|------|--------------------|--------------------|-------------------|---------------------|
| Operating profit | | 332.8 | 125.2 | 219.0 | 426.6 |
| Adjustment for: | | | | | |
| Depreciation and amortisation of fixed assets | | 127.8 | 126.7 | 165.6 | 166.7 |
| Other adjustments for non cash items | 7 | -38.1 | 39.7 | 23.1 | -54.7 |
| Interest received and paid including other financial items | | -30.9 | -42.0 | -57.4 | -46.3 |
| Taxes paid | | -70.9 | -57.4 | -67.1 | -80.6 |
| Cash flow from operating activities before changes in working capital | | 320.7 | 192.2 | 283.2 | 411.7 |
| Cash flow from changes in working capital | | 40.1 | -51.3 | 44.3 | 135.7 |
| Cash flow from operating activities | | 360.8 | 140.9 | 327.5 | 547.4 |
| Net investment in fixed assets | | -68.1 | -71.6 | -107.5 | -104.0 |
| Acquisitions | | - | -19.3 | -74.0 | -54.7 |
| Cash flow before financing activities | | 292.7 | 50.0 | 146.0 | 388.7 |
| Dividend paid | | -35.1 | - | - | -35.1 |
| Cash flow from other financing activities | | -261.4 | -61.8 | -79.0 | -278.6 |
| Cash flow for the period | | -3.8 | -11.8 | 67.0 | 75.0 |
| Cash and cash equivalents at beginning of period | | 466.8 | 445.3 | 445.3 | 420.9 |
| Translation differences | | 18.8 | -12.6 | -45.5 | -14.1 |
| Cash and cash equivalents at end of period | | 481.8 | 420.9 | 466.8 | 481.8 |

Income statement for the parent company in summary

| SEK million | 1 Jul-30 Sep | | 1 Jan-30 Sep | | Full year | Oct-Sep |
|--|--------------|--------------|--------------|--------------|---------------|---------------|
| | 2021 | 2020 | 2021 | 2020 | 2020 | 12 months |
| Netsales | 6.3 | 6.6 | 18.8 | 21.5 | 26.8 | 24.1 |
| Administrative expenses | -37.0 | -27.2 | -100.3 | -85.7 | -112.3 | -126.9 |
| Research and development expenses | 0.2 | - | -0.1 | -0.5 | -0.5 | -0.1 |
| Restructuring costs | - | -10.6 | - | -10.6 | -11.6 | -1.0 |
| Other operating revenue and expenses | - | -2.0 | 0.7 | -3.8 | -5.3 | -0.8 |
| Operating profit/loss | -30.5 | -33.2 | -80.9 | -79.1 | -102.9 | -104.7 |
| Result from investment in subsidiaries | 100.0 | - | 183.2 | - | 3.1 | 186.3 |
| Other financial items | -0.3 | -0.1 | -7.0 | -6.7 | -11.0 | -11.3 |
| Profit/loss after financial items | 69.2 | -33.3 | 95.3 | -85.8 | -110.8 | 70.3 |
| Appropriations | - | - | - | - | 39.0 | 39.0 |
| Profit/loss before tax | 69.2 | -33.3 | 95.3 | -85.8 | -71.8 | 109.3 |
| Taxes | 0.5 | 4.8 | 2.3 | 4.5 | 14.3 | 12.1 |
| Net profit/loss for the period | 69.7 | -28.5 | 97.6 | -81.3 | -57.5 | 121.4 |

Statement of comprehensive income for the parent company in summary

| SEK million | 1 Jul-30 Sep | | 1 Jan-30 Sep | | Full year | Oct-Sep |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2021 | 2020 | 2021 | 2020 | 2020 | 12 months |
| Net profit/loss | 69.7 | -28.5 | 97.6 | -81.3 | -57.5 | 121.4 |
| Other comprehensive income | - | - | - | - | - | - |
| Items that cannot be reclassified to net profit/loss | - | - | - | - | - | - |
| Items that have been or can be reclassified to net profit/loss | - | - | - | - | - | - |
| Other comprehensive income for the period, net of tax | - | - | - | - | - | - |
| Total comprehensive income for the period | 69.7 | -28.5 | 97.6 | -81.3 | -57.5 | 121.4 |

Balance sheet for the parent company in summary

| SEK million | 30 Sep 2021 | 30 Sep 2020 | 31 Dec 2020 |
|-------------------------------------|----------------|----------------|----------------|
| Assets | | | |
| Total fixed assets | 2,283.9 | 2,156.0 | 2,271.9 |
| Total current assets | 210.5 | 373.7 | 137.6 |
| Total assets | 2,494.4 | 2,529.7 | 2,409.5 |
| Shareholders' Equity | 922.9 | 836.6 | 860.4 |
| Liabilities | | | |
| Total long-term liabilities | 1,118.9 | 1,173.0 | 1,168.5 |
| Total current liabilities | 452.6 | 520.1 | 380.6 |
| Total liabilities | 1,571.5 | 1,693.1 | 1,549.1 |
| Total equity and liabilities | 2,494.4 | 2,529.7 | 2,409.5 |

Statement of changes in parent company shareholders' equity in summary

| SEK million | 30 Sep 2021 | 30 Sep 2020 | 31 Dec 2020 |
|--|----------------|----------------|----------------|
| Opening balance at beginning of period | 860.4 | 917.9 | 917.9 |
| Net profit/loss | 97.6 | -81.3 | -57.5 |
| Other comprehensive income | - | - | - |
| Total other comprehensive income for the period | - | - | - |
| Total comprehensive income for the period | 97.6 | -81.3 | -57.5 |
| Transactions with owners | | | |
| Dividend paid | -35.1 | - | - |
| Closing balance at end of period | 922.9 | 836.6 | 860.4 |

Pledged assets and contingent liabilities for the parent company

| SEK million | 30 Sep 2021 | 30 Sep 2020 | 31 Dec 2020 |
|------------------------|----------------|----------------|----------------|
| Pledged assets | none | none | none |
| Contingent liabilities | 355.2 | 434.6 | 416.5 |

Note 1: Accounting policies

This interim report is prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions of the Swedish Annual Accounts Act. The report for the parent company has been prepared in accordance with Swedish Annual Accounts Act chapter 9 and RFR 2. The same accounting policies and valuation principles as described in the latest annual report, see also page 81 of the 2020 Annual Report, have been applied both to the group and the parent company. None of the new or revised standards, interpretations and improvements adopted by the EU have had any material impact on Nederman group.

Note 2: Operating segment reporting

Segment reporting is based on reports submitted to the group's senior executives. Nederman group is divided into four operating segments; Nederman Extraction & Filtration Technology, Nederman Process Technology, Nederman Duct & Filter Technology and Nederman Monitoring & Control Technology, which are described further on pages 4-7. The division is based on technology, customers and business logic with the aim of increasing both growth and profitability through simple structures and clear focus. Non-allocated items refer mainly to costs relating to the parent company, Nederman Holding AB, which includes the central head office functions.

| | 1Jul-30Sep | | 1Jan-30Sep | | Fullyyear 2020 | Oct-Sep 12months |
|---|----------------|--------------|----------------|----------------|-------------------|---------------------|
| | 2021 | 2020 | 2021 | 2020 | | |
| Orderintake - External, SEKm | | | | | | |
| Nederman Extraction & Filtration Technology | 464.0 | 359.5 | 1,370.1 | 1,138.8 | 1,589.2 | 1,820.5 |
| Nederman Process Technology | 435.9 | 232.8 | 1,139.2 | 744.4 | 992.7 | 1,387.5 |
| Nederman Duct & Filter Technology | 141.7 | 92.1 | 366.3 | 301.4 | 402.6 | 467.5 |
| Nederman Monitoring & Control Technology | 136.3 | 142.9 | 395.4 | 377.3 | 495.7 | 513.8 |
| Total Nederman group | 1,177.9 | 827.3 | 3,271.0 | 2,561.9 | 3,480.2 | 4,189.3 |

| | 1Jul-30Sep | | 1Jan-30Sep | | Fullyyear 2020 | Oct-Sep 12months |
|---|----------------|--------------|----------------|----------------|-------------------|---------------------|
| | 2021 | 2020 | 2021 | 2020 | | |
| Totalsales, SEKm | | | | | | |
| Nederman Extraction & Filtration Technology | 441.3 | 356.5 | 1,281.3 | 1,211.8 | 1,648.8 | 1,718.3 |
| Nederman Process Technology | 361.4 | 266.1 | 894.0 | 874.8 | 1,136.8 | 1,156.0 |
| Nederman Duct & Filter Technology | 143.3 | 105.7 | 403.0 | 352.2 | 457.9 | 508.7 |
| Nederman Monitoring & Control Technology | 123.1 | 115.3 | 381.5 | 354.8 | 506.9 | 533.6 |
| Elimination | -23.6 | -17.8 | -69.5 | -58.9 | -75.6 | -86.2 |
| Total Nederman group | 1,045.5 | 825.8 | 2,890.3 | 2,734.7 | 3,674.8 | 3,830.4 |

| | 1Jul-30Sep | | 1Jan-30Sep | | Fullyyear 2020 | Oct-Sep 12months |
|---|--------------|-------------|--------------|--------------|-------------------|---------------------|
| | 2021 | 2020 | 2021 | 2020 | | |
| Adjusted EBITA, SEKm | | | | | | |
| Nederman Extraction & Filtration Technology | 81.5 | 48.6 | 226.6 | 156.1 | 221.7 | 292.2 |
| Nederman Process Technology | 19.5 | 14.0 | 27.9 | 49.0 | 58.1 | 37.0 |
| Nederman Duct & Filter Technology | 29.0 | 14.4 | 79.6 | 43.1 | 63.9 | 100.4 |
| Nederman Monitoring & Control Technology | 26.2 | 22.4 | 79.6 | 60.5 | 94.6 | 113.7 |
| Other - non-allocated | -19.8 | -20.6 | -63.0 | -62.1 | -86.0 | -86.9 |
| Total Nederman group | 136.4 | 78.8 | 350.7 | 246.6 | 352.3 | 456.4 |

| | 1Jul-30Sep | | 1Jan-30Sep | | Fullyyear 2020 | Oct-Sep 12months |
|---|--------------|-------------|--------------|-------------|-------------------|---------------------|
| | 2021 | 2020 | 2021 | 2020 | | |
| Adjusted EBITA margin | | | | | | |
| Nederman Extraction & Filtration Technology | 18.5% | 13.6% | 17.7% | 12.9% | 13.4% | 17.0% |
| Nederman Process Technology | 5.4% | 5.3% | 3.1% | 5.6% | 5.1% | 3.2% |
| Nederman Duct & Filter Technology | 20.2% | 13.6% | 19.8% | 12.2% | 14.0% | 19.7% |
| Nederman Monitoring & Control Technology | 21.3% | 19.4% | 20.9% | 17.1% | 18.7% | 21.3% |
| Total Nederman group | 13.0% | 9.5% | 12.1% | 9.0% | 9.6% | 11.9% |

Note 3: Allocation of sales

1 Jul-30 Sep 2021

| Totalsalesbysegmentandsalestype | Productsales | Solutionsales | Serviceand aftermarket | Total |
|---|--------------|---------------|---------------------------|----------------|
| NedermanExtraction&FiltrationTechnology | 180.5 | 181.7 | 79.1 | 441.3 |
| NedermanProcessTechnology | - | 266.7 | 94.7 | 361.4 |
| NedermanDuct&FilterTechnology | 133.9 | 7.2 | 2.2 | 143.3 |
| NedermanMonitoring&ControlTechnology | 107.3 | 0.3 | 15.5 | 123.1 |
| Elimination | -10.0 | -10.7 | -2.9 | -23.6 |
| TotalNedermangroup | 411.7 | 445.2 | 188.6 | 1,045.5 |

1 Jul-30 Sep 2020

| Totalsalesbysegmentandsalestype | Productsales | Solutionsales | Serviceand aftermarket | Total |
|---|--------------|---------------|---------------------------|--------------|
| NedermanExtraction&FiltrationTechnology | 132.7 | 156.1 | 67.7 | 356.5 |
| NedermanProcessTechnology | 0.1 | 186.3 | 79.7 | 266.1 |
| NedermanDuct&FilterTechnology | 97.3 | 6.2 | 2.2 | 105.7 |
| NedermanMonitoring&ControlTechnology | 101.7 | - | 13.6 | 115.3 |
| Elimination | -6.4 | -7.2 | -4.2 | -17.8 |
| TotalNedermangroup | 325.4 | 341.4 | 159.0 | 825.8 |

1 Jan-30 Sep 2021

| Totalsalesbysegmentandsalestype | Productsales | Solutionsales | Serviceand aftermarket | Total |
|---|----------------|----------------|---------------------------|----------------|
| NedermanExtraction&FiltrationTechnology | 521.9 | 516.9 | 242.5 | 1,281.3 |
| NedermanProcessTechnology | - | 636.8 | 257.2 | 894.0 |
| NedermanDuct&FilterTechnology | 372.8 | 22.5 | 7.7 | 403.0 |
| NedermanMonitoring&ControlTechnology | 335.2 | 3.6 | 42.7 | 381.5 |
| Elimination | -28.8 | -29.9 | -10.8 | -69.5 |
| TotalNedermangroup | 1,201.1 | 1,149.9 | 539.3 | 2,890.3 |

1 Jan-30 Sep 2020

| Totalsalesbysegmentandsalestype | Productsales | Solutionsales | Serviceand aftermarket | Total |
|---|----------------|----------------|---------------------------|----------------|
| NedermanExtraction&FiltrationTechnology | 478.5 | 513.9 | 219.4 | 1,211.8 |
| NedermanProcessTechnology | 0.2 | 620.4 | 254.2 | 874.8 |
| NedermanDuct&FilterTechnology | 322.4 | 21.7 | 8.1 | 352.2 |
| NedermanMonitoring&ControlTechnology | 319.2 | - | 35.6 | 354.8 |
| Elimination | -23.3 | -23.7 | -11.9 | -58.9 |
| TotalNedermangroup | 1,097.0 | 1,132.3 | 505.4 | 2,734.7 |

Full year 2020

| Totalsalesbysegmentandsalestype | Productsales | Solutionsales | Serviceand aftermarket | Total |
|---|----------------|----------------|---------------------------|----------------|
| NedermanExtraction&FiltrationTechnology | 650.8 | 693.3 | 304.7 | 1,648.8 |
| NedermanProcessTechnology | 0.2 | 811.6 | 325.0 | 1,136.8 |
| NedermanDuct&FilterTechnology | 420.0 | 27.8 | 10.1 | 457.9 |
| NedermanMonitoring&ControlTechnology | 454.5 | 4.3 | 48.1 | 506.9 |
| Elimination | -30.3 | -30.8 | -14.5 | -75.6 |
| TotalNedermangroup | 1,495.2 | 1,506.2 | 673.4 | 3,674.8 |

Uppfyllande av prestationsåttagande vid försäljning av produkter och service och eftermarknad sker vid en given tidpunkt, vilket är den tidpunkt då kontroll överförs till kunden. Avseende intäkter från lösningar, i form av projektförsäljning, uppfylls prestationsåttagande över tid. Intäkterna redovisas i takt med projektens genomförande.

Note 4: Fair value and reported value in the statement of financial position

| SEK million | Measured at fair value via income statement | Derivatives that are used for hedge accounting | Financial instruments not reported at fair value | Total carrying amount |
|---|---|--|--|-----------------------|
| Accounts receivable | - | - | 552.4 | 552.4 |
| Foreign exchange forward contracts entered* | 0.1 | - | - | 0.1 |
| Other current receivables | - | - | 245.7 | 245.7 |
| Cash and cash equivalents | - | - | 481.8 | 481.8 |
| Total | 0.1 | - | 1,279.9 | 1,280.0 |
| Leasing liabilities | - | - | 224.2 | 224.2 |
| Bank loans | - | - | 1,345.6 | 1,345.6 |
| Accounts payable | - | - | 410.2 | 410.2 |
| Other long-term liabilities | - | - | 2.9 | 2.9 |
| Other current liabilities | - | - | 707.1 | 707.1 |
| Total | - | - | 2,690.0 | 2,690.0 |

* The Group holds financial instruments in the form of currency futures that are recorded at fair value in the balance sheet. The fair value of currency futures is determined by discounting the difference between the contracted forward rate and the forward rate that can be subscribed on the closing date for the remaining contracted period. Discounting is made using market rates. The fair value for all contracts has been determined from directly or indirectly observable market data, i.e. level 2 according to IFRS 13. For other financial instruments, the fair value and the book value are materially consistent. For further information, refer to note 26 in the 2020 Annual Report.

Note 5: Transactions with related parties

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 year. Further, no group company has 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.

Note 6: Government grants

In 2021, government grants amounting to SEK 5.2m (24.7) were received and recognised in the income statement. Government grants were mainly received from European government bodies and primarily pertain to assistance for short-time work relating to COVID-19.

Note 7: Discontinuation of defined-benefit pension plan

The Group's defined-benefit pension plan in Norway was discontinued during the second quarter of 2021 and has transitioned in its entirety to become a defined-contribution pension plan. At the time of the transition, net debt amounted to SEK 29.0m. Accordingly, this discontinuation means that the Group's pension liability has been reduced by SEK 29.0m and the earnings impact from the discontinuation was recognised in a corresponding amount as Other operating income. The transaction did not impact cash flow.

Note 8: 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 to previous periods. See page 25 for definitions.

The following underlying business measures are used:

| | | |
|---------------------------|------------------------|-----------------------------|
| Adjusted operating profit | Adjusted EBITDA | Return on operating capital |
| Adjusted operating margin | Adjusted EBITDA margin | Net debt/Adjusted EBITDA |
| EBITA | Equity/asset ratio | Interest Cover Ratio |
| Adjusted EBITA | Net debt | Order growth |
| Adjusted EBITA margin | Net debt/equity ratio | Sales growth |
| EBITDA | Return on equity | |

| SEK million | 1 Jul-30 Sep | | 1 Jan-30 Sep | | Full year | Oct-Sep |
|---|--------------|--------------|--------------|--------------|--------------|--------------|
| | 2021 | 2020 | 2021 | 2020 | 2020 | 12 months |
| Operating profit | 119.3 | 63.3 | 332.8 | 125.2 | 219.0 | 426.6 |
| Acquisition cost | 0.2 | 0.2 | 0.5 | 1.4 | 1.6 | 0.7 |
| Restructuring costs | - | - | - | 75.0 | 75.0 | - |
| Discontinuation of defined-benefit pension plan | - | - | -29.0 | - | - | -29.0 |
| Adjusted operating profit | 119.5 | 63.5 | 304.3 | 201.6 | 295.6 | 398.3 |
| Adjusted operating profit | 119.5 | 63.5 | 304.3 | 201.6 | 295.6 | 398.3 |
| Netsales | 1,045.5 | 825.8 | 2,890.3 | 2,734.7 | 3,674.8 | 3,830.4 |
| Adjusted operating margin | 11.4% | 7.7% | 10.5% | 7.4% | 8.0% | 10.4% |
| Operating profit | 119.3 | 63.3 | 332.8 | 125.2 | 219.0 | 426.6 |
| Amortisation intangible assets | 16.9 | 15.3 | 46.4 | 45.0 | 56.7 | 58.1 |
| EBITA | 136.2 | 78.6 | 379.2 | 170.2 | 275.7 | 484.7 |
| EBITA | 136.2 | 78.6 | 379.2 | 170.2 | 275.7 | 484.7 |
| Acquisition cost | 0.2 | 0.2 | 0.5 | 1.4 | 1.6 | 0.7 |
| Restructuring costs | - | - | - | 75.0 | 75.0 | - |
| Discontinuation of defined-benefit pension plan | - | - | -29.0 | - | - | -29.0 |
| Adjusted EBITA | 136.4 | 78.8 | 350.7 | 246.6 | 352.3 | 456.4 |
| Adjusted EBITA | 136.4 | 78.8 | 350.7 | 246.6 | 352.3 | 456.4 |
| Netsales | 1,045.5 | 825.8 | 2,890.3 | 2,734.7 | 3,674.8 | 3,830.4 |
| Adjusted EBITA margin | 13.0% | 9.5% | 12.1% | 9.0% | 9.6% | 11.9% |
| Operating profit | 119.3 | 63.3 | 332.8 | 125.2 | 219.0 | 426.6 |
| Depreciation and amortisation | 45.4 | 41.5 | 127.8 | 126.7 | 165.6 | 166.7 |
| EBITDA | 164.7 | 104.8 | 460.6 | 251.9 | 384.6 | 593.3 |
| EBITDA | 164.7 | 104.8 | 460.6 | 251.9 | 384.6 | 593.3 |
| Acquisition cost | 0.2 | 0.2 | 0.5 | 1.4 | 1.6 | 0.7 |
| Restructuring costs | - | - | - | 75.0 | 75.0 | - |
| Discontinuation of defined-benefit pension plan | - | - | -29.0 | - | - | -29.0 |
| Adjusted EBITDA | 164.9 | 105.0 | 432.1 | 328.3 | 461.2 | 565.0 |
| Adjusted EBITDA | 164.9 | 105.0 | 432.1 | 328.3 | 461.2 | 565.0 |
| Netsales | 1,045.5 | 825.8 | 2,890.3 | 2,734.7 | 3,674.8 | 3,830.4 |
| Adjusted EBITDA margin | 15.8% | 12.7% | 15.0% | 12.0% | 12.6% | 14.8% |

Note 8: Alternative performance measures, cont'd

| SEK million | 1Jul-30Sep | | 1Jan-30Sep | | Full year 2020 | Oct-Sep 12 months |
|--|--------------|-------------|--------------|-------------|-------------------|----------------------|
| | 2021 | 2020 | 2021 | 2020 | | |
| Equity - Closing balance | | | | | 1,300.8 | 1,587.2 |
| Total assets (balancesheet total) | | | | | 4,249.5 | 4,587.9 |
| Equity/asset ratio | | | | | 30.6% | 34.6% |
| Cash and cash equivalents | | | | | 466.8 | 481.8 |
| Long-term interest-bearing liabilities | | | | | 1,536.7 | 1,345.6 |
| Long-term lease liabilities | | | | | 166.4 | 148.7 |
| Pension liabilities | | | | | 151.1 | 105.0 |
| Current lease liabilities | | | | | 63.1 | 75.5 |
| Net debt | | | | | 1,450.5 | 1,193.0 |
| Net debt | | | | | 1,450.5 | 1,193.0 |
| Equity - Closing balance | | | | | 1,300.8 | 1,587.2 |
| Net debt/equity ratio | | | | | 111.5% | 75.2% |
| Equity - Opening balance | 1,496.5 | 1,341.6 | 1,300.8 | 1,378.2 | 1,382.0 | 1,347.9 |
| Equity - Closing balance | 1,587.2 | 1,347.9 | 1,587.2 | 1,347.9 | 1,300.8 | 1,587.2 |
| Equity - average | 1,541.9 | 1,344.8 | 1,444.0 | 1,363.1 | 1,341.4 | 1,467.6 |
| Net profit | 81.0 | 31.5 | 220.9 | 55.3 | 110.4 | 276.0 |
| Return on equity | 21.0% | 9.4% | 20.4% | 5.4% | 8.2% | 18.8% |
| Equity - average | 1,541.9 | 1,344.8 | 1,444.0 | 1,363.1 | 1,341.4 | 1,467.6 |
| Net Debt - opening balance | 1,242.5 | 1,594.5 | 1,450.5 | 1,564.1 | 1,564.1 | 1,561.8 |
| Net Debt - closing balance | 1,193.0 | 1,561.8 | 1,193.0 | 1,561.8 | 1,450.5 | 1,193.0 |
| Net Debt - average | 1,217.8 | 1,578.2 | 1,321.8 | 1,563.0 | 1,507.3 | 1,377.4 |
| Operating capital - average | 2,759.7 | 2,923.0 | 2,765.8 | 2,926.1 | 2,848.7 | 2,845.0 |
| Adjusted operating profit | 119.5 | 63.5 | 304.3 | 201.6 | 295.6 | 398.3 |
| Return on operating capital | 17.3% | 8.7% | 14.7% | 9.2% | 10.4% | 14.0% |
| Net debt | | | | | 1,450.5 | 1,193.0 |
| Adjusted EBITDA | | | | | 461.2 | 565.0 |
| Net debt/Adjusted EBITDA, multiple | | | | | 3.1 | 2.1 |
| Profit before tax | | | | | 148.5 | 373.1 |
| Financial expense | | | | | 71.7 | 55.4 |
| Acquisition cost | | | | | 1.6 | 0.7 |
| Restructuring costs | | | | | 75.0 | - |
| Discontinuation of defined-benefit pension plan | | | | | - | -29.0 |
| EBT excluding financial expenses, acquisition costs, restructuring costs and discontinuation of defined-benefit pension plan | | | | | 296.8 | 400.2 |
| Financial expense | | | | | 71.7 | 55.4 |
| Interest cover ratio, multiple | | | | | 4.1 | 7.2 |

Note 8: Alternative performance measures, cont'd

| SEKmillion | 1Jul-30Sep | | 1Jan-30Sep | | Fullyear |
|---|----------------|---------------|----------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 | 2020 |
| Incoming orders, same period in previous year | 827.3 | 964.6 | 2,561.9 | 3,027.7 | 4,168.4 |
| Change in incoming orders, organic | 373.1 | -135.8 | 914.5 | -588.0 | -831.6 |
| Change in incoming orders, currency effects | -22.5 | -83.5 | -205.4 | -86.3 | -116.2 |
| Change in incoming orders, acquisitions | - | 82.0 | - | 208.5 | 259.6 |
| Incoming orders | 1,177.9 | 827.3 | 3,271.0 | 2,561.9 | 3,480.2 |
| Order growth, organic | 45.1% | -14.1% | 35.7% | -19.4% | -19.9% |
| Order growth, currency effects | -2.7% | -8.6% | -8.0% | -2.9% | -2.8% |
| Order growth, acquisitions | - | 8.5% | - | 6.9% | 6.2% |
| Order growth | 42.4% | -14.2% | 27.7% | -15.4% | -16.5% |
| Netsales, comparative period previous year | 825.8 | 1,088.6 | 2,734.7 | 3,221.2 | 4,307.7 |
| Change in net sales, organic | 233.7 | -236.8 | 335.3 | -585.9 | -755.4 |
| Change in net sales, currency effects | -14.0 | -88.4 | -179.7 | -89.5 | -122.6 |
| Change in net sales, acquisitions | - | 62.4 | - | 188.9 | 245.1 |
| Netsales | 1,045.5 | 825.8 | 2,890.3 | 2,734.7 | 3,674.8 |
| Sales growth, organic | 28.3% | -21.7% | 12.3% | -18.2% | -17.5% |
| Sales growth, currency effects | -1.7% | -8.1% | -6.6% | -2.8% | -2.9% |
| Sales growth, acquisitions | - | 5.7% | - | 5.9% | 5.7% |
| Sales growth | 26.6% | -24.1% | 5.7% | -15.1% | -14.7% |

Note 9: Risks and uncertainties

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. Nederman group's risks are organised into four categories: Strategic risks, Operating risks, Compliance risks and Financial risks. For a more detailed description of these risks, refer to the Risk management section on pages 66-67 and in note 3 of the Nederman group's 2020 Annual and Sustainability Report.

Review report

Nederman Holding AB (publ), corporate identity number 556576-4205

TO THE BOARD OF DIRECTORS

Introduction

We have reviewed the condensed interim report for Nederman Holding AB (publ) as at September 30, 2021 and for the nine months period then ended. The Board of Directors and the Managing Director are responsible for the preparation and presentation of this interim report in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410 Review of Interim Financial Statements Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on

Auditing and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act regarding the Group, and in accordance with the Swedish Annual Accounts Act regarding the Parent Company.

Helsingborg, October 22, 2021

Ernst & Young AB

Staffan Landén

Authorized Public Accountant

Definitions

ADJUSTED EBITA

Operating profit before amortisation and impairment loss of intangible assets, excluding acquisition and restructuring costs.

ADJUSTED EBITA MARGIN

Adjusted EBITA as percentage of net sales.

ADJUSTED EBITDA

Operating profit before depreciation/amortisation and impairment loss, excluding acquisition and restructuring costs.

ADJUSTED EBITDA MARGIN

Adjusted EBITDA as percentage of net sales.

ADJUSTED OPERATING MARGIN

Adjusted operating profit as percentage of net sales.

ADJUSTED OPERATING PROFIT

Operating profit excluding acquisition and restructuring costs.

ANNUAL AVERAGE

Average of opening and closing balance.

CURRENCY-NEUTRAL GROWTH

Currency-neutral growth is the growth rate that does not come from currency effects, compared with the corresponding period in the previous year.

EARNINGS PER SHARE (AFTER DILUTION)

Net profit attributable to Parent Company shareholders in relation to average number of share outstanding plus average number of convertibles and options, as calculated in accordance with IAS 33.

EARNINGS PER SHARE (BEFORE DILUTION)

Net profit attributable to Parent Company shareholders divided by average number of shares outstanding.

EBITA

Operating profit before amortisation and impairment loss of intangible assets.

EBITA MARGIN

EBITA in percentage of sales.

EBITDA

Operating profit before depreciation/amortisation and impairment loss.

EBITDA MARGIN

EBITDA as a percentage of net sales.

EQUITY RATIO

Equity divided by total assets (balance sheet total).

INTEREST COVER RATIO

Profit before tax with return of financial expenses in relation to financial expenses.

NET DEBT

Interest-bearing liabilities (including pensions) minus cash and cash equivalents.

NET DEBT/EQUITY RATIO

Net debt divided by shareholders' equity.

OPERATING CAPITAL

Shareholders' equity plus net debt.

OPERATING MARGIN

Operating profit as percentage of net sales.

OPERATING PROFIT/LOSS

Operating profit after depreciation/amortisation and impairment loss.

ORGANIC GROWTH

Organic growth is the growth rate that does not come from acquisitions and currency effects, compared with the corresponding period in the previous year.

RETURN ON EQUITY

Net profit for the period divided by average shareholders' equity.

RETURN ON OPERATING CAPITAL

Adjusted operating profit as a percentage of average operating capital.

Financial calendar

INVITATION TO TELEPHONE CONFERENCE

A telephone conference regarding the report will be held, in English, today, Friday 22 October 2021 at 10.00. Nederman's President and CEO, Sven Kristensson and CFO, Matthew Cusick will present the report and answer questions

To participate in the conference please call

SE: +46 8 5055 8357
UK: +44 33 3300 9271
US: +1 646 722 4903

To participate in the webcast

The conference will also be streamed over the internet.

Visit our website to participate in the webcast.

www.nedermangroup.com/en/investors/reports/webcast

FINANCIAL CALENDAR

| | |
|--------------------------|------------------|
| • Year-end report | 15 February 2022 |
| • Interim report 1 | 22 April 2022 |
| • Annual General Meeting | 25 April 2022 |
| • Interim report 2 | 15 July 2022 |
| • Interim report 3 | 24 October 2022 |
| • Year-end report | 16 February 2023 |

This report contains forward-looking statements that are based on the current expectations of Nederman's management. Although management believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove correct. Accordingly, results could differ materially from those implied in the forward-looking statements as a result of, among other factors, changes in economic, market and competitive conditions, changes in the regulatory environment and other government actions, fluctuations in exchange rates and other factors.

Nederman is required to disclose the information provided herein according to the Swedish Securities Exchange and Clearing Operations Act and/or the Financial Instrument Trading Act. The information has been made public at 08.00 CET on 22 October 2021 kl 08.00.

FURTHER INFORMATION CAN BE OBTAINED FROM

Sven Kristensson, CEO
Telephone +46 (0)42-18 87 00
e-mail: sven.kristensson@nederman.com

Matthew Cusick, CFO
Telephone +46 (0)42-18 87 00
e-mail: matthew.cusick@nederman.com

For further information, see Nederman's website

www.nedermangroup.com

ADDRESS

Nederman Holding AB (publ),
Box 602, 251 06 Helsingborg, Sweden
Telephone +46 (0)42-18 87 00
Swedish corporate identity no.: 556576-4205

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A global group

Nederman is one of the world's leading developers of products and solutions for advanced air filtration in demanding industrial environments. Our offering comprises individual products, complete solutions, project design, installation, commissioning and service. We protect people, planet and production.

Our head office is located in Helsingborg and we currently have about 2,100 employees, with manufacturing in 13 countries and sales in more than 60 markets through our own sales organisation, agents or resellers.

COMPETITIVE PRODUCTS

All of Nederman's products are developed for the purpose of promoting health and safety, enhancing production efficiency and minimising the customers' environmental impact. Today, we are leaders in the development of digital products and solutions to safeguard the future for our customers in energy use, recycling and compliance with regulatory requirements. Sales of individual products, small and medium-sized systems, and major system solutions with a high degree of customisation comprise the majority of the Group's sales. The sale of products and solutions provides a broad customer base that drives our service sales.

FULL-SERVICE OFFERING

A key feature of our offering is the ability to guarantee our customers the highest possible availability for their solutions. Our starting point is that we must be the alternative that offers the customer the lowest total cost over the life cycle of the solution. In addition to high-quality products, this means that we offer qualified service with a high level of availability to ensure continuous operation. The offering includes technical service, service contracts, spare parts and consumables.

Service sales are a priority area. In 2020, service grew and made up 18% of total sales.

MARKET-LEADING POSITIONS

Since establishment, Nederman has developed a broad and competitive product programme. This programme, combined with a comprehensive sales network and significant investments in new technology, is the foundation for our leading position in a global market. Size and market breadth give us economies of scale in terms of product development, purchasing and production. Nederman is already the segment leader in EMEA, but is now also second-largest in the vital Americas market and in the top five in APAC. This provides a strong platform on which to build further.

STRONG BRANDS

Today, Nederman addresses its market with a strong portfolio of brands. Our strategy is that each individual brand is to bring cutting-edge competence to the Group in a specific product area or market segment. Accordingly, we have the possibility to meet many different customer needs and market segments, in both mature and emerging markets. In recent years, we have devoted a great deal of energy in the brands NEO Monitors and Auburn FilterSense as a base for the development of an entirely new digital offering, which will secure the Group's future positions. The brand portfolio is continuously evaluated, while we simultaneously actively analyse potential acquisitions.